

movement, will be inclined to answer this question in the negative. The dispute is, in either of the two aspects which it presents, one of wages. Without pretending to judge what the lumbermen are able to pay, few will have any difficulty in arriving at the conclusion that either of the figures mentioned signify low wages for heavy work of this kind. Rightly or wrongly, public sympathy would be likely to be on the side of the workmen, under the circumstances.

INTERNATIONAL USE OF CANALS.

Once more the threat comes that, in the name or under the pretence of retaliation, the use of the Sault Ste. Marie Canal will no longer be permitted to Canadians on the same terms that its use is enjoyed by Americans. The ground of the retaliation is the alleged discrimination against the United States in the use of the Canadian canals. As a matter of strict right the American Government can discriminate against Canadian vessels passing through the Sault Canal without finding it necessary to justify itself, or founding its act upon any provocation to retaliation. The clause of the Treaty of Washington which relates to the international use of the canals of the two countries is in these terms:

"The Government of Her Britannic Majesty engages to urge upon the Government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence and other canals in the Dominion on terms of equality with the inhabitants of the Dominion; and the Government of the United States engages that the subjects of Her Britannic Majesty shall enjoy the use of the St. Clair Flats Canal on terms of equality with the inhabitants of the United States, and further engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty the use of the several State canals connected with the navigation of the lakes or rivers traversed by or contiguous to the boundary line between the possessions of the High Contracting parties, on terms of equality with the inhabitants of the United States."

The complaint is made that Canada has not carried out her engagement in good faith, but that she has discriminated against the United States in connection with the use of the Welland and St. Lawrence Canals. What she has done is this: she allows a rebate of eighteen-twentieths of the tolls paid on the Welland Canal, when the vessel which has paid them proceeds through the St. Lawrence Canals also; otherwise, when a vessel passes through the Welland Canal only, no rebate is made. The conditions for American and Canadian vessels are equal; rebate is given or refused to one or the other on the same grounds. And in point of fact, Canadian vessels pay full tolls on the Welland Canal and obtain no rebate; this is true of all vessels which use that canal only and do not proceed to pass through the St. Lawrence Canals as well. The discrimination is in favor of the St. Lawrence route, but not against American vessels, for that route is equally open to Americans and Canadians.

The freedom of the navigation of the St. Lawrence River was much coveted by the Americans before it was conceded; and the natural conclusion was that it would be highly valued. They have the option of using it or not; and when they elect not to do so, they exercise the right of choice. Canadians practically have no such choice. They are confined, in their navigation, to the St. Lawrence route. The corresponding right of using the Erie Canal is in practice no right at all. A Canadian barge could pass through the New York canals, but when it got to the Hudson River, it is not allowed to make use of that stream. By the ruling of the National Government of the Republic this liberty is denied; and the denial takes all value from the right to use the State canals. Strictly speaking, the American Government had the right to exclude our craft from the Hudson. But if it had desired that we should benefit by the reciprocal right of canal navigation, the Republic would have extended to Canada the liberty of navigating the Hudson River, in this connection. True we could not set up a claim of right to this navigation; but as it is the complement of the canal navigation, the latter is of no value without it. As a matter of fact, the State canals of New York are not used by Canadian craft. For us the choice of an alternative route does not exist; but to Americans such a choice is open and in point of fact exercised.

There is no legitimate ground of retaliation in the working of the Canadian canals. No doubt it is open to the United States to charge Canadians tolls on the Sault Ste. Marie Canal. But the Republic has not hitherto done so, and there is nothing in our canal policy to justify a change of policy on her part. There is no wrong on our part to retaliate. The Treaty of Washington is twenty years old; our canal policy, as it exists to-day, has existed many years; it is no more objectionable to-day than it has been for a long period, during which no attempt to act upon alleged grounds of retaliation has been made. If the threat which is now heard were carried into effect, the only result would be to stimulate Canada to hasten the completion of her independent means of communication between Lakes Huron and Superior.

ENGLISH OPINION ON COLONIAL RECIPROCITY.

We find in the London *Economist* of April 30th, an article on the motion recently passed in the Canada House of Commons to the effect that when the products of the Dominion are admitted to British markets on more favorable terms than those of foreign countries, Canada will be prepared to grant corresponding advantages in the shape of reductions of duties upon British goods. This resolution the Hon. G. Foster, on behalf of the Government, characterised as a message of goodwill to the mother land, and the *Economist* declares no friendly overtures which the colonies may make to the old country can ever fail to meet with a sympathetic response.

"But, however highly we may appreciate the kindly feeling that has dictated this offer, it is unfortunately one with which it is impossible for us to close. In no fault-finding spirit we would point out in the first place that the form of fiscal reciprocity proposed is very one-sided. On our side we now admit Canadian products free of duty, whereas Canada levies upon British goods import duties, averaging from 20 to 25 per cent. of their value. If, then, our trade relations are to be re-adjusted on the basis of granting corresponding advantages to one another, it is Canada and not this country that should make concessions. It is no answer to this to say that Canada cannot afford to dispense with her Customs revenue. What is the object with which reciprocal concessions are proposed? It is that our goods may obtain such a preference in Canadian markets, and their goods such a preference in ours, as will enable them then to oust competing foreign products. And that being so, if the scheme operated, as is intended, the Canadian Customs revenue would almost be as greatly reduced as by the adoption of general free trade, for the British goods admitted free of duty would displace the foreign goods on which duties continued to be levied.

"It may be argued, however, that the practical abolition of the Canadian duties in a way which would give our goods a preferential position in the markets of the Dominion would be more advantageous to us than a reduction which applied to all imports alike, and so benefited our competitors as well as ourselves; and similarly that Canada, if she gained a preferential position here, would receive an equivalent for her loss of Customs revenue, which she would not obtain by a more general reduction or remission of duties. But without touching upon the general economic advantages of free trade, we take leave to doubt whether the system of discriminating duties would benefit Canada. In our opinion, for her to institute a tariff war, say, with her great neighbor, the United States, would be an act of folly, and if any attempt were made to give effect to the policy embodied in the motion which the Canadian Parliament has adopted, this, we think, would be very speedily realized. There are measures of reprisal which the States could adopt very much to the detriment of the Dominion. But whatever may be the case as regards Canada, there can be no doubt that for us the policy recommended would be suicidal. Take simply the trade between us and the colony. In the year 1890, which is the latest for which there are complete details, we imported from Canada goods to the value of £12,020,000, and shipped thither British goods to the value of £6,800,000. And for the sake of an abatement or remission of duties on those £6,800,000 of British goods we are to tax all products that compete here with the £12,000,000 of imports from Canada. It is not necessary to specify all those imports, but in the following table we give the chief of them, amounting in aggregate value to £10,300,000, and show what proportion the imports of Canada bear to our total imports of those products:—