

—Mr. J. W. Longley, of Halifax, a member of the Nova Scotia Government, in a letter to an American journal on commercial union, says: "Recognizing that the trade of the United States is yearly becoming more valuable and important to Canada than the trade of Great Britain, the ordinary American cannot understand why Canada should not at once bow down before her great neighbor and make terms. But the man who eliminates sentiment as a factor in making his calculations in regard to communities of men is sure to reach erroneous results. Sensible Canadians realize plainly enough that unrestricted trade with the United States would be of immense value, and they are anxious to secure it. But let it not be forgotten that Canada is a part of the British Empire, and the Canadian people are loyal to British interests, not in a sense of toadyism, but in a just sense of mutual obligation. Great Britain has always dealt fairly with Canada, and the people of Canada, if they be worthy of the race from which they sprang, will deal squarely with Great Britain. It is quite possible, at no distant date, a point may be reached when the interests of Canada and the interests of the Empire will begin to separate and the two countries will pursue their career along divergent paths; but the feelings of mutual regard and attachment, it is to be hoped, will never be extinguished."

—As we have already noted, the cotton mills of Canada appear to be likely to assert themselves in the face of the fact that their prices for finished product cannot remain unchanged when an advance in raw material takes place. Our Montreal correspondent mentions the prevailing impression in that market that a general advance in domestic cottons is impending. Something of the sort is indicated by the price of the raw staple, which has risen from 9½ cents per lb. in March, to 10½ cents now. The proposed meeting of cotton manufacturers is arranged for this week, it appears, when some definite action will be taken as to revising the price list. In woollens, firmness is general, though our agent instances a cable from a Canadian buyer in Britain, announcing a purchase of flannels at a reduction. This may, however, be an isolated case. Certainly, silks are higher. Orders will not be taken for them in the European markets without an advance on the prices of this date last year, or even a later date.

—A conference of the United Kingdom Commercial Travellers' Association has been held at Manchester to consider the excessive charges for luggage made by the railway companies. It was pointed out that most trades demand that samples to the extent of five to ten cwt. are now necessary for many travellers to carry, but to meet the companies in a reasonable way the members of the association resolved to be satisfied with an allowance of three cwt. carriage free, provided break of journey be allowed on through tickets. We learn from the *Birmingham Trade Journal* that it was also resolved that power should be given to the Manchester Association to take steps against the London and North-Western Railway Company to alter the present rigid terms imposed by that company.

—Although operations have been limited on the Toronto Stock Exchange, awaiting the declaration of the dividend of the Bank of Montreal and its possible effects on prices

generally, the feeling has been in favor of higher values and purchasers have had to advance the market to supply any demand which has arisen. Buyers rose 3 for Ontario Bank to 118. Imperial sold at 140, a rise of 2%. Merchants advanced 1½ and other banks improved fractionally. Western Assurance had a further rise of 1%, to 159½. Consumers Gas gained 2%, and Telegraph shares are firmer. Canada North-West Land was greatly in demand and sold up to 64/9, but fell off to 63/ at the close. All the tradings in Loan Societies' shares have been at higher figures, London and Canadian Loan being the most active and closing 1% higher. There is no change for the rates for money on call.

—From the annual report of the department of mines, presented in the Nova Scotia legislature last week, the following summary of the mineral production of that province during the year 1886 is taken. A comparison is made with that of the previous year:—

	1885.	1886.
Gold Ounces....	22,203	23,362
Iron ore..... Tons....	48,129	44,388
Manganese ore.. "	353½	427
Barytes .. "	300	230
*Antimony "	758	645
Coal raised "	1,352,205	1,502,611
*Gypsum "	87,644	123,753
Building stone.. "	3,827	8,000
Coke made "	30,185	31,604
Limestone..... "	16,429	20,265
Grindstones, etc. "	2,208	1,600
*Moulding sand. "	200

The asterisk denotes the quantity exported. The increase in the production of coal is worthy of note. One hundred and fifty thousand tons is a considerable increase.

—The proposed monopoly of iron manufacture met with ignominious treatment in the Nova Scotia Legislature last week, it having been bounced by a unanimous vote. A proposal for a lottery scheme thinly veiled under the name of the "Nova Scotia Benefit Society" was also thrown out without discussion. The Nova Scotia Legislature evidently does not appreciate the methods of their American cousins even when the pill is sugar-coated with generous gifts of money.

Correspondence.

COMMERCIAL UNION WITH THE STATES.

