

sion, if it be true that companies can be chartered which offer no further security than the requirement that their assets shall equal their liabilities. At the same time, it is not desirable that the Government should, by its competition, take from productive channels large sums of money and employ it unproductively or fix it in public works. If it wants to borrow, it is surely best that it should borrow in the open market of Europe. There is an expectation that British trust funds will be invested in the new short date bonds, and this is likely enough to happen.

Once more the victims of their own cupidity in seeking to get for money on deposit more than it can possibly earn, are making their wail heard. Paris is the scene, a private banker, Victor Mace, the operator, the losers a long list of fools of many ages and both sexes. The amount deficient is \$4,000,000. Mace did things in a princely style, had courtly manners and elegant offices, and promised high rates of interest, sometimes as much as ten per cent. Now the trusted private banker is missing, as well as the money, and conjecture is speculating whether the farce may not have ended in tragedy. At the present time, when pressure is severely felt in the French capital owing to the unwonted frost having arrested many kinds of labor and done great injury to the market gardeners, the loss will be intensified. But the lesson is one that never teaches, or is soon forgotten, and the folly and the crime are sure to be before long repeated.

Newfoundland offers a remarkable instance of how easily an excitable population may be thrown off its balance. The mere appearance of Premier Whiteway as counsel for the British admiral who was sued for his official action in the Baird Lobster factory case, has raised a storm of passion that would do honor to the wildest savages. Is a British admiral pursued in the local courts for obeying imperial orders, not to be heard in his defence? And if he is to be heard, why not by the most capable of counsel? In the passion of the moment, no one stops to enquire whether a counsel is at liberty to refuse his aid to a litigant without a cause. We suspect there are more, and more virulent politics to the acre in Newfoundland than in any other country under the sun.

#### THE TWO COMMERCIAL POLICIES IN THE ELECTIONS.

Though the issue between the two political parties which the elections are to decide have been better defined during the week, a fringe of uncertainty still forms the boundary line of the ministerial programme. The lines of separations, however, between the two policies, which at certain points run into one another, are broad enough to make the different positions not only distinct but directly antagonistic. Several ministers have spoken on the Government programme, and the Prime Minister has issued a long manifesto to the electors of Canada, but chiefly to those of Ontario. Sir John Thompson dealt chiefly in nega-

tives. The reciprocity which is to be offered to America in March he tells us "does not mean that Canada has to lose control of her own tariff, under any circumstances," or that there is to be any discrimination against England. "It does not mean the surrender of the National Policy," or that "for the benefit of American labor, the industries of the country shall be pulled down and scattered." From these negatives the public is, in the words of the Minister of Justice, left to "form some idea of what is intended to be proposed."

From a list of negations a conclusion can undoubtedly be drawn, but it is not one to inspire much hope for the success of the proposed negotiations. It does not foreshadow a proposal broad enough to be likely to be acceptable to the Americans. As to keeping control of our own tariff, that is a matter of degree: all commercial treaties, so long as they are in existence, restrict the liberty of tariff legislation to the extent that the stipulations go. Farther than this, the Americans contended that we were bound by the treaty of 1854, which it is proposed to revive with additions; they contended that we violated the spirit of the treaty when we raised duties on articles not comprised in the schedule. This contention was unreasonable; and in any new treaty it would be well to provide that the liberty of tariff legislation, outside the treaty, should remain unimpaired. For such a precaution a precedent can be found in American diplomacy. A commercial treaty, if it be exclusive, necessarily discriminates against all the world outside of the contracting parties: when not exclusive, it is less a treaty confined to one nation than a treaty with one nation, in form, with a guarantee that it shall not carry restriction against other nations which, if not mentioned, can be ascertained. If the National Policy is to be maintained, in its latest exaggerated form, and the treaty is to apply to any land as well as the United States, there can be no risk in predicting that the negotiations, if they be ever commenced, must end in failure. If the National Policy, as it now exists, or anything like it, is to be maintained, the dream of reciprocity with the United States may as well be abandoned.

Sir John Macdonald, first and foremost, makes the issue one of British connection. He declares it to be his mission to oppose "veiled treason," which, he says, "attempts by sordid means and mercenary proffers, to lure our people from their allegiance;" and he calls upon the electors to give him "their united and strenuous aid in this my [his] last effort for the unity of the empire and the preservation of commercial and political freedom." Unfortunately, Mr. Wiman has occasionally talked in a way that might seem to justify the putting of the question in this form; but the political leaders who advocate unlimited reciprocity have not made themselves responsible for anything that would fairly bear this construction. If it can be shown that the commercial issue necessarily involves the political destiny of the country, the appeal which Sir John has

made would be allowable. But this is a point which ought to be and has not been made clear. Appeals to loyalty complicate the issue, and tend to prevent a decision of the economic question. National sentiment may be made to shield a tariff policy which, on its own merits, would stand a good chance of being condemned. There can be no doubt that a strong feeling against the increase of the tariff last session has been evoked, and if it could have play, free from extraneous questions, the count at the polls would give us the measure of its strength. The danger to those responsible for the increased duties may be averted by making a compound issue, in which the political element may prove strongest. Sir John Macdonald in effect appeals to the electorate to decide the question of annexation, yes or no. The putting of the issue in this form can scarcely be without peril, since it must tend to create the impression that it is one that requires not only to be decided, but to be decided now. M. Laurier replies: "We are still true and loyal to our Sovereign. But if our interests were in opposition to those of England, we would stick to ours."

Sir John calls from the deep the spectre of direct taxation, which he describes as the necessary result of unlimited reciprocity. The fact must be admitted. Direct taxation is a hobgoblin that may serve an excellent purpose to conjure with; but if the money must be taken from our pocket, nothing can be said in favor of taking it indirectly and in increased amount, except that people prefer to be fleeced without knowing it. There is reason neither in the preference nor the antipathy. Protective duties offer the only form in which an abnormally large revenue can be raised without provoking keen criticism and strong opposition. Official preference for them is natural; but the public has no reason for a preference which adds to its burthens in more than one way.

The maintenance of the "National Policy" high tariff is inconsistent with a large measure of reciprocity with the United States. True, we should be likely to have a higher tariff against the rest of the world under unlimited reciprocity with the United States; but we are not likely to get any measure of reciprocity, if we insist on maintaining our present tariff without a large diminution in favor of the United States.

Both sides are putting forward as objects of attainment what they have no certainty of being able to reach. Unlimited reciprocity might possibly be got, if desirable; a revival of the treaty of 1854, without enormous additions, such as make a great inroad on the National Policy, seems, from the attitude of Mr. Blaine and others who have of late made reference to the question, to be hopeless of attainment. If the issue had been made free trade against exaggerated protection, the verdict on the McKinley tariff would have been almost certain to be repeated in Canada.

—One of the sayings of Emerson was: "When you have worn out your shoes, the strength of the sole leather has gone into the fibre of your body."