

of some dead men figure as recipients. Non-residents of the county are reported to be included; this, if true, might explain some of the alleged irregularities, but not all. An investigation is said to have been ordered as far back as May last: it will now be in order to proceed, if there be reason to believe that the grounds on which the charges are based are other than suppositions.

#### THE CANAL TOLLS REBATE.

Abolition of canal tolls rebate next year, not immediately, is the settlement offered by the Government of Canada to that of Washington. Immediate abolition would ensure certainty of effect; the promise of it next year creates for the moment uncertainty as to the acceptance of the proposal. In disputes of this kind arbitration could be resorted to with advantage; for the decision of the arbitrators would be international and certain in its effect. It is very doubtful whether any independent or impartial tribunal would construe the treaty in the sense which the American Government insists in finding in it. We agreed to give Americans the use of our canals on the same terms on which we use them ourselves, and we have done so to the letter. We did not agree not to favor our own canal system in preference to another, and we have given it a preference over another which we were in no way bound to regard. But the Americans complain that we discriminate against their commerce. We rejoin that if they intended to take that ground, they should have taken care to include it in the treaty. We are met with menace instead of fair arguments on our treaty obligations, and we have to vacate our strict rights to prevent a greater evil.

To a certain extent our Government found itself in the hands of the St. Lawrence forwarders. It had in effect made a promise to them that the rebate of canal tolls should continue for the season. On the faith of this understanding the forwarders allege that they made contracts, on which they would lose if the rebate were discontinued. This state of the question, it may well be conceived, was not without its influence on the decision come to by the Government. The forwarders have at all times naturally shown the greatest desire that a rebate should be made: their interest looked in that direction, and they are not to be blamed for pursuing it. But the Government acts for the whole people, and should be chary of being influenced by private interests. In all such cases, an attempt is made to prove that the private and public interests coincide; and he would be a bold man who should aver that on this question of tolls, the plea was not true. Official complaint was, it is true, made some years ago, that the rebate did not reach the public: but with the competition of routes, ever increasing in intensity, it is scarcely possible that the forwarders can pocket the rebate: if they could, the universal conclusion would be that it ought never to have been made.

What Canada was menaced with, in case the rebate should be continued, was a denial of the free use of the Sault Ste.

Marie Canal. The freedom of this canal is one of the stipulations of the Treaty of Washington. The American Government, by a forced interpretation of the Treaty, attempted to show that Canada had failed to observe the international contract, and that alleged failure is made a ground or excuse for denying to us the freedom of a canal to which we have a clear right. While our right to the freedom of the Sault Ste. Marie canal is not doubtful, the American claim of right that we should not discriminate in favor of one route and against another is shadowy and unreal. Canada is charged with a breach of treaty, and this charge is made a ground for a positive and unquestionable breach of the treaty by the other party to it. We had a much better ground of complaint against the Americans than they had against us. The American Government agreed to urge the State of New York to give us the use of the State canals, and it rendered that privilege useless by denying us the use of the Hudson River, which is within its own control. But we did not threaten retaliation, though we had fair ground for doing so, if we had chosen to act upon it.

All the great expenditures incurred to facilitate the trade between this country and the Republic have been made by Canada. All the great international bridges but one and the only tunnel connection have been built at our expense. The United States has improved the navigation of the St. Clair Flats and the Detroit River and has anticipated us in canal connection with Lake Superior. This is all she has done even incidentally to aid the international traffic. The object of these improvements was domestic, not international trade, but incidentally they have facilitated international intercourse. Canada has built the finest system of canals in the world, and these canals are open to the Americans on the same terms as those on which we use them ourselves. Under the circumstances, it is unreasonable that the canal policy of this country should not be free, that we should not be at liberty to favor a route which we have developed at a cost of fifty millions of dollars. The importance of control over our canal policy is a fact which should be kept prominently in view in any future negotiations with the United States.

#### PROSPECTS FOR TRADE

In most lines of trade the opinion of wholesale houses, based upon the reports of their travellers and the correspondence of their country customers, is that the trade of the coming fall will be brisk and payments will be good. There are reasons for believing that this expectation will be realized. Retailers have been buying with more than usual caution this year, and must be bare of certain goods. Farmers who had a good crop last year and refused to sell their grain, in the hope of better prices, have another good crop on the whole this autumn. The cereal yield in the States is large, and it is useless to expect higher prices for grain, so that the Canadian farmer will have to sell his grain and take the going prices for it. This

means that the retailers will be able to collect and that remittances, which during June and July were disappointing, are likely to improve from this time forward. Our Montreal correspondent writes with reference to the dry goods trade, "The business done this week shows a slight improvement over last, the present outlook for the farmer having had a good influence in the placing of country orders. Manufacturers are, as a rule, busy, and prices of cottons and woollens are well maintained. There is a decided improvement in remittances from the country, and a pretty general healthy tone prevails in the trade." The hay crop, which is a very important one, is enormous.

In the metals trade a better state of things exists than at this time last year. Then, the market was a falling one, and values uncertain, which induced timidity in buying: this year, while prices cannot be called high, they are at least steady, and the demand at present brisk. Every staple the grocer sells is cheap; sugar never was so low; foodstuffs generally are low in price; staple textiles are to be obtained very cheaply; hides and leather are low—indeed the tanners are on the point of closing an agreement to reduce production in sole leather because at present prices there is not a living profit. All over the world there seems to be over-production in manufactures, and so long as this continues the natural result is low prices. There are better accounts from the sawn lumber trade of Ottawa as well as the square timber trade of Quebec. Lumber has advanced in price and an active movement has been going on.

There are some shades in the picture. British Columbia trade has suffered from the small pox epidemic, and as a consequence renewals are asked by quite a number of her merchants, an unusual thing. Business everywhere suffers from over-competition. There are too many traders in Canada, and the expense of doing business is too great for the scale of profit obtained. Bad debts are still too numerous—they must continue so long as credit is given with the foolish freedom that Canadians show in this matter. Still there is no cause for despondency. We have the elements of prosperity among us in abundance, and if we could learn the lesson of personal economy and restriction of credit, even in spite of the excess of protection we should do well.

#### RAILWAYS IN THE UNITED STATES.

To keep a record of the material progress, the earnings, the financial condition, of all the railways in so vast a country as the United States of America, is an enormous undertaking. Yet this is what has been done, year by year, for a long period by *Poor's Manual of U.S. Railroads*\* for 1892, which has just been issued from the press. Railway building in the United States has been presented on a scale and with a rapidity which we dare say is unequalled in the world. One is tempted

\**Poor's Manual of Railroads*, published by H. V. & H. W. Poor, 70 Wall street, New York. Price 60¢ per copy per express, prepaid in Canada or U. S.