To the Editor of the *Monetary Times*.

SIR,—The question of commercial union between Canada and the United States seems to be somewhat inopportune at a time when an earnest endeavour is being made through the Colonial congress now in session in London to devise a practical plan for the imperial federation of the British Empire.

Mr. Erastus Wiman, of New York, and Mr. Goldwin Smith have recently delivered eloquent addresses advocating unrestricted commercial communication between the two countries, assuming that the ties of consanguinity which bind Canada to the mother country would not be weakened by our acceptance of the propositions embodied in the bill which Mr. Butterworth, of Ohio, has prepared.

That Mr. Smith formerly entertained the opinion coupled with desire to the same end, that the ultimate destiny of Canada was annexation, has long been an open secret, altho' it seems difficult to reconcile his avowed readiness that we should take the first step towards its final consummation, with his recent ardent efforts to prevent, at all hazards, the disintegration of the British Empire through the granting of a measure of home rule to Ireland. Further, does it not seem inconsistent that a free trader of the most uncompromising school should urge us to join hands with the most pronounced protectionist nation in the world, a nation where the sentiment of the vast ma-

jority of the people appears to be the reverse of friendly to everything English, as evidenced by their openly expressed sympathy with her enemies both at home and abroad.

As to Mr. Wiman, while it is just to credit him with an earnest affection for his native land, it must be apparent that his constitutional enthusiasm has captured his cooler judgment, which could hardly be expected to retain permanently its original normal condition, subject to the powerful influence arising from a long residence in the central seat of continental commerce, upon the development and recent direction of which his strong personal individuality has been legibly impressed.

The imposition of our existing Customs' tariff under which no special privileges were granted to Great Britain, was received there with unwarrantable murmurings, and it is a fact that throughout the United States even amongst well informed people and somewhat prominent politicians, the opinion still prevails that free trade exists between Canada and England, and they seldom hesitate to express their surprise that the latter would submit to be treated as a foreign country by a dependent colony. Their instinctive sense of abstract justice seems to revolt at a state of things which is so widely apart from the selfish traditions of trade exclusiveness with which they are so thoroughly indoctrinated.

That we seem willing to consider the question without prejudice may possibly be accepted as sufficient evidence that the utilitarian spirit of this generation is paramount and that the uncompromising patriotic sentiment which influenced its fathers exists, if at all, in a hopelessly dormant condition. If such be the case we had better not attempt to deceive ourselves. We cannot formally dismiss our once venerated parents from our households to make way for the aggressive stranger at the domestic table, and still expect to be affectionately remembered in their daily prayers, protected from the casualties incident to our impetuous youth, and defended from the selfish encroachments of powerful and unscrupulous neighbours.

Commercial union is simply annexation very thinly disguised; and consequently it is best for our ultimate guidance that we should designate things by their proper names. The custom houses would, of course, disappear from the boundary line, and by the adoption upon our part of the United States' tariff against England, a tariff which in many respect is almost prohibitory, the bulk of our import trade would be at once transferred to our astute and belligerent American cousins.

Under such circumstances, it seems a mockery to talk about the preservation of our once beloved national autonomy. As regards the prejudicial effect which so radical a departure would exert upon the fortunes of many of the industrial, manufacturing, and commercial denizens of the Dominion, very little has been said or suggested.

A roseate, if somewhat distant, future, with millenium embellishments is loudly proclaimed, and guaranteed in time for our children's enjoyment; and it is, of course, expected that the mature business men of the present day will unhesitatingly sacrifice their hard-earned advantages for the problematical prize which is predicted for their successors' benefit.

In order to bring down this chaotic question from the realms of theory, to those of hard dry fact, which would develop themselves when too late to draw back, suppose such a step to be taken, would it not be advisable, Mr. Editor, to invite an intelligent discussion in your columns as to the merits or demerits of the whole scheme. With that view, I would take the liberty of submitting a few questions which appear pertinent to the matter.

1. If the cotton manufacturers of the Northern States find it increasingly difficult to compete with their more advantageously situated Southern competitors, what are the prospects for Canadian mills subject to the long haul upon raw cotton, if compelled to enter the lists against a combination of circumstances so hopelessly adverse?

2. Could Montreal or Halifax compete with New York in the refining of sugar under absolute free trade, if the trade is barely profitable at present? Doubtless the drawback bounty would be withdrawn by the United States Government but this would not be a serious factor in the question.

3. Canada having declined to foster in the only way possible the manufacture of pig iron, (Continued on page 1257).