

A PROPOSED ZOLLVEREIN.

It has long been a favourite idea with some politicians and writers in the United States, that a Zollverein should be entered into with this country. This idea was enunciated by Mr. Horace Greeley during his recent visit to Montreal, and several leading American journals, both of the free trade and protectionist schools, are very busy at work advocating it. The proposal is no new one, but it never met with favour among the people of Canada, unless it be among that infinitesimal number who would rather see British connection broken up than continued. Nor is it any wonder that Canadians are opposed to it. Such an arrangement, at least under present circumstances, would be inimical to the interests of the Dominion, and quite incompatible with our present relations to Great Britain.

What is meant by a Zollverein? The name is derived from Germany, where all the different States are united together commercially by a treaty or compact. By this compact, there exists entire freedom of trade between the different States, whilst they have a uniform tariff on all importations from abroad. This it is that the Americans propose shall be agreed to between Canada and the Republic. The Chicago Tribune, one of the strongest advocates of a Zollverein, enunciates the following as a basis upon which the agreement should be formed.—

"1. An unrestricted freedom of trade in all the products of the two countries; 2. A uniform tariff on all foreign imports; 3. Uniform internal taxation upon tobacco and spirits; 4. Uniform rates of postage and no additional charge on letters and papers passing from one country to the other; 5. The freedom of the fisheries; 6. Freedom of navigation, and the coasting trade to vessels of both countries; 7. The protection of the colonies from all raids and invasions; 8. The use of the military and naval power of both parties to enforce the treaty against violations."

We would say to our American friends at once, that anything like the German Zollverein between the U. S. and Canada is simply out of the question. We are desirous of breaking down the barriers which now hamper our trade. But a Zollverein would be quite inconsistent with our position as a colony of Great Britain. It would be unfair and unreasonable to shut British manufacturers out of Canada by high duties, whilst our neighbours were let in free; possibly Great Britain might permit it, for she allows her dependencies much liberty of action, but right sure are we that there are very few of our people who would be mean spirited enough to accept Great Britain's care and protection, and, at the same time, shut her out from the same freedom of trade we accorded to any other power.

Besides this insuperable objection to a Zollverein, the terms specified above would injure, not promote, Canadian interests. Uniform internal taxation—what does that mean? It means that the heavy internal taxes which have been rendered necessary by the rebellion, should also be placed on the backs of our people. How would they like that? Then there is a uniform tariff on all foreign importations. What does that mean? It means that our customs duties should be raised from an average of 15 per cent. to over 60 per cent! How would our people like that? We are sure neither our Parliament nor people would ever agree to such proposals, and foolish, indeed, would they be, if they did. We do not deny that free trade with the United States would have an important influence on our interests, for a time at least. But any benefits obtained would be dearly purchased by placing such a load of taxation on the backs of our people—in short, the transaction would not pay.

It is urged by some that a Zollverein would open up splendid prospects to the Dominion. That as soon as heavy duties barred the way of British goods, and the whole American market was opened to us, Canadian manufactures would increase and develop with amazing rapidity; Canadian soil it is maintained, would become a great manufacturing depot for States both in the east and west. We frankly admit that manufacturers would be enriched by a Zollverein, for they would immediately find their occupations enormously protected, as they are now across the lines. But the point is not would such a measure benefit manufacturers—but how would it effect the great mass of our people? Under a Zollverein such as the Chicago Tribune proposes, the people of the Dominion generally, would not only treble their taxes, but the cost of every article they consumed, would be enormously increased beyond its real value. Taking

the public interests of Canada as a whole it is manifest such a commercial compact would be injurious, that it seems like folly to gravely urge arguments against it.

Our American cousins are noted for liking a good bargain. We hardly think the proposal on the basis given above, to permit our vessels to enjoy the coasting trade in exchange for the "freedom of the fisheries," is quite the fair thing. Great Britain has long permitted American vessels to coast from one colony of hers to another all round the world and our neighbours ought to have returned the compliment long before now. As to protecting the colonies from raids and invasions, it is the duty of our friends to do that at all times when it is American subjects who are concerned, and when they fail to do it, we are abundantly able to do it for ourselves.

The Americans might as well dismiss the Zollverein idea from their minds, for it never can be anything more than an idea. Those of them who really desire to see International Trade promoted, should urge a new Reciprocity Treaty somewhat similar to that which we had before. We are prepared either for Free Trade in raw products or in manufactures as well. We see it urged by the Tribune and other journals, that Reciprocity in manufactures would simply be transferring to the Provinces the great bulk of our (their) manufacturing business, and further on the reason is thus given: "the cost of producing a given article is from 30 to 40 per cent. less in British America than in the United States." If this be so—and we do not doubt it—it affords a very strong argument to Canadians against a Zollverein, and, it may be, one also to the American people against allowing our manufactures free access to their markets.

The foregoing argument does not apply, however, against Reciprocity in products of the soil, and we are any half dozen commercial men could speedily decide on a Treaty which would be fair and beneficial to both countries. We cannot go for a Zollverein, but when our neighbours are ready for such an arrangement as we have just alluded to, we are prepared to clasp hands and call it a bargain.

NEED OF AN AMENDED INSOLVENT ACT.

