

cans a plausible ground of complaint, and no more. For that reason the policy was bad, and it is well that it should now be abandoned, once for all.

On one point Russia is about to relax her tariff. The prohibition which prevents railway companies buying material for their purposes abroad is on the point of being removed. If Germany and Great Britain should benefit by this, Russia will not the less find her account in it. Of course, the object of the removal of the restriction is solely to benefit Russia.

Mr. Horatio Seymour, State Engineer of New York, throws cold water on the great canal scheme for bringing ocean vessels from New York to the great lakes. He points out that the lake harbors would require to be deepened from 16½ to 21 feet. "If," he says, "it were possible to put an ocean vessel on the great lakes, it would not be economy to navigate her there." If this be true, it would apply to any scheme for bringing ocean vessels up the St. Lawrence. The canal would cost \$50,000,000, a figure which must put its construction out of question. Finally, if the canal were built, no lake vessel would navigate it or the Hudson. But Mr. Seymour thinks that the canal question can be solved by a twenty-one foot channel through the great lakes, and an enlarged canal through the State of New York, to admit grain barges on the whaleback plan. Will this give the great canal scheme its death blow?

Owing to pressure brought by native sealing companies, the Japanese Government has prohibited sealing to foreigners within territorial limits of Japan. The prohibition will be enforced by armed vessels. It is estimated that over \$800,000 worth of seals were captured by foreigners within those limits last year. Among the foreign seals American found a place. The right to prohibit within the territorial limits does of course not admit of dispute.

A sensational cablegram alleges the existence of a financial crisis in Italy, but the facts do not warrant the inference. The Rome branch of the Banco Napoli has been the victim of some losses and perhaps irregularities, in which the cashier and one or more directors are implicated, though fraud is not charged. It would seem that 40,000,000 lire are involved, in some way. Two other banks, the Banco Toscano and the Credito Toscano, have assumed all the liabilities of the Banco Napoli. This may cause a stringency that may be felt by the clients of the assisting banks; but there does not seem to be any good reason why the event should cause a financial crisis in Italy, much less that the perturbation should be severely felt on other continental bourses.

Investigation has shown that the case of alleged lobster poisoning by Canadian lobster at Bradford, England, some weeks ago, was due to decomposition caused by the can not being air tight, and not to the presence of any poison introduced in the soldering process.

## SIR JOHN THOMPSON ON THE TARIFF.

At the meeting in the Auditorium, Sir John Thompson said he had no new story to tell, that he stands on the principles on which his party obtained power, fifteen years ago. What were those principles? So far as they applied to the tariff, re-arrangement, not increase, was the promise. Has that promise been kept? Let the various alterations in the tariff supply the answer. There have been repeated increases, and heavy at that. Sir John gives a new interpretation to the National Policy. The National Policy of 1887 was chiefly a tariff policy; if it included other things, they were seldom thought of in connection with the name. Let it be admitted that the National Policy meant more than a tariff arrangement. But the acquisition of the North-West, the building of the Canadian Pacific, and of the Intercolonial, to go back so far, were not at the time characterized as parts of a national policy. There is nothing in this policy, taken in its broadest sense, which any one proposes to change, except the tariff.

The tariff item admits of separate treatment, and is in fact the one thing which is popularly understood as constituting the National Policy. The phrase is a borrowed one; it had done duty in the United States half a century before it was imported for general use among ourselves. Sir John Thompson talks a good deal beside the question, and brings for proof of the beneficent effects of the tariff, facts which cannot be admitted as decisive evidence, if evidence at all. He assumes the whole question in dispute, when he takes it for granted that the industries which have grown up under shelter of the tariff have added to the wealth of the country. This may be so, but proof is not to be found in an array of figures which shows the capital invested in manufactures, the wages paid in them, the extent of the product, much less in aggregates concerning banks and insurance companies. This display of figures leaves the question whether the tariff has tended to make the country, as a whole, richer or poorer, wholly untouched. What if the wages drawn in manufactures and the profits made have had the effect of causing the whole body of consumers to pay more for what they have bought than they would otherwise have had to pay, and if the difference is greater than the increased wages in manufactures, as compared with other employments, and all the profits of the manufacturers? And even if it could be shown that the consumer had not paid as much more as the aggregate of these two items, the equity of forcing one class of people to pay involuntary tribute to another requires to be demonstrated. The conditions of the problem merely require to be stated to show that Sir John Thompson's array of figures has really done nothing towards solving it. If it should prove that the country was not the richer for its forced manufactures, the defence of the policy that fostered them, in an exceptional way, would have to rest upon its nation-building character. Candid protectionists, in other countries, have

sometimes admitted that protected articles are produced at a loss to the State, counted in money, while they contended that there was a gain in experience, which it was necessary to obtain, and that the cost of the acquisition was money well spent. This, we take it, would be a better defence than the pretence that the country as a whole has made money by forcing manufactures by means of a protective tariff.

The Premier assumes that if the National Policy tariff had not been in existence, the workmen employed in our factories would have found their way into the factories of the United States. But this by no means follows. Some of them might have gone to till the soil of Manitoba and the North-West. Can a country increase its wealth by tempting a part of its population into employments which are not in themselves profitable, and which can be followed only by making artificially dear the foreign products of a like kind to those produced at home by the labor so diverted? This, however it may be determined, is one of the questions which require an answer, and to which no answer has come.

Sir John assumes that the condition of agriculture has fallen lower in the United States than in Canada; and the proof he offers is that farms have been deserted in the Eastern States, and mortgaged, East and West. The deserted farms prove that for them the conditions of successful competition do not exist. As to farm mortgages, Canada is not free from them. They are not a necessary evil in either country. If the money borrowed earns its own interest and something more, they confer a benefit on the borrower; if less, they are a source of loss. But supposing that American farmers are less prosperous than Canadian, is it because the American tariff is higher? No doubt the time has come when, in respect to the facility of obtaining rich virgin lands, Canada has a great advantage over the United States. But this is not the result of tariff policy. These lands come as a gift of nature. To a like resource, in the past, the United States owe much of its progress in population and wealth. To us, our vast area of virgin soils will ere long prove to be the means of balancing the exodus, and leaving a large surplus in our favor. Already the counter current has attained considerable dimensions.

But what people want to know is, what direction tariff changes in Canada are going to take. Of course no reasonable person expects the Ministry to announce the details of its policy from the platform. We can only expect to get hints of what will be done. Hints we had before from Sir John Thompson, but they were so vague that no one could possibly tell what they meant; and he complains that people have misinterpreted what no one could possibly understand. The repeal of the sugar duties is pointed to as indicating that a lopping off of more duties may be expected. We are told that the "National Policy is to be sustained and the tariff reformed to suit the wants of the Canadian people, as they may change and alter from day to day." On a controverted subject, this utterance must mean something to which universal assent