

for a while run up to 8 per cent. for stock-jobbing purposes. Commercial paper has been in moderate request. First-class ninety day's bills have been taken at 5 per cent., four month's at  $5\frac{1}{2}$  to 6, and good single-named paper at  $5\frac{1}{2}$  to  $6\frac{1}{2}$  per cent.

#### DISCRIMINATION AGAINST GREAT BRITAIN.

In the beginning of the modern colonial system, exclusion of foreign countries from the commerce of the colonies was the foundation on which the colonizing nations of Europe built. After a time, came relaxation of the exclusiveness; by the third step the British colonies put a tax on the products of the mother country as well as on those of foreign nations, and the mother country compensated herself by abolishing the discriminating duties in favor of the colonies. When this stage had been reached, the commercial unity of the empire was at an end.

The connection between the founder of the colonies and the young communities which sprang from her loins now rested on what was practically identical with the treatment accorded to the most favored nation, by countries which have commercial treaties with one another. To maintain this equality of privileges, Great Britain took effectual means to prevent the exercise of the power of discrimination in the framing of colonial tariffs. A clause in the instructions of all colonial governors forbade them to assent to any law levying discriminating duties. The inhibition was general in form, so general that no colonial legislature could discriminate even in favor of any more than against the mother country. This precaution was necessary on account of the treaty obligations by which Great Britain bound herself to accord to other countries the treatment of the most favored nation. A customs union with the United States, if entered into by Canada, would compel her to discriminate against the commerce of the mother country, and in favor of that of a foreign state. Short of discrimination of this kind, Canada has complete control over her tariff; but before she could go to this extent, the inhibition against the enactment of discriminating duties would have to be removed. In the decision of this question, the Imperial Parliament would have to be consulted, and any debate upon it would necessarily involve the entire relations between Great Britain and her principal colony.

That Canada should, in the course of time, become an independent nation we can understand. In doing so, she would only be following where many other colonies have led. But that she should, while remaining connected with the mother country and resting on her protection, discriminate against her protectress and in favor of the foreigner, is what we cannot understand. If leave to indulge in hostile discrimination were asked, some of the advocates of this course believe that it would be granted. For our part, we do not profess to foresee what the answer would be; but of this we feel certain, that we have no moral right to prefer such a request, unless, indeed, it be accompanied with the distinct

understanding that we release Great Britain from any and all obligations which she may be under in respect of us. It may be that no one proposes to break the moral law by denying to Great Britain the benefit of the reciprocal effect of existing obligations; but can we fairly ask a one-sided release, ask to be released from our part of the obligation while the other party remains bound? By the very act of asking to be allowed to discriminate against the parent state, we mutely suggest another question: if we show commercial unfriendliness towards the mother country, have we a right, any longer, to count on her political protection? Are we not bound in honor to settle both questions at once, if we raise either of them?

There is no analogy between taxing the manufactures of Great Britain, the same as we tax any other, and discriminating against them. The first ensures equal treatment, and is justifiable; the latter is unequal and therefore unjust; it would be doubly unjust considering our relations with Great Britain. It is a new policy for which there could be only one possible justification. If independence were essential to Canada, and if it had been granted, she would be free to enter into any form of commercial treaty with foreign countries which might suit her interests. To independent nations, alone, the option of discrimination belongs.

A customs union with the United States would bring both good and evil: which of the two would predominate might be a proper subject of discussion, if the time were ripe. But it is not a question to be settled by vague general statements about the unenumerated benefits which Canada would derive from pooling her customs revenue with a nation of sixty millions. Incidental disadvantages it certainly would have. A common tariff would have to be agreed upon by the legislative authority of the two countries. Would the two countries negotiate as equals or on some basis of population? Would the Americans consent to alter their tariff, not to bring it into conformity with ours as it exists now, but on the principle of mutual compromise? On what basis would the customs and excise duties be divided? Would it be population, or assumed contribution, or a combination of both? For how long a term would the agreement be made? And if it were necessary to alter the tariff in the meantime, in what way would the change be made? Could the dual legislative authority be consulted, or would the lesser have to give in to the greater? Is there any reason to suppose that any possible division would give mutual satisfaction? Are our present dealings with the United States, in the fishery matter for instance, of a nature to produce in us confidence that they would desire, in any new arrangement, to act fairly by us; that they would refrain from harassing us, in every conceivable way, if they had any ulterior object to gain by doing so? The proposal of commercial union comes, in fact, as a remedy for the fishery trouble, a trouble which is not our making, but which originates in a desire of the fishermen to take our fish without giving us an equivalent for the privilege.

The time has scarcely yet come for discussing the advantages of a customs union with the United States. But it is certain that the old American manufacturing establishments would profit by the experience they have had; and if in the past, they have carried on a competition against our younger concerns, avowedly intended to be destructive, and which high duties only on one side have prevented their succeeding, what would be the effect of such competition, when it ceased to be under any restriction? Free trade in agricultural produce would, to a great extent, be a trade of convenience, mutual exchanges taking place according to the respective wants of the two countries along an extended frontier: the advantages would be shared by both, but in some superior degree by Canada. There remain the fisheries, which we should be expected to throw in as a make-weight, which, in the opinion of competent judges, would have quite as much need to be put into the other scale. But the fact of Canada getting the worst of the bargain would not be an imperative reason against a customs union, provided she obtained a positive advantage. Would there be no danger that the Americans, who have ruined some of their own best fisheries, would by destructive methods, seriously injure ours, if they acquired the same right in them that we have?

#### THE LATE C. F. SMITHERS

Since our last review of the banking position, an event of very great importance has taken place in the Canadian banking world: viz., the decease of the gentleman who was admitted to stand at the head of it, Mr. Chas. F. Smithers, the President of the Bank of Montreal. The place filled by this estimable gentleman was unique, wielding as he did the largest financial power of any banker, not in Canada only, but on the continent of America. That he filled this high position with consummate ability is universally acknowledged. Thoroughly trained to his profession from early years, he had devoted himself to it with assiduous attention and followed it with a zeal and industry which never flagged through long years of industrious devotion. A wide experience in various cities in Canada, combined with that which he had enjoyed for many years in New York, fitted him for the high responsibility he assumed when placed at the head of the Bank in Montreal. His success justified the choice made in placing him there, and investing him with such great powers as he wielded.

Conservative and cautious by temperament, he yet had a firm grasp of the numerous large transactions that must of necessity fall within the sphere of a Bank that has the business of the government of Canada, and most of its railways. The operations carried out under Mr. Smithers' direction were at times of enormous magnitude, yet not a hitch occurred in any one of them. He was prescient and sagacious, could read the signs of the times better than most men, and steer his barque accordingly. His annual address to the stockholders had come to be looked forward to, with almost more interest than the Budget speech of a