

being unable himself to keep all the new books in stock, and being cut off by the Customs line from his natural centre of distribution at New York.

Unwise as many of us think was the policy of the Government in artificially stimulating the growth of manufactures here, the interest thus created by the act of the State has a title to equitable consideration. Behind a tariff adjusted to that of the United States, and supported by the cognate interest among the Americans, Canadian manufacturers would still be sheltered from European competition; and, considering the fatal hollowness of the ground on which they at present stand, and their liability to lose all by a sudden change in the balance of parties, they would surely be gainers by the arrangement. Protectionism, as I believe, is not destined anywhere to live for ever; it will be in great peril as soon as the workman clearly perceives that what he gains in the nominal rate of wages is more than lost in their purchasing power; but its longest respite from death seems likely to be under the tariff of the United States, because it is there that, from the vastness of the territory and the variety of its productions, the evils of the system are least felt.

The general benefits of Commercial Union to both countries, especially to ours, can hardly be called in question. What is there to be said on the other side? Nothing, except that Commercial Union might bring with it political annexation. I wish never to sail under false colours. I believe, and rejoice in the belief, that the schism between the two portions of the English-speaking population of this continent, which I regard as the greatest misfortune of our race, will some day be entirely healed, and they will again become one people, united in kindly feeling toward the historic parent of us all, who will herself, as I am firmly convinced, be a great gainer by exchanging the nominal possession of a distant dependency, which can give her no military help, and does not even afford her an open market, for a cordial alliance with the whole continent and the friendly vote of Canada in its councils. This I frankly avow, and my conviction is daily strengthened by what I see, on the one hand, of our increasing connection, social and commercial, with the United States and, on the other, of the difficulties of amalgamating French with British Canada and blending this straggling line of Provinces into a nation. But it has always appeared to me that the political and commercial questions were perfectly distinct, nor can I see why any change in political relations should necessarily follow from the mere abolition of the Customs line. A nationality would indeed be weak, and its life would be worth scarcely a twelve-month's purchase, if a Customs line were the sole security for its existence. Reciprocity did not weaken the political barrier; why then should Commercial Union, which is merely a complete measure of Reciprocity, break it down? If anything, Commercial Union, by removing the obstacles to material prosperity, and thus rendering the people content with the present political system, seems likely to diminish the temptation to change. Canada would remain absolutely mistress of her own political destinies. How can a nation, if it is true to itself, desire more?

The commercial relations of Canada with her continent, at all events, are the pressing subject of the hour. The politicians will probably hang back under the influence of a bias already indicated; but the people, especially along the borders, are ready for the question. It is time that commerce, through her leading men of business and her Boards of Trade, should make her opinion heard.

GOLDWIN SMITH.

THE LATEST PHASE OF STATE INTERFERENCE.

THE German Empire is the gymnotus of Europe. It continually administers shocks. First there was the Franco-German war, which overturned the French Empire and altered the map. Then there was the "Spirited Foreign Policy," which presented Germany as an aggressive colonizing Power. And the most recent English mails bring us protests from the English press against a gigantic plan by which the trade of China is to be drawn into the channels of German enterprise. This is a good deal of vigour to be exhibited by a nation ruled by a couple of octogenarians and composed of persons who wear spectacles and drink a great deal of beer.

The deep-laid scheme of the German syndicate is, in effect, that they shall lend £30,000,000 sterling to China, and that China shall spend the money in Germany, leaving some of it with harmless persons, who make articles of commerce, and a good deal of it with Krupp, who makes guns. Some of the money will be asked for in England, and the British capitalist, with that serene impartiality which distinguishes him, and which impels him to sell guns to savages to shoot British soldiers, will surely lend the money if the terms are good, even if British industry suffers in the long run from the enterprise.

The British journalist is in a state of excitement. He foresees a grave danger to public industry, and at once losing confidence in the benevolent

operation of the economic laws, he cries out for State interference. The German agents of State, we are told, are now acting as the commercial agents as well as the political agents of the Empire. The British consul, resident, or ambassador, we are told, is indifferent to commerce, and intent only on politics; and thus the German diplomatist often secures commercial "orders" as well as political ends, and pockets, perhaps, a "commission" as well as earns a decoration, and a call is made on the British diplomat to bestir himself, and on the Government to instruct the diplomatists in their duty.

The necessity for such an instruction does not seem to one to be very great. From the very earliest period the foreign policy of England has been based on commercial considerations. The Empire, so to speak, which used its utmost resources to monopolize the fish trade of the world for centuries; which fought for generations with Europe in order to keep open the routes of overland commerce; which fought with France in India and North America, and plundered Spain, for commercial ends; and which has been the head and front of commercial enterprise for centuries;—such an Empire has not lost the sense for commercial undertakings, nor have its agents lost the traditions of their office. The Tudors taught English kings, once for all, the duty of protecting English trade.

But the call for State interference shows how little real confidence is placed in economic laws. There are times when these laws fail to operate in the expected way; and then there is a universal call on "the Government" to do something. It is an instinctive recognition of the fact that the duty of a Government is to govern, of a ruler to rule. The functions of the State are not exhausted when it has enabled every man to sell in the dearest market; sometimes it has to provide him with any sort of a market in which to sell.

There are two objections to this proposal that British diplomatic agents should be trained to "point" for commercial advantages. The first is, the certain lowering of the tone of the British service. You cannot graft a Commercial Traveller on a "Resident" or Consul without spoiling both. If the object is, however clumsily, effected, the result will in the end be a crop of fine scandals. The private competition for the influence of the British Consul could hardly fail to bring about a lowering of his moral tone. In Russia the object has been accomplished with unspeakable results. The second objection is the certain increase in the causes of disturbed diplomacy. Granted a gang of squabbling diplomats, eager after "orders," backed up on each side by an immense mob of enterprising merchants having the aid of "a free press," and the peace of Europe would not be insurable for sixpence.

But all these discussions have their uses; and this one may result in a quickening of the intelligence of the Foreign Office on the subject of commercial enterprise abroad. And it may be as well to improve the occasion by pointing out to our own Government a field in which a little industry might be judiciously exhibited. It is not the first time that it has been suggested. The British blue books, and the American blue books, contain from time to time, very frequently indeed, considerable quantities of the most valuable information to men engaged in commerce and manufactures. If the materials scattered over half a hundred reports could be condensed and arranged, and distributed through the Boards of Trade to the mercantile community, a good practical work would be accomplished. Information concerning the course of trade would be disseminated promptly, and a valuable collection of statistical information would be accumulated for private and public use. Our foreign trade is considerable enough to justify this proceeding. In London and New York the press affords this information with some degree of promptitude; but the necessary limitations of the Canadian press prevent it from fulfilling a duty too expensive for its resources, and somewhat apart from its stereotyped traditions.

M. J. G.

THE IRISH QUESTION IN PARLIAMENT.

No excuse is needed for recurring to the Irish question. If Great Britain suffers the disaster and humiliation with which she is threatened, every man of British blood, wherever he may dwell, will feel the blow. The situation is still one of extreme peril, yet in one most important respect it appears to be changed for the better. At last, if we may trust the Press, there has been a strong manifestation of national feeling against Dismemberment. Apathy was the great danger. The moral sinew of England has been unstrung by wealth, by the passion for pleasure, and, above all, by the general unsettlement of opinion on all subjects, including those religious beliefs upon which hitherto character has been based. Especially is this the case among the governing and intellectual classes. Cricket, boating, and athletics may breed muscle; that they do not breed character, the