WE believe it is the general impression of the solvent mercantile community of Canada that under the present Insolvent Act, bankrupts have too great facilities for escaping the payment of a large percentage of their just indebtedness; and the feeling is becoming universal that some change should be made which would be beneficial to the creditor as well as the debtor. The security of property, the assured protection to each man of what he owns, is the object of nearly all human law; and any law that interferes with or tends to put in jeopardy, without some counterbalancing genera, the property of any man, is an unjust law, and should be repealed or amended. That a man who, though perhaps starving, steals a loaf of bread to keep the life in him, should be punished by imprisonment we are all agreed; but we do not seem to be so well agreed as to the necessity of punishing the man who, with or without fraudulent intent, makes ducks and drakes of the money that belongs to his creditors, the proceeds of the goods with which he has been intrusted.

Some men are unfortunate in their business, either from the failure of a greater number of their debtors than they had reason to anticipate, or from an unexpected fall in the price of goods they held in stock, or from some other course over which they had no control, and which they could not well avoid if they ventured into business at all. Such men are deserving, provided they are honest and capable, of being protected by a law like the Insolvent Act, from the possible severity of hard-hearted or vindictive creditors. Even in their case, however, some difference should be made between the man who did not persist in carrying on an unprofitable business, but was able to pay 75c or upward in the dollar, and the man who carried on as long as his credit would enable him to find the means of meeting his current liabilities and had only 25c or 50c to offer to his creditors. This difference might be made in the length of time a discharge from the Court would have to run before it became a bar to legal proceedings, in case the insolvent were desirous of carrying on business again.

But we are afraid that the large number of failures that annually take place in Canada are caused by a carelessness—to use a mild term—of the rights of creditors, a thoughtlessness of the criminality of putting oneself in the position of being unable to fulfil

one's pecuniary promises. A man in business, commencing with possibly a very limited capital, gradually enlarging his sphere of operations, may for some time appear to be perfectly solvent and be able to obtain all the credit he needs. But, as his business extends, as more money passes through his hands, and, as, too, he may fancy he is making large profits, he gradually becomes extravagant in his personal expenses, and in his mode of carrying on his business. He takes more money out of it for his house or furniture, or clothing for his family, than he can afford, he pays too high a rent for his store, has too many clerks, in a word, carries altogether too much sail for his ballast. All this he does, perhaps, without any intention of defrauding his creditors, but he is spending their money, not his own, and he is robbing them just as surely as if he borrowed their money instead of goods and squandered it, or as if he put his hand into their pockets and stole from them. Now we think the law should make it still more difficult for an insolvent of this class to obtain a discharge from his indebtedness than for the more honest, because less extravagant man before referred to. The insolvent might be called upon to produce a statement of his personal expenditure and the Court could decide whether it was or was not on an extravagant scale.

Of course, to the man guilty of intentional fraud no mercy should be shown so far as the law is concerned, the creditors should then be left to do as they please, to give or withhold a discharge, but there ought, without doubt, to be some less expensive machinery than the present for winding up bankrupt estates. Many a creditor is now glad to compound with his debtor for as low even as 25c in the dollar, although he may feel morally certain that he is being cheated, simply because he prefers a bird in the hand to any number in the bush, because he does not and cannot know how an estate may dwindle away under the care of the assignee and all the legal and other costs to which it is subjected.

The complaints are loud of the honest and industrious trader who sees himself unable to compete against his fraudulent neighbour, who, settling with his creditors at some low figure, is easily able to undersell the other, and, in many cases, destroys his trade.

The principal faults of the present Insolvent Act are that it affords too great facilities for insolvents to free themselves from their debts, and that it is too expensive. An Act in which these are rectified would meet with general approval, a continuance of the present unsatisfactory state of affairs might result in a general demand for the doing away with all acts which did not leave to the creditors the right to withhold a discharge from their debtors as long as they saw fit. We commend the question to our legislators, and trust the necessary amendments may be made.

THE INTERCOLONIAL RAILWAY.

OTTAWA, Feb. 12.

THE following is a copy of the Report of the Intercolonial Railway Commissioners to the Privy Council:—

INTERCOLONIAL R.R. COMMISSIONERS' OFFICE,
OTTAWA, Feb., 1893.

The Commissioners for the construction of the Intercolonial Railroad have now to report to His Excellency the Governor General in Council, in regard to tenders which they have received for the four sections of the Intercolonial Railroad which have been advertised.

The Commissioners advertised on the 18th of Dec., 1892, that they would be prepared to receive tenders for four sections of the railway on the 8th February, 1893. Plans and profiles, as prepared by the chief engineers, were exhibited at Ottawa, St. John Halifax, Dalhousie and Rivière du Loup, and printed copies of the general specifications and terms of contract, as settled by the Commissioners, were given to all parties applying for them.

Tenders were received up to four o'clock p.m., on Monday, the 8th of February, 1893.

The Commissioners proceeded, at a quarter past four o'clock, on the 8th instant, to open the tenders, each tender as it was opened being consecutively numbered, and the initials of each Commissioner being placed on each tender. Seven tenders were rejected as being informal for reasons which are written on each tender, and a list of which is appended hereto. Two hundred and forty-seven tenders were received, as per list, which is entered upon the minute book of the Commissioners.

The Commissioners then proceeded, on the 9th of February, 1893, to classify the tenders for each section and list appended hereto. As six tenders were received on the morning of the 9th of February, they being behind time, were not opened or considered.

The Commissioners then discussed the merits of the different tenders for each section, and determined, after full deliberation, to recommend the acceptance of such tenders as were the lowest in each case, provided that they were satisfied, as required by clause