

commercial and business policy in Canada which will not check, but which will further encourage the investment of British capital. This year to date we have borrowed, through the medium of public flotations in London alone, about \$155,000,000. From Great Britain last year we purchased \$95,000,000 worth of goods and we sold to Great Britain \$149,000,000 worth. Therefore, in addition to our monetary debt, there was a trade balance in our relations with Great Britain against that country of \$54,000,000, about half the value of United States goods which were admitted into Canada last year free of duty.

If United States and Canada be placed on an equal footing, or nearly so, in trade relations, there surely can be but one ultimate result. Our manufacturing interests would be overwhelmed, our natural resources would be stripped, manufactured abroad and reshipped to us. For trading, political and all other purposes Canada would, to all intents, become a part of the United States. This condition could not last long, and our actual annexation would be only a matter of time. Leaving aside the question of loyalty, which some are inclined to think superfluous in trade arguments, is there a Canadian desire to have the Dominion added to the various states, and certain portions of our country renamed at Washington? Contrariwise, the national feeling is that, young as is the country, sufficient brawn there is and brain activity, natural wealth and future to justify Canada becoming one day as great a nation as the neighboring Republic is to-day. Then will be the time to discuss the question of much freer trade relations in a new light.

The Honorable G. S. Boutwell, secretary of the Treasury in President Grant's second administration, and a member of Congress at the time of the repeal of the Reciprocity Treaty, said: "The fact of the annexation of Canada to the United States, whether the event shall occur in a time near or remote, depends probably upon our action on reciprocity." These words are as true now as they were in President Grant's time. The United States then sought to attain its ends by a deliberate policy of non-intercourse, which was intended to make us a suppliant for annexation. The same policy to a reasonable extent may well be used by Canada with a view to strengthening Canada's position as an ardent opponent of annexation.

Sir George Ross mentioned an unusually important point in his recent Toronto address. A treaty, he said, means an obligation, and an obligation is subject to interpretation. The Washington Treaty contained several obligations. One was the free admission of fish into the United States. Interpreted, it still meant free fish, but not the packages in which they were put up. The Washington treaty allowed the use of certain American canals in exchange for the free use of Canadian canals. Interpreted, it meant that the vessels or barges could pass only if they were unloaded when they entered American territory. Under a reciprocity treaty the two countries will no doubt undertake certain obligations which, possibly, when they come to be interpreted may not mean what either party understood them to mean. But the obligation will continue during the life of the treaty, to the annoyance of one or both parties.

The interpretation at Washington of any act of the Canadian people is undesirable. There is neither pressing need nor extensive demand for a trade treaty with the United States. Both Canada and the neighboring Republic have their legislative bodies at Ottawa and Washington. Legislation respecting trade relations between the two countries should originate in the respective parliaments. No one thought of a treaty when Great Britain was given a preference. Washington representatives are conferring with Mr. Fielding, our Minister of Finance. In him we believe Canada has supreme confidence, but there is an admitted danger in small conferences on vital matters. Independent legislation by the two countries is far more safe than adjusting our trade relations by treaty. Very easily may Canada become twisted from its course to the dignity of a great nation with commercial individuality. Instead, our lot might

be cast with the United States, Canada forming a portion of their commercial and national arena. In that case, we might lose our place in the British Empire, we might sell our undoubted good future for a handful of paltry trade concessions of the present, we might lose the opportunity of nation-building and of building a nation with the help largely of our neighbor's past experience.

SOME GOOD, SOMETIMES.

The fashion is to belabor corporations for their sins that are, their sins that were, and their sins that may be. Whenever a public utility company is doing a little better than the average, an excuse is usually discovered to drive it back into the fold of corporation black sheep. Thus it happens that, although the price of gas in Toronto as sold by the Consumers' Gas Company in 1887 was \$1.25 per thousand cubic feet, and to-day is 75 cents net for the same quantity, a cry is raised that the corporation cannot be given any credit for the \$1,300,000 which is in the public's pockets as the result of the difference in the two prices, that sum representing the reduction of 50 cents per thousand cubic feet on the output of gas for the past year only.

The corporation stalkers say that all the good things accomplished by the company must be ascribed to the civic fathers who drafted the original agreement with the gas company. To some extent this is true. On the other hand, it should be remembered that neither the public nor the city authorities have been pestered by that company with law suits and legal bickerings with a view to maintaining gas at its present price or to obtain a wider franchise. That is cause for thanks in these days when corporations and public bodies fight for the prevailing winds. Mr. Hewitt, the present general manager, is following in the steps of Mr. Pearson, his predecessor, in this respect. Not only that, there is the prospect of a further reduction in the cost of Toronto gas. Surely a little credit can be given to those corporations who are living up to their agreements and are not trying to wriggle out of them.

POWERS OF TRUST COMPANIES.

For some reason, British Columbia company promoters have seen fit to name corporations of many kinds "trust companies." Firms dealing almost exclusively in real estate, for instance, have selected that title. Gradually the real functions of the trust company have been overlooked. The result is that the British Columbia legislature proposes to regulate to some extent the business of trust companies in that province. This matter was commented upon by Mr. J. W. Langmuir, managing director of the Toronto General Trusts Corporation, at its last general annual meeting. Mr. Langmuir thinks that before such a system takes strong root in Canada, statutory provisions should be enacted discriminating between banking and speculative trust companies and those which confine themselves strictly to administration of estates and trusts.

Now a few trust companies in the United States are simply organizations for speculative business, possessing in many cases nearly all the functions of banks, without their restrictions. So pronounced is this feature that steps are being taken in some States to place restrictive limitations on trust companies of this kind. As an illustration and warning respecting this class of trust companies, we have only to look at what took place during the recent crisis in the United States, when companies known and designated as "trust" companies, but which were really promoters, underwriters and organizers of land and other syndicates of one kind or another for the transaction of all kinds of speculative work, went to the wall with an immense loss of trust funds.

Companies of this kind may be, and in many cases undoubtedly are, necessary in procuring capital for the