

that there has been commercial depression at the very same time in Great Britain and the United States, two countries whose fiscal policy is widely different. We have no inclination to object to the principle of protection to native industries, which we believe to be in accordance with public opinion on this continent. It has become apparent that the Democratic party in the United States, which we may, as regards the question of free trade, assume to be in sympathy with the Canadian opposition, is by no means prepared to adopt a free trade policy. In the late debate in the House of Commons Mr. Patterson, of Brant, claimed credit for his party, on the ground that they were not free traders but that they merely objected to excessive duties. The truth is that the tariff has to be considered with reference to every item comprised in the list of articles on which duties are imposed, and this involves the separate consideration of every item on that list. There certainly are leading articles, which more particularly call for special consideration, and prominent among these are sugar, cotton, iron and woollen manufactures.

Now, as regards sugar, there is a leading principle involved, which is to afford reasonable protection to our own refiners. The old policy, which, we ought in justice to state, was not adopted on political grounds, was to admit refined sugar at a very trifling advance over unrefined, the practical effect having been that United States refiners were enabled by the operation of the drawback system, to defy competition in a foreign market. We have always defended the action of the Government in so regulating the tariff, that there is no longer an inducement to carry on what may without exaggeration be termed a fraudulent trade with the British Provinces. The effect of the tariff has been that refined sugars are no longer imported into Canada. Nevertheless, the tariff is far from satisfactory. A distinction is drawn between sugars which are only likely to be used for refining purposes, and this distinction is particularly favorable to Brazil, which produces a sugar of a much lower grade than the British West Indies. There is said to be much dissatisfaction in Halifax, owing to the falling off in the West Indian trade caused by the premium held out to foreigners to send their very inferior sugars to Canada. Surely, when there is a combined specific and ad valorem duty the least that could be expected is that all sugars suitable for the refiners should pay the same specific duty. The grade

that is considered suitable for the refiners is what will be below the grade of 14 Dutch standard. The Government has made an important distinction between Nos. 14 and 9, and as the British West Indies do not as a rule export any sugar of so low a grade as under 9 D. S., the foreign State of Brazil enjoys a protection at their expense, and the consequence has been that our own Atlantic port of Halifax has suffered considerably by the loss of the old West Indian trade.

We have on several occasions felt it our duty to point out the effect of the combined specific and ad valorem duties on cotton manufactures which operate as a protection to foreigners. There can be no dispute as to the fact, which the trade returns establish most satisfactorily. We fear that the opposition is as much to blame as the Government, as we have never seen that the point has been taken by any member on that side of the House. It is clearly one of the serious defects of the present tariff, and we cannot imagine that a single argument can be used in its favor. It is not in cotton goods alone that this objectionable principle has been brought into operation. It will be found in almost every case in which combined specific and ad valorem duties have been imposed on imports from Great Britain. When it is borne in mind that Great Britain could almost by the stroke of a pen retaliate with such effect that it could bring Canada literally on her knees, this highly discreditable policy becomes even more objectionable.

If we were disposed to criticize minor items of the speech we might point out that although never in the opinion of the Finance Minister did the credit of Canada stand higher than it does now, yet, "owing to the depreciation in the value of lumber, which is one of our principal exports, owing to overtrading in certain branches in the Dominion as well as over imports, we have a depression at the present time." We doubt whether the latter part of the sentence is consistent with the assertion previously made. We, however, doubt whether that very convenient charge of over importation and overtrading can be substantiated. There were peculiar circumstances connected with our cotton mills which may have stimulated over production but we have no evidence to lead us to believe that there has been over importation. We have to trust to the discretion of our wholesale houses to regulate our imports with reference to the demand; and we are fully convinced that neither the Finance Minister nor those journals which are constantly deploring the over importation of

our merchants are in a position to form a reliable opinion on the subject.

There are some details referred to in the Minister's speech, among other the proposed alterations in the customs duties, which we may advert to on a future occasion.

THE PACIFIC RAILWAY.

The Government Loan Bill has been read a second time in the Senate by a large majority, and has passed through its other stages. We have seldom noticed more unfair criticism on any measure that required the action of Parliament than that of the present opposition, and the press which supports it. Dissenting, as we do, from much that has been written on the subject by *Bystander* we can cordially concur in his remark: "The chiefs of the company are no more responsible for the treaty with British Columbia or any of the consequences in which it has involved the nation than they are for the treaty of Berlin. They are merely national contractors on a vast scale, and in the opinion of all impartial judges they have done their work well." Those who disapprove of the construction of the section of the road north of Lake Superior should bear in mind that for this the Government is alone responsible, and we are far from meaning by this remark to attach any blame to their decision. There can be no doubt that this is the true Canadian line, and the one most likely to draw the traffic of the North-West to the St. Lawrence. The policy of the opposition has been to divert the North-Western traffic to the Southern railroad lines, and to the United States cities on the Atlantic seaboard. The personal attacks on the members of the Syndicate have been simply disgraceful. The Grand Trunk Company had to appeal to Parliament on more than one occasion for assistance, but no one ever had the meanness to allude to the immense fortunes of Mr. Thomas Baring, or of Lord Wolverton who had thought proper to take stock in a limited liability company, which is precisely what the gentlemen composing the Canadian Pacific Company have done. Such remarks as we have noticed are in the highest degree discreditable. As we have noticed the favorable remarks of *Bystander* we ought, to prevent misconception, to state our regret that the distinguished writer referred to should persist in asserting that our Canadian public works are to be attributed to "Imperialism inspired by aristocracy." The same writer thinks