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The Journal of Commerce

FINANCE AND INSURANCE REVIEW

MONTREAL, JUNE 25, 1880

PROPOSED ZOLLVEREIN.

The following article was crowded out of our last issue, and since writing it we have had an opportunity of reading a number of controversial articles on the subject in the Ontario press, and we find, moreover, that the *Montreal Spectator* has given its adhesion to Mr. Perrault, and his United States' associate, Mr. Wharton Barker, who it assures us is "supported both by the press and leading merchants." That Mr. Wharton Barker has supporters we readily admit, but we are fully convinced that the *Buffalo Commercial Advertiser* is correct when it states the "almost universal American view of the matter" is that set forth in the Minority Report of the House Committee on Foreign Affairs, which was that "only by a union of Canada with the United States can the admitted advantages of reciprocity be obtained." Those who hold this opinion frankly admit that the Canadian sentiment and opinion of the present time is unfavorable to the only kind of reciprocity which the United States will consent to. As we have noticed the view taken of this question by the *London Advertiser* we may briefly notice a subsequent article in that journal in which it quotes the opinion of the *Boston Herald*, a free trade journal, to the effect that the time is rapidly approaching when the United States will adopt a free trade tariff that will be acceptable to Great Britain. We recommend our contemporary to defer his advocacy of commercial union until the anticipations of the United States' free traders shall have been realized.

Mr. Joseph Perrault has been taking unusual pains to circulate the June num-

ber of his "Monthly Review, devoted to Canadian Emancipation," if we may judge by the fact that it was supplied gratuitously to the members of the Quebec Legislature. It contains another manifesto from Mr. Wharton Barker, addressed to General Garfield, who has been selected as the Republican Candidate for the Presidency. One of the "important considerations" which should have "great weight in moulding our national legislature" is that "the Dominion of Canada, 'as we all know, is a purely artificial 'union of English Colonies which possesses 'no internal coherence,' and its union was effected 'partly by political pressure and partly by fiscal inducements held out by the mother country.' This is the result of Mr. Perrault's instruction to the Philadelphia annexationist when he was the paid servant of the Dominion Government during the Centenary exhibition.

NO GILDING ON THE PILL.

Mr. Wharton Barker, to do him justice, does not gild the pill which he offers us. He tells us that "a Customs Union with 'the United States would be a final 'declaration of her Continental sympathy and her farewell to Imperial aspirations," and he then expresses the opinion that, "from a close observation of 'the drift of her opinion, I am satisfied 'that she is ready" to enter into the arrangement that I have suggested. One of Mr. Barker's reasons he gives in these words: "When told that the policy imperilled British connection, her reply was, 'so much the worse for the connection.'" He then declares that "we are her last resort," and he suggests that it would be timely to propose an international commission with Canada to negotiate a treaty for the removal of the existing restrictions on our mutual trade.

OUR POSITION OF INFERIORITY.

It is not very easy to distinguish what are Mr. Perrault's own contributions from those which he has copied, but we can scarcely be mistaken in assuming that they all express his sentiments, and that he concurs with the *New York Herald* in the following expression of opinion, which he has copied for our instruction, and which well deserves our best consideration: "There would be another difficulty 'in finding a just proportion for dividing 'the Customs revenue. To apportion 'it in the ratio of population would give 'Canada more than its equitable share. 'The duties are ultimately paid by consumers, and the people of the United States being more wealthy than the 'people of Canada, they would pay a 'larger proportion per capita, especially

"on articles of luxury on which duties 'are usually high." So in the *Herald's* opinion Canadians are not worthy to rank with the negro laborers in the Southern States.

A REVENUE TARIFF.

We give Mr. Perrault and the *Herald* credit for not attempting to deceive us, and yet there are Canadian journals, such as the *London Advertiser*, ready to fall into the trap which is ostensibly baited for them. "We think," says the *Advertiser*, that a Zollverein with a simple "revenue tariff" upon the traffic of this "continent with the rest of the world, "and the complete abolition of Custom "Houses between Canada and the United States would be an immense boon to "this country." Suppose, merely for argument's sake, that the practicability of such a Zollverein arrangement were admitted, how, we would ask, could we secure the revenue tariff? Even on the assumption that we were permitted to have a voice in the framing of the tariff what would be the extent of our influence in comparison with that of the United States? But the idea of our being consulted at all is preposterous.

THE NAKED TRUTH.

It is not long since we quoted the opinion of the *New York Bankers' Magazine* with reference to this Zollverein scheme, and it will well bear re-copying. That opinion was, that it was "the ildest of 'follies, and has never been considered at 'all practicable by anybody who has 'any knowledge of such subjects," and the reason given is that "it is impossible 'that the United States would ever admit 'Canada to any voice in their tariff regulations, and it is hardly conceivable 'that Canada on its side would submit to a tariff in the making of which 'it could take no part." For professed free traders like the *London Advertiser*, to advocate a Commercial Union with a country which has a tariff of the most objectionable character is, it must be admitted, a singular circumstance.

To be concluded in our next.

THE BANK MEETINGS.

Of the recent Bank meetings the most important has been that of the Merchants Bank. That institution has been one of the severest sufferers by the disastrous bankruptcies which have caused such heavy losses, both to bankers and to all engaged in commercial pursuits. It is gratifying to find that, although unable to report any decided change for the better, the General Manager did not speak in a despondent tone, but on the contrary was able to hold out encouragement that the