able dividend. This is the first time that the affairs of a broken bank have been thoroughly investigated; and we predict that full investigation and publicity will hereafter be the rule.

A few cases of smallpox, of a mild form having occurred in Toronto, vigorous preparations have been made to fight the foe. Official vaccination is being carried on in centres where the population is dense, and other precautions are being used, such as closing up places which are in danger or may be a cause of danger to others. At least one of the cases was traced to Buffalo, where the disease has for some time had a footing. A case at Stouffville and another in Etobicoke have been reported. As usually happens in such cases, any number of false alarms are started in the city. The inevitable anti-vaccination cry, which is as old as Jenner's discovery, is making a feeble attempt to get a hearing; but it will not much, if at all, retard the stamping out of the disease, which will be pursued with vigor till success is attained. There is cause for a display of energy, none for serious alarm.

THE AMERICAN TARIFF TENDENCY.

A substitute for the Mills tariff bill the Republicans have found it necessary to produce. The work has been done by the Finance Committee of the Senate. Of course, the Senate bill has no chance of becoming law this session; but it may present a profitable study as showing the tendency of American tariff legislation, and one of the roads it is likely to take, when Congress makes up its mind to act. One feature is common to the present Senate bill and the Mills bill: they both reduce the duties on raw materials and incomplete manufactures destined to enter into completed manufactures. We may therefore expect, both parties having a degree of common agreement on this point, that one of the next tariff changes will be the reduction of duties on raw materials and incomplete manufactures.

This policy is pursued by the Senate bill in a tortuous sort of way, duties being lowered or increased by a rule which is incomprehensible to the uninitiated. If ever the United States is to become a formidable competitor with the great manufacturing nations in the markets of the world, it will be through the removal of obstacles which now make such competition impossible. Taxes on raw materials and on incomplete manufactures form impediments which stand in the way of American manufacturers. American free trade, taking this direction, is in our opinion a far greater menace to British competition, in markets outside of both countries, than a high American tariff. A high tariff insures American manufacturers a certain sale in their own market; sometimes, though seldom, a monopoly of it. But it does not aid these manufacturers to meet competition in foreign markets. This can only be done by the normal development of American manufactures; by manufacturers learning how to produce cheaply, and to be able to sell at low figures. A protected industry develops slowly. Secure of its own market, to a certain extent, it does not put forth the efforts necessary to success in foreign markets. The motive to study economy is not present when the tariff discriminates enormously in favor of the home manufacturer; and what is lost by its absence, though an immeasurable quantity, goes far to make competition in foreign markets impossible. American manufacturers are always trying to persuade the public that they cannot compete against the "pauper labor of Europe," till they really persuade themselves that this is true. The advantage which European manufacturers possess on this score is much less than is generally represented. Nominal wages are higher in the United States than in England, but this is true in some cases while real wages are not higher. American manufacturers get more work out of their hands than Englishmen get. Mr. Blaine admitted, when a member of the Washington Cabinet, that the price of the labor in cotton manufactures is no greater in the United States than in England. A gentleman who came from England to this country recently to investigate the reason why American paper-makers were pressing the English so heavily, came to the conclusion, from the evidence he was able to gather, that the mystery was attributable to the fact that, in the item of labor, the Americans possess an advantage over their English competitors. Still, there is no doubt that, on the whole, English labor is somewhat cheaper than American, though not nearly so much so as is represented by interested parties and generally believed.

The difficulty lies elsewhere. So long as the Americans maintain an abnormally high tariff, the great manufacturing nations need not fear their competition abroad. The high tariff restricts the importation of foreign manufactures, and foreign manufacturers, taking a short-sighted view of their interest, complain. If protection were to cease in the United States, the manufacturers would be driven to compete with goods made abroad, and once they learned to do this, in their own country, they would soon be able to do so in the open markets of the world. At first, some of them would go under when their props were removed. But such of them as learned the secret of cheap production would succeed. To do this, the equalization of the price of American and English labor would become necessary. And, in any case, when the United States has exhausted its virgin soil, that best gift of Nature on which it has grown rich, what reason is there to suppose that the difference of wages which now exists can then be maintained? We do not mean of nominal but of real wages: wages for a given amount of work of equal quality. Should this day ever come,—and even Jefferson thought he foresaw its far-distant approach—we shall hear no more about the "pauper labor of Europe." Besides the equalization of wages, other conditions would have to be equalized: among them equal advantages of capital and machinery; equal energy in the faculty of invention; equal attention in the conduct of business to the stoppage of leaks and waste; equal rates of interest. When these conditions are reached, the United States will become the most formidable rival of Great Britain in manufactures. But she will never be a formidable rival so long as protection is maintained.

Both these tariff bills are steps in the direction of enabling competition. But of the two, the Mills bill is the more formidable. The Senate bill pulls down with one hand what it builds up with the other; while it reduces duties on raw material and incomplete manufactures, it raises them on completed manufactures. Its framers do not look beyond their own country or see a day into the future. They have not got beyond the struggle for their own market. The bill is more protective than the present tariff; ensuring cheaper raw material and whatever enters into manufactures, and enabling manufacturers, by an increase in the tariff on their products, to make the consumer pay higher prices.

The day will come when the American farmer, who is obliged to meet the world's competition in the world's market, will demand to know, and insist on getting an answer, why he should be obliged to pay an artificial price for all he requires, in order to shield the manufacturer from a like competition. And when that day comes, American manufacturers, in certain lines at least, will become formidable competitors in the markets of the world.

THE RISE IN WHEAT.

Mr. William Ogilvie, the prince of Canadian millers, is given as authority for the statement that Canada has no wheat to export, "and that before the year is out it will be found that the United States has nothing either." How Mr. Ogilvie should know the result of the American harvest so much better than Americans themselves it would be difficult to understand; and it will be strange if it takes them some months to learn what a Canadian miller is able to tell them now. "A prominent miller," whose name is not given, is quoted by another paper as saying that "not more than twenty-five per cent. of the wheat raised in Manitoba is fit for making good flour." This authority, whoever he may be, backs up Mr. Ogilvie in saying that Canada has no wheat for exportation. Mr. Hutchinson, of McKay & Co., millers, is also given as authority for the prediction that he does not think "poor people will eat much good bread this winter," not because good wheat is not to be had, but because bakers will try to keep within the buying means of the poor. Do they always show equal anxiety about their selling prices?"

It is of course desirable that the truth should be known about the wheat crop of 1888. If we have no surplus, which it is difficult to believe, it is proper that the fact should be known. The allegation that seventy-five per cent. of the wheat of Manitoba is badly damaged is contrary to the evidence we have on the subject. It is at least a curious fact that so many millers are found dwelling upon, not to say exaggerating, the extent of the mischief done by the frost