

proximity with the United States. The result is that the Protectionists, for some years past, have had their own way. No doubt a special trade arrangement with Great Britain would imply a relaxation of Canadian Protection; if relaxation does not come in that form, it is only a question of time when it will take another. Imperial Federationists are moving in the direction of some special arrangement between the colonies and the mother country, to include colonial contributions to the defence of the empire. This will form a crucial test of the possibility of making some such arrangement as is proposed.

From present appearances the strike of cotton operatives in England may last some time. The strikers rely largely upon contributions from men who have not joined the strike and are working full time. Many employers in Richdale, Huddersfield and other places have resolved to work only four days a week, by which arrangement the resources of the strikers will be curtailed. Some manufacturers are still working full time. At the end of the first week of the strike no visible advantage had been gained by either side.

THE DOOM OF PRIVILEGE.

By general consent the election of Mr. Cleveland to the presidency of the United States does not mean free trade in its genuine and unrestricted sense. But it does mean the destruction of that form of privilege which is known by the name of McKinleyism. By free trade a large number of people understand a revenue tariff; to others it means the total abolition of customs duties. Among the latter is found Mr. Henry George. His book on free trade appears to have been circulated as part of the campaign literature of the Democrats. Mr. Cleveland, in writing his letter of acceptance, may have had in his mind this form of free trade; but no doubt he meant more than this when he intimated that the Democratic party did not intend to force free trade suddenly upon the country.

The Republicans, in all the phases through which the party has passed, have ever been in favor of privilege. Whether known as Federalist, Whig or Republican, this has been its leading characteristic. It has aimed to establish an aristocracy in one form or another; first, a titled aristocracy, with Washington for king. In his day it did found an order of knighthood, the order of the Cincinnati, with Washington at its head. But the nobility which it was intended to develop out of this order, and to make hereditary, was foreign to the genius of the people, and was destined to come to naught. In our day, and under its latest phase, this party, calling itself Republican, has bent all its energies to establish an aristocracy of wealth. In this enterprise it has been successful, and the new mushroom aristocracy of the Republic almost equals in wealth the most opulent aristocracy of the old world.

How has the result been attained? If it had been attained by fair means, the

new aristocracy of wealth would not be a just ground of complaint. Its methods, however, have been such as would have put to the blush the robber barons of Europe, in the worst of times. Laws have been enacted, under the specious pretext of "protecting" labor and securing it an increase of wages; the real object being to shut out foreign competition and enable the favored manufacturers to wring wealth from the sweat of labor by charging excessive prices for their wares. But to shut out foreign competition was not enough; domestic competition sprang up, and would, if allowed to have free play, have prevented the public being forced to pay monopoly prices. This second form of competition was doomed to be killed as well as the first. This was effected by combination among manufacturers to raise prices. So long as the laborers believed or hoped that, by these contrivances, wages would be raised and maintained at an artificial level, they fell in with the system and gave it their support. Thanks to Henry George and others, they have found out the delusion practised upon them, and they have aided, in the late election, to kill the form of privilege best known as McKinleyism. Even President Harrison admits that the defeat of the Republicans is due to protection having been carried too far, and Secretary Foster proclaims the fact. This is candid, but the candor comes at the wrong time. It is valuable, however, in giving the Democrats the ground of justification for the future destruction of McKinleyism.

There is one other means by which the aristocracy of wealth has been permitted to add enormously to its riches, at the expense of the great body of the unprivileged, who form the mass of the nation. Privileged corporations, especially railway companies, had added untold millions to the wealth of the manipulators, by a stroke of the pen, in the creation of new and additional stock which represents nothing, but on which the public is required to pay dividends. This process, when we consider the extent to which it has been carried, is neither more nor less than robbery, whether under the form of law or in direct defiance of law.

The natural tendency of these crying abuses, if continued, must have been to stimulate a destructive form of Socialism; it is fortunate for the Republic that a legitimate check has come in time.

We Canadians cannot afford to be self-righteous over abuses which we have been copying, at a distance, it is true, but not a safe distance. We, also, have gone too far in the path of protection, though we are a long way in the rear of McKinley. In the regions of power the folly holds firm. From outside, pressure is continually used to force a still further advance of the protective column. Now it is a choice between a halt and disaster. If the opposing party had taken its stand on the reduction of the tariff, it might have achieved something. But its preference was practically for assuming the yoke of the McKinley tariff. When the choice lay between McKinleyism and the Canadian tariff, only one decision was possible. In future the conditions and

the questions are likely to change. A wise government would eliminate some of the worst features of the Canadian tariff. Why, for instance, should the Canadian consumer be obliged to pay several times as much for illuminating oil as Americans pay, and then get only an inferior quality? It would be better that not a gallon of oil should be produced from Canadian wells than that the present abuse should continue.

LOAN AND BUILDING CONCERNS, SO CALLED.

That the various so-called loan and building associations of recent birth among us—those advertising their capital at five or ten millions, and their benefits to borrower and lender as superlative—are not economic depositories for the savings of the people, we have repeatedly contended. And the reply has been made to us by their promoters: "But see the enormous success of them in the United States; witness what has been done in Dakota, in Minnesota, and other States." Well, let us see what view is taken of them by competent observers in the West, after some years' experience. Here is what is said by the *Capitalist and Investor*, of Chicago. It will be found that the journal named hits upon some of the very weak spots in these organizations to which we have before referred:

"If the statements sent out by the national building and loan associations were true, it would seem that many thousands of people needed conservators, as for instance when they claim that a series of stock is closed out in seven or eight years. Of course this is not true. There is but a single instance in which this was done, and that many years ago by one of the oldest and best-known companies, and it has never repeated it. That company does exceedingly well that closes out in eleven years, and some run fourteen and fifteen even. But the truth is bad enough. If big profits are realized somebody must suffer.

"The question arises, are these national building and loan associations a benefit to the individual and the public? The answer is direct and to the point. Nothing is beneficial that is extortionate, and he must have a flexible conscience who is willing to take big earnings that come from the pockets of working people. . . . A working-man can get much better terms from real estate brokers who build houses, than from the best National building and loan association doing business here. Thousands of homes have been provided in this way in the past few years for mechanics, clerks, small merchants and for professional men. Any doubter may satisfy himself with little trouble that the broker offers him much better terms than the best advertised national building and loan associations.

"An especial objection to the national associations rests in the fact that they are usually organized by men in quest of a job; they are managed by men without business experience, and that many of them prove wretched failures. They are unbusiness-like, formed as they are upon prospective capital, to be furnished mainly by men who