

irrigation to render them fruitful, will be postponed till the settlement of the North-West, unless in the case of California, where irrigation brings exceptional advantages, and is now being carried on at great cost. In the history of all nations there are periods which call for the exercise of hope and patience, and through one of these Canada is now passing. Her turn of exceptionally good progress will come, nevertheless, and we trust before long.

THE AMERICAN COMMERCIAL TREATIES.

In the several reciprocity treaties made by the American Government, under the Blaine clause of the McKinley tariff law, there is an absence of any provision that would give to any country dealt with a monopoly of the benefits conferred. A bargain made with one country has been no bar to a similar arrangement with other countries. So far as circumstances would allow, the United States treats all the countries with which she has concluded treaties alike. This was a wise policy, and is one which Canada must adopt in any negotiations she may enter on with the Republic. There has been an assumption, all along, in discussing reciprocity with the United States, that Canada, in any treaty she might make, would practically, if not in terms, bind herself to make an exclusive arrangement applicable to one country only. This is true in part, but is not true as a whole. From the situation of the two countries, the United States and Canada, they alone would be likely to exchange produce with one another to any considerable extent. Here geography, not the terms of the treaty, would decide; for it would of course be left open to each country to make a like engagement with any other. If we agreed to take certain American manufactures free of duty, or at a reduced rate, the fact could not be permitted to militate against our making a similar bargain with any other country. An arrangement made with one country is sometimes a temptation to other countries to participate in its benefits by obtaining a similar concession. When the United States came under an agreement to take free of duty the sugar of one South American State, other sugar producing countries desired to enjoy the same benefit; in this way it has been possible for the Republic to make a number of treaties that will affect a considerable proportion of its trade. If the United States admitted Canadian produce free on condition that we reciprocated, in respect to some of her manufactures, that would be no reason why we should not make similar bargains with other countries: our freedom to do so must be preserved, otherwise we should place ourselves at a great disadvantage, and practically come under an agreement not to buy certain articles from any other country. Such restriction would be in the last degree injurious; it would bind us to take only the goods of one country which might be good or bad, and at prices far above those that rule in the open markets of the world. We must preserve the liberty of modifying our tariff to suit

ourselves. If the United States agreed to take our grain, lumber and fish duty free, on condition that we took certain of her manufactures on the same terms, we must remain at liberty to deal with other nations on like terms; we should have to retain the right to take free manufactures from other countries, which would admit on the same condition, our grain, lumber and fish. In doing this, we should be acting upon the principle on which the United States has relied in the reciprocity treaties which she has recently concluded.

But while preserving this liberty of repeating the terms of one treaty by means of bargains with a number of countries, the Republic has exacted some one-sided arrangements to her own advantage. She has obtained discriminations in her favor, which may or may not prove injurious to the countries with which the bargains were made. It is probably true that there are certain descriptions of machinery in which the Americans can successfully compete against the world; but if so, discrimination in her favor, with respect to them, would enable the manufacturers to exact abnormal prices, and we may be sure that they would not fail to do so, unless they found or believed that the increased price would so lessen the sale as to diminish the total profit. The safeguard of competition once withdrawn, a country which agreed to accept American manufactures would be placed at the mercy of a monopoly, and would be sure to suffer. It is probable that some of the sugar countries dealing with the United States will find the concessions they have made, in this particular, onerous enough to counterbalance the benefits of a free market for their sugar. However that may be, the fact that these unequal concessions were obtained attests the ability of the American negotiator.

Canadian reciprocity with several countries, if on the basis of free imports to any considerable extent, would cause a serious diminution of revenue. There is a limit to which this sacrifice could be borne. It is quite clear that it could not extend to a very large part of the schedule of dutiable imports. Absolute free trade along the whole line is out of the question. It is not possible to be applied to any one country, England or the United States for example. Unlimited reciprocity with the latter country would exact certain sacrifices in excess of the possible benefits, and is not to be seriously thought of. But the objection does not apply to limited reciprocity in free exchanges arranged to meet the needs of both countries. How far either party could go, is a matter which only negotiation can develop. Neither country is likely to act so unwise a part as would be the publication of its ultimatum before the negotiations begin. For one country to offer in advance all that the other could possibly ask in the first stage of the negotiations, would be a novel spectacle, which will be looked in vain for from persons able to speak with either official authority or popular approval.

Now that treaties of reciprocity between the United States and the British West

Indies have been made, it becomes urgent that Canada should secure a like arrangement with these islands. There is in the American treaties nothing to prevent this, and it is reasonable to suppose that the West Indies will be as ready to make a bargain with us as they have been to make one with the Republic: they may not attach as much importance to the lesser as to the greater trade, but they want guarantees of free access to all the markets possible for their produce. The matter will, we presume, not escape the attention of the Ottawa Government, which last year made inquiries on the subject, and must be fully informed of the position of the question as modified by the new American treaties.

THE FAILURE LIST.

The number of mercantile failures in Canada has been increasing for ten years past, and the list for the year 1891 is the largest since 1881. Both Bradstreets' and Dun, Wiman & Co.'s mercantile agencies agree practically in the number, which our importers and bankers will do well to ponder. Bradstreets make the failures in the Dominion for the year just closed 1,839 in number and \$14,788,000 in amount, while Dun, Wiman & Co. give the number as 1,861 and the amount of liabilities as \$16,724,000. We give a comparison of the figures of the last named concern in former years:—

Year.	Number.	Amount of Liabilities.
1882.....	787.....	\$ 8,587,000
1883.....	1,379.....	15,872,000
1884.....	1,308.....	18,939,000
1885.....	1,247.....	8,743,000
1886.....	1,233.....	10,171,000
1887.....	1,366.....	16,070,000
1888.....	1,637.....	13,974,000
1889.....	1,747.....	14,528,000
1890.....	1,838.....	17,858,000
1891.....	1,861.....	16,724,000

There is thus an increase in ten years from liabilities of 8½ millions at the hands of 787 traders in 1882 to nearly 17 millions due by 1,861 traders in the year 1891, and the increase has been unpleasantly steady; as any one may see by examining the above table. One does not wish to be pessimistic in the face of the good harvest of 1891 and the activity which is to flow from it. But it will be the height of folly to convert the profits of our labor and success in field, forest or mine into losses by faulty shopkeeping or other trading. If we do not wish, some approaching year, to attain the bad pre-eminence of 1879—when the failures numbered 1,902, and their amount was \$29,347,000—we will call a halt to our over-importing and over-trading. The failures by provinces were as under:

Province.	No.	1891.	No.	1890.
		Amt. Liab.		Amt. Liab.
Ontario....	809	\$5,801,730	901	\$6,801,338
Quebec....	681	8,386,709	617	8,721,817
Nova Scotia	141	905,200	122	685,824
N. Brs'wick	132	966,552	84	998,847
P. E. Island	7	58,950	8	51,103
Manitoba..	69	470,555	46	399,453
B. Columbia	22	134,243	50	199,635

Total..1,861 \$16,723,939 1,828 \$17,850,017
Ontario and British Columbia are thus the only provinces which show a decline in both number and amount of failures compared with 1890. Quebec, Nova Scotia and New Brunswick give an increase in number but not in amount. We may take what