

can prevent the recurrence of this cause. The only question is whether, after the snow melts, any provision can be made that will enable the water to escape by the rivers without overflowing the land, but this cannot be determined at present. Scores of lives have been lost, and millions of dollars' worth of property destroyed. The Canadian Government and Parliament have a clear duty in the premises. They cannot bring the dead to life or restore the fortunes that have been lost, but they can relieve the suffering and the destitute, including widows and children, left without parents or other protectors.

Before the middle of next month, the Sault Ste. Marie canal, on the Canadian side, will probably be open for traffic. The masonry work is finished, and the lock-gates, seven in number, are on the ground ready to be put in. If all goes well, water may be let into the canal as early as the 10th July, and it is safe to say that unless something unusual and unexpected happens, the canal will be ready to receive traffic by the 15th July and probably before. Experience has repeatedly shown the necessity of this work: when it was necessary to dispatch troops to the North-West, and again, when the American Government put discriminating tolls on Canadian commerce passing through their canal at this point. Of course, the new canal will have to be free, as the American is. Connecting great bodies of water, and forming a necessary link in an extended navigation, a canal of this kind is of the utmost utility. Except for international reasons, a duplication of canals, at this point, might have been put off for a time, but the commerce of Lake Superior is increasing at a rate which will soon make the two canals absolutely necessary for its accommodation. Meanwhile, if this canal does not open up a new route, it is an element in our national independence.

TARIFF LEGISLATION AT OTTAWA AND WASHINGTON.

Tariff legislation has kept pretty even pace at Washington and at Ottawa, and in neither case will the result go to near the extent of the original proposals. Both the changes announced took the shape of reductions of duties, and from the specific to ad valorem form; in both cases there was a recoil from the original proposals, and in the end there will be little to show in way of tariff reform. Nor will ad valorem duties be found to have been substituted for specific to any great extent. Substantially, there has been in each country a failure to effect any decided tariff reduction. The fact shows, if anybody had doubted it, that it is easier to increase duties than to lower them. Taxes in all other forms are objected to; in this they are welcomed by many as if they were not only not objectionable, but bore the germs of a positive good. Protected interests counted for something in the struggle, and they went very near to showing the Minister of Finance in Canada that they were his masters.

The truth, is the amount of taxes raised in the last fifteen years, in any other form, would have been difficult to get in. Popular objection to taxation, when not carried to undue limits, is a salutary check on public expenditure; putting on taxes for some other purpose than the raising of revenue promotes prodigality, by creating revenue beyond the reasonable needs of the public service. A notable instance of this is seen in the United States, where, to get rid of the revenue produced by an abnormally high tariff, enormous sums were wasted on the pension list, which is more onerous than the support of the largest and most expensive European army. The corrupting tendency of such a tariff could not be better shown. There is a suspicion that in Canada individuals who profit by the tariff contribute largely to ministerial election funds, though no formal proof of the charge, which has often been made, has been presented. That something of this kind happens is at least probable. No doubt the scale of public expenditure has been raised through the influence of the tariff; the tendency to jobbery and extravagance has been increased.

The high tariffs both of Canada and the United States have created a thoroughly artificial state of things. They have drawn from the land a large amount of labor which had better stayed there. They have diverted capital in excessive amounts to manufactures, to the loss of many of the adventurers. The cotton business was overdone, as silk production had been in England in 1826; but there is this difference in the two cases: when the English silk producers had faced their losses, there was an end of the folly; but here, when the men who lost in cotton ventures sold out, the purchasers found the means of making the public pay profit on the investment, thanks to the tariff. A manufacture which is only kept up by excessive duties, is in danger of collapsing whenever the props are withdrawn. When this happens, the loss of capital is seen to be serious; but the loss was all along not less, though being borne by the public indirectly, it was not always traced or seen. A Minister of Finance will often hesitate to lower duties, when the effect may be disaster to a whole class; but where one may hesitate, his successor may regard it as a question whether the loss shall be borne by the individual or the public, and decide in favor of the taxpayer. Mr. Foster has felt this difficulty and given way under it. He has, on many articles, got back to the point at which he started, and on some has actually increased the tariff which he set out to reduce. The reduction is insignificant, and any serious tariff reform will be left to his successor.

If the Opposition get into power at Ottawa, they would find themselves somewhat in the position of the Democrats at Washington, willing, but perhaps not able, to make serious reductions. They might not find the same divisions among themselves; though it is hard to say whether, after a general election, they would be an unit on tariff reform. At Washington the greatest difficulty has been met in making even the most moderate reductions, such

as would still leave a high rate of protection. Serious, if not equal, difficulty would be encountered at Ottawa, if a similar attempt to that made at Washington were tried. The protected manufacturer, as a political force, would be found not to have been extinguished; and as this influence changes its direction, as interest dictates, it would seek and find new allies. These new allies might not be able or willing to go quite as far as the old, but they would go as far as they could. Alliances of this kind are corrupting in their tendency. They draw the parties to them from the straight line. All this shows that the prospect of any considerable tariff reduction, in the near future, is far from being promising.

BANK MEETINGS.

At a time when the people of our great neighbor, the United States, are being taught by prolonged financial disturbance and business depression the need of economy in expenditure and prudence in production and administration, it is well that we in Canada, who still need the same lesson, though perhaps in a lesser degree, should be reminded of our duty in this regard as a nation, as well as in industrial or corporate capacities. Over-production in manufactures, heavy imports in the face of diminished exports, a scale of living and spending that paid no heed to lessening profits and reduced incomes, combined with unsound financial legislation to bring our American friends to the state of commercial disorder which the past months have witnessed. And the cure for their troubles may be sought more confidently in the persistent industry and frugality of the people than in the legislation to which so many look forward as a panacea.

Our readers will find in the addresses of the principal officials at the recent meeting of our largest bank reiterated counsels to Canadians in the direction of care and economy. Says Sir Donald Smith, after reviewing the American situation and specifying the conditions in the Dominion: "It is evident that a policy of discretion and conservatism in giving and taking credit ought to be persisted in as affording the surest means of warding off trouble and of speedy recuperation when more favorable conditions arise." Nor is Mr. Clouston any less pronounced in his opinion. Reminding his hearers of his advice a year ago that we should cease for a time from the large borrowings for public purposes, to which Governments and municipal corporations have been addicted, and which might seriously endanger the credit and disturb the financial stability of the country, he congratulates them that on the part of the Dominion and Provincial Governments, new undertakings, involving large capital expenditure, are being avoided. At the same time he declares that the same prudent foresight is not being displayed by some municipal corporations, "whose civic rulers continue to incur liabilities at an excessive rate when compared with the increase of the surplus revenue available for interest purposes. An im-