

an important bearing on a question which has occupied the thoughts of the Canadian people for a considerable period. It was the belief of many in England that her manufactures were so well established that she could defy foreign competition, but with us the case is reversed. It is the country which has all the advantages derived from long-established manufactures which imposes heavy duties on our manufactures and products, while we admit hers on much more advantageous terms. It is not to be wondered at that, with the results which have attended free-trade in the United Kingdom, and which are deplored even by its advocates, there should be a strong feeling in Canada that reciprocity with the United States should be insisted on.

AS OTHERS SEE US.

People in remote parts of Canada, in the United States and even in Great Britain have latterly begun to look upon Montreal as the principal exponent of the commercial depression in Canada; and visitors who see the occasional "To Let" along some of our oldest thoroughfares are impressed with the idea that the city is losing its population, while the opposite is the fact. The readiness with which well-constructed and accessible residences, stores and offices are leased is sufficient proof of this. In this respect, strangers will be surprised perhaps to learn that upwards of four hundred houses were erected in Montreal during 1877, being fifty more than during the previous year, and those who are acquainted with the excellence of our building materials, and the fact that we do not build wooden houses, will form some impression of the progress thus indicated. A great deal of money has doubtless been squandered in suburban land speculation, as is usually the case with all wealthy and rapidly growing cities, and some of our leading business men have come to grief thereby. The losses by Montreal merchants have been very great during the years of depression, chiefly owing to their greater ability to grant indulgences to unfortunate customers, thus leaving them more liable to losses, aggravated by the gradual shrinkage in values. It is generally admitted that 1877 on the whole was not of itself a disastrous year, but the effect of former shortcomings was severely felt in the several small back street failures of that year; emphasizing the reflection that hard times are like a stone rolling down stairs, which always bumps most heavily on the lowest step. The news of these small failures was telegraphed to Toronto, New York and Chicago, and there read by

the masses of the people as indicating principally prominent business houses. A man with a total capital of \$50 to \$200 in a back street was set down in the telegram to Chicago and New York as "the prominent dry goods house of ———." The business world may with greater reason conclude that New York with her 129 failures last month is largely composed of rotten concerns. Those who visit our city are readily disabused of the idea. When it is remembered that out of upwards of sixty wholesale dry goods houses in Montreal there have scarcely been half a dozen failures during the entire period of depression, our distant friends will not imagine business in Montreal to be so bad as represented; and in other departments, except perhaps in the hardware trade, the proportion has not been so great. The stability of the great majority of Montreal firms is beyond being affected by such impressions abroad, although some of the younger houses among them may occasionally have their sensibilities wounded by frequent reference to supposed or exaggerated troubles in our midst. It is a mistake to imagine that Montreal has contributed more than a proportionate share of the troubles of the period. The millions of dollars worth of her manufactures, her importations her banking and insurance capital that have been scattered over the country far and wide during the last three years, without a return in many cases of even ten cents on the dollar, have gone towards enriching the consumers, who in this way have been enabled to supply their wants more easily than in more prosperous times.

QUEBEC RAILROAD POLICY.

The Quebec Government has found out before this that, in undertaking to assist in the construction of railroads, it took a white elephant into keeping. It was said a great many years ago by Sir Allan Macnab that his politics were "Railroads," and most assuredly such were the politics of a very large portion of the most influential inhabitants of the Province of Quebec a few years ago. If the excitement on the subject was more lively in some places than others, the cities of Montreal and Quebec are fairly entitled to be considered the most active promoters of the lines on the North side of the St. Lawrence. Each of those cities promised to the Companies empowered to construct the North Shore and Northern Colonization Railways a million of dollars, and the city of Montreal had advanced of this sum no less than \$350,000 when the embarrassments of both companies became so

serious as to lead to apprehensions that the entire expenditure would be wasted. Such was the state of matters when pressure was brought to bear on the Government representing the whole Province to assume and complete the works. Among those who most urgently pressed this line of action on the Government, the citizens of Montreal and Quebec were the foremost. No class of the population was more interested than they were in obtaining the aid of the Province. And yet at the present moment there is intense excitement in both cities against the railroad policy of the Government.

It has for some time been tolerably apparent that both cities as well as other municipalities in the same position are anxious to be relieved of the liability, which they voluntarily and with great unanimity assumed. It is, however, beyond a doubt that the Government and Legislature of Quebec would never have undertaken the construction of the railroad but for the assurance given them of municipal aid. The Government and Legislature have lately evinced a determination to compel the defaulting municipalities to fulfil their agreements; and the latter are not only deeply offended at the strong measures adopted, by which their *amour propre* has been wounded, but the city of Montreal, through its organ, the Finance Committee of the Corporation, gives reasons which no doubt appear to it satisfactory why the city of Montreal should be relieved of its remaining liability at the cost of other portions of the Province. These reasons are: 1st. That when the city of Montreal agreed to aid the Northern Colonization Road, it had good ground for believing that another road, the North Shore, would be constructed by a line crossing the river at Bout de l'Isle, and that inasmuch as the railway commissioners have adopted another line to Montreal on professional advice, the city is entitled to repudiate its agreement. 2nd. It is alleged that work shops were to be erected within the city limits, whereas, instead of work shops there are only to be repair shops. The fact is, if we fully comprehend the argument of Alderman Nelson, the chairman of the Finance Committee and its spokesman, that body insist, as a condition of their aid, that the Government shall, on behalf of the Province of Quebec, enter into the business of constructing rolling stock of all kinds.

We propose to examine these objections, but in the first place we must observe that the policy of which such complaint is made is not directed specially against Quebec and Montreal, or either of