

clusion that our future commerce, as it swells in vastness, must be conducted by water facilities not by steam, and that this country must within a hundred years be noted for its water courses and canals as the great highways, along which slowly and cheaply the vast commerce of our teeming millions must be moved. He was set to thinking on this subject by observing a barge, in the Chambly canal, bearing 220,000 feet of sawn lumber. There were sixteen such barges with similar freight, a total of 2,880,000 feet, which could not be carried on land by less than 280 railway cars and a power of ten engines. Each barge was drawn along the canal by two horses. The contrast is striking, and seems to open a new view of the possibilities of our great water route; though canals may not achieve all that Mr. Murray's imagination has pictured.

The New York *Shipping and Commercial List* reports trade fairly active and of increasing proportions, in almost every department. The country is in a prosperous condition, crops are favorable, and there is a general feeling of confidence; but some fears regarding the future monetary conditions still linger. The banks are careful in making loans, and there is a disposition to place surplus bonds on call rather than on time loans, in order the more readily to be able to meet every emergency. There has been a recent arrival of \$2,000,000 gold from Europe, and the demand for loanable bonds is fairly active. Country bankers, in the west, feel the want of small bills. Call loans at the stock exchange bank, within the last few days, varied from 3 to 5½ per cent., the bankers transactions having been chiefly at 4 and 5 per cent.

DEVELOPMENT OF THE COMMERCIAL UNION THEORY.

Commercial union, under the light of discussion, does not improve in a peck, as seen by the thoughtful Canadian. On the contrary, as discussion goes on, new features of an objectionable character are brought out. At the Detroit meeting, last Saturday, Mr. Wiman advanced one or two steps further in the development of the theory, of which he is a foremost champion. Heretofore little notice had been taken of objections to the scheme; but it was felt that these objections were beginning to tell, and that some attempt to answer them must be made. Mr. Wiman glanced at the objection to Canada discriminating in favor of the United States, a foreign country, and against Great Britain, on whom we depend for protection in the hour of peril. "It must be admitted," he observed, "that, stated in its baldest form, the proposition to discriminate against Great Britain and in favor of the United States, by a British colony, seems difficult to reconcile with the notions that prevail, in the United States, as to the relations between Great Britain and her colonies." It is of no practical importance what notions prevail, in the United States, on the subject; the question is what will be thought of this scheme of Commercial Union in Canada and the mother country. Mr. Wiman answers that Cana-

da is for commercial union, two to one. But there is nothing to bear out this assertion, except the voice of half a dozen public meetings, at which no opposition was offered. The other side has not been heard; it has remained quiescent, in consciousness of its strength, or has only answered, as the Toronto Board of Trade did, when challenged to state its opinion. The advocates of commercial union are relying solely upon an appeal to the pocket, an appeal which is not often made in vain. It was made successfully by the advocates of the National Policy. But there is this distinction to be made between two cases, and it is a very wide one: the advocates of the National Policy had the national sentiment in their favor, while the advocates of commercial union have the national sentiment against them. The strength of the National sentiment has been underrated; this underrated sentiment will, we venture to predict, be found stronger than any appeal to the pocket; especially as commercial union would bring evil as well as good, evil in many forms, which, in the opinion of not a few, would outweigh the good.

The substance of Mr. Wiman's reply to the objection to discrimination is that Canada can do as she likes, commercially, and need not fear to encounter the imperial veto, if she should declare for commercial union. Canada taxes British goods as heavily as she taxes foreign; and Mr. Wiman sees in this practice a reason for taxing British goods more than foreign (American) goods. But it may be replied that equality is one thing, hostile discrimination against the trade of the mother country is another. Equality we have won; in discrimination we have been forbidden to indulge. This has been a standing rule by which the relation between mother country and the colonies has been regulated. Perhaps, under pressure, Great Britain might agree to let Canada discriminate against British trade; but she would not do so without exacting some sort of reciprocity. It is utterly unreasonable to expect that she would continue to bind herself to protect a colony which should discriminate against her trade, and in favor of that of a foreign state, and in spite of Mr. Wiman's opinion to the contrary, we feel certain that Canada has not the remotest notion of making any such discrimination.

It is true that we have enacted a high tariff; and that this has been done, as Mr. Wiman observes, by "the Conservative or Tory party, who have been loud in their declarations of attachment to British connection and their love for British institutions." All this is true; but we cannot see in the fact, as Mr. Wiman does, a warrant for "going a step further and adding, say ten per cent., to the existing tariff, and thus equalize it to the American standard." Nor can we agree with the expectation that the "few touches" required to produce this uniformity "are certain to come in time, making the whole list of customs duties uniform with those of the United States." This declaration is a curious illustration of the sort of free trade which commercial unionists promise us. They tell us a great deal about the benefit of trading with sixty millions of people; but the poetry is taken

out of the promise when it is added that we must trade on conditions imposed by our new customers, that is under the American tariff. What does this mean? Mr. Wiman says it merely means an innocent ten per cent. addition to our tariff. But it means a great deal more. It means that we are to be compelled to buy the dear and inferior goods of the United States, and are to be forbidden to buy the cheap and superior goods of Great Britain. The loss in this exchange would be enormous.

If Canada agreed to accept the American tariff, she would surrender a vital part of her autonomy, and deprive herself of the power of adjusting her revenue to her necessities. The commercial independence which she now enjoys, and which it cost a long struggle to secure, would be surrendered without hope of recovery. Against such a retrogression all the active forces of the country are at war. No one in Canada seriously intends to surrender the power of making our own tariff. That power we may use wisely or unwisely; it has no doubt been abused; but to surrender it would be to put the correction of mistakes out of our power. We should then have to yield up our fortunes to the abusive use of the tariff-making powers of a foreign country. And that the Americans are abusing that power more than we are does not admit of question. Mr. Wiman has repeatedly stated that the United States would readily agree to commercial union with Canada, but he has apparently become convinced; somewhat recently, that she would not agree to surrender one jot of tariff-making power, but that, if we are to go into commercial union at all, we must adopt the American tariff bodily. This will settle the matter in the minds of every one who values the right of deciding on the conditions on which the trade and finance of the country shall be conducted. Canada could not accept terms so disadvantageous to her.

Without commercial union, there is room for reciprocity. Reciprocity in raw products is a totally different thing from universal reciprocity. Raw products form the material of manufactures. Great Britain admits raw produce free, while she taxes spirits and some other manufactured articles. The United States proves by her high tariff that she aspires to be a great manufacturing nation, and yet she ties her own hands by taxing the raw produce which enters into manufactures. The present season shows in a remarkable degree the benefits which would mutually result from reciprocity in raw produce. The drought has produced local scarcity at some points, which could be best supplied by importation, under reciprocity limited to raw produce. If the Americans will not agree to this form of reciprocity, the responsibility rests on them. We retain our shore fisheries, and their fishermen are suffering for want of access to them. If this is their choice, we have nothing to say to it, for with them rests the decision. We may regret the effects, on both sides, of their blindness, but we do not complain. If they do not want limited reciprocity, they cannot have access to our shore fisheries, and we can live without it.

Professor Smith "believed that annex-