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TORONTO, FRIDAY, JANUARY 22, 1897.

THE SITUATION.

During the tariff enquiry at Quebec, M. Felix Gourdeau made a strong indictment of the Tanners' Association. He charged it with ruining individual traders, who desiring personal liberty of action, refuse to join its ranks. He went farther, and stated that the object was to ruin independent traders, to enable the Association to raise prices to the American level, with duty added. This, if true, would be in accordance with the characteristic methods of all combines which make use of destructive weapons. M. Gourdeau asked the Government to make the law effective, to put down such combines. It is, perhaps, doubtful whether, as it stands, the law would prove effective in such cases. Where, as here, the method resorted to is that of a discount of five or any other per cent. given to buyers who deal with the association only, some American decisions seem to show that this form of combine is not illegal, in certain of the neighboring States. The wording of the Anti-Combine law there may not be the same as it is here, and a different conclusion might be reached by our Courts. The Government at Ottawa is bound to try conclusions with some of the conspicuous combines.

If it be borne in mind that the declared policy of the Government is to look solely to revenue in reforming the tariff, the difficulty of the task becomes plain when their attitude is contrasted with that of appellants, suppliants and protestors before the commission. Seldom does anyone who presents his views to the commission, approach the subject from the point of view that revenue is the chief object of a tariff. This is almost universally true of all who protest against any lowering of duties, or who ask higher; and it is not seldom true of those who ask a reduction of duties in the interest of commerce; only now and then does anyone look to revenue only as the object of his observations. At Quebec, up to the time of the visit of the commissioners there, the witnesses showed that there are two sides to the question. Quebec is a city whose commerce is ocean-borne, and that commerce can be injuriously affected by ultra revenue duties. This is felt, and the feeling finds expression in deprecation of what the commission had previously held, commended, extolled, implored.

There is another way besides the character of the vessels in which the trip across the Atlantic will shortly be abridged, lessening the voyage more than any form or character of vessels could alone do it. The railway across Newfoundland, from east to west, with St. John's at one end and Port au Basque at the other, is approaching completion. In connection with this road, Sydney, Cape Breton, will have steamboats, one of which is now being built at a cost of $260,000. The steamboat lines which sail from New York to Europe, as well as Canadian vessels, will have to utilize the railway, or be left behind in the race. If a gain of anything like what is expected be made by the railway, in shortening the trip across the Atlantic, it will be simply impossible for any line of steamers in a position to make a great gain by use of the railway connection not to avail itself of the advantage. Old salts, once aboard, would perhaps prefer to stick to the steamer all the way across; but there must be a large proportion of passengers who would prefer to divide the voyage by making use of the Newfoundland railway.

Fervent self-congratulation is being expressed in the name of the United States over the fact that the foreign trade of the Republic shows a balance of exports over imports of $306,315,032 in the year 1896, the largest on record. It is a cause of congratulation, not only for the United States, but also for their foreign creditors. The main significance of the fact is that this state of the foreign trade shows that the Americans owe heavy debts abroad, and that to pay the interest on these it was necessary to despatch a large excess of exports over imports. It is subject of congratulation to the debtors that they have been able to pay, as it is to the creditors who received their dues. Yet there are people who suppose that the excess of imports over exports is in itself a cause for congratulation, and that, in some mysterious way, giving more than you get in return is the way for a nation to get rich.

In laying the Report of the American Commissioners on Deep Waterways before Congress, President Cleveland suggests the propriety of making such provision for the continuance of their work as will develop a complete scheme. The commissioners report separately, leaving their Canadian colleagues to report to their own government. They tell us, in unrestricted terms, that any scale of navigation that may be desired between the great lakes can be attained. Preferably they mention a channel of 28 feet. A ship canal to overcome the Falls of Niagara, on the American side, is proposed from Tonawanda to Olcott (Lake Ontario), and that this should be the part of the works first undertaken. One result would be that our Welland Canal would then become out of date, and the Americans, in a supposable contingency, would be supreme on the great lakes. Considering the vast superiority of American tonnage on the lakes, the relative conditions, in any event, would not be so greatly altered as might be supposed. The report of the American commissioners, dealing mainly with the American side of the question, it is impossible to understand the whole scheme until our part of it is presented. The American plan contemplates a connection, *via* Lake Champlain and the Hudson River, to the American seaboard. The project is too vast to justify the prospect of its speedy completion, or, perhaps, its being speedily undertaken.

All is not plain sailing with the arbitration treaty between Great Britain and the United States in the Senate at Washington. Before any debate upon it took place all sorts of unexpected grounds of opposition were whispered.