

custom-house and excise departments is not a tax at all, and that consequently the more revenue you get the more money you will have to lavish. This is the origin of reckless expenditure and growing and multiplying wants. If all the money required by National Governments were raised by direct taxation we should see a system of economy which would remind one of Spartan virtue, and we should not have to worry over such questions as Commercial Union, for the whole world would form one great Commercial Union."

No propositions can possibly be more direct and simple than that the abolition of tariffs would be a clear saving to the public of the expenses of collection, and of the tariff increment to articles of consumption.

It is equally certain, if not so clearly demonstrable, that, if the revenue requisite for the maintenance of Government came direct, in hard cash, from the pocket of the elector, that public-spirited and incorruptible individual would immediately experience such a sharpening of his critical faculties, and such a stimulation of his zeal for purity and economy, that a Government given to extravagant and dubious appropriations, would very swiftly be brought to see that "the way of the transgressor is hard."

But, as Mr. Longley says, "this is the ideal condition of affairs. We unfortunately have to deal with the real." Now the reality is, that of all things in the world, that which is least to be desired by the electoral Hydra is an abstract proposition. It matters not if it be as simple as the mathematical definition of a straight line. The many eyes of the many headed, dull with the stupidity of a fallacious covetousness, are blind to expenditure which it does not put its hand straight into its pocket to meet.

But there is no reason why the public, because it is shortsighted now, should not begin to be educated to clearer vision. It has been taught ere now some things quite as hard to get through its somewhat thick skull.

There must be a beginning to all things, and we think Mr. Longley does service when he plainly brings the idea of Direct Taxation before the country, even though, like the rest of us, he is as yet obliged to treat it merely as a desirable theory.

THE VALLEY OF THE RIO DE LA PLATA.

"The other end of the Hemisphere," by William Elleroy Curtis, in *Harper's* for November, should open the eyes of our manufacturers to the fact, that in the Argentine Republic and Uruguay they may, by proper exertion, find an additional market for their wares. The mass of statistics furnished by Mr. Curtis is highly interesting and attractive, proving, as it does, the rapid increase of the population, and the enormous wealth of these countries in agricultural products, cattle and sheep.

During the last twenty-five years, the population of the Argentine Republic has increased 154 per cent., while that of the United States has increased but 79 per cent.; and the City of Buenos Ayres is growing faster than Minneapolis or Denver. Last year it received 124,000 immigrants from Europe, and the natural increase is very large. To tempt immigrants to settle on the agricultural lands, the Government has passed land laws more liberal than those of the United States. Each head of a family is entitled to 250 acres free, and as much more as he desires to purchase, to a limit of 1500 acres, at about seventy-five cents an acre. Free transportation from Buenos Ayres to the place of location is granted to all settlers and their families, exemption from taxation for ten years, and colonization societies are organized, which issue bonds guaranteed by the Government, the proceeds of which are loaned to the settlers in sums not greater than \$1000, for five years, at 6 per cent. interest, upon certain conditions as to the cultivation and improvement of the lands. As a result 900,000 acres of wild land were ploughed and planted in 1886.

The valley of the Rio de la Plata, and by that term is indicated all the temperate zone of South America, except Chili, has an area about one-third the size of the United States, a very small portion of which is incapable of production. An extensive system of internal navigation, the value of which is enhanced by the depth of the rivers, supplemented by a network of railways, together with a delightful and healthy climate, give the states of the La Plata advantages which probably surpass those of any nation in the world. The pampas are similar to the northern prairies, and the supposed "bleaks and uninhabitable wastes" of Patagonia have developed into the richest of pastures. The pampas are of rich deep loam in the lowlands, and rise in mighty terraces to the west, where, upon the uplands, millions of cattle can be fed and sheltered. Within 1200 miles of Buenos Ayres can be grown every plant known to the botanists, and nature has provided with a most generous hand the facilities for getting the results to market.

Formerly, the chief sources of wealth were cattle and sheep. In 1885, there were forty-one millions of sheep in the United States, seventy-two millions in Australia, and a hundred millions in the Argentine Republic. In Uruguay, with a population of five hundred thousand souls, there are eight millions of cattle, twenty millions of sheep, and two million horses. Fifteen million dollars has been invested in wire fences in Uruguay alone, and more than twice as much in the Argentine Republic.

Five years ago these countries imported their breadstuffs from Chili and the United States. In 1884 they began to export cereals, and last year (1886) wheat, corn and rye, to the value of nearly seven millions and a-half of dollars, were shipped to Brazil and Great Britain. It is estimated from the increased acreage under cultivation, that the surplus product for export in the Argentine Republic in 1887 will amount to the value of ten million dollars, and that of Uruguay about one third more. While these countries are becoming such formidable rivals to the United States and Canada, and will doubtless deprive the former country of much of its market for breadstuffs on the east coasts of the Americas and in the West Indies, they are

not likely to enter the field as manufacturers, as there is an absence of fuel and water power, and the people evince no tastes in that direction.

In 1876 the Argentine Republic imported 36 millions worth of manufactured merchandise; in 1885 the imports reached 84 millions.

In 1875 the foreign commerce of Uruguay amounted to twenty-five millions; in 1885, the last figures obtainable, it had jumped to over fifty-two millions. One-third of the imports are furnished by England, and about one-fifth each by France and Germany, while the United States comes in next only, and Canada nowhere.

The Government is wise and liberal, and there is perfect religious toleration.

Buenos Ayres is a southern Chicago. Five railroads radiate from it in different directions; 122 miles of street car tracks furnish conveyance within its limits; there are more telephones and private electric lights in proportion than in New York; and it has nine theatres and twenty-one daily newspapers.

There are banks in Buenos Ayres larger in volume of business than almost any in the world.

Montevideo, the capital of Uruguay, is on the left bank of the Rio de la Plata, distant 110 miles from Buenos Ayres. It is a magnificent city of 125,000 inhabitants, and is noted for its fine business blocks and beautiful private residences. Two lines of steamers connect the cities, just a night's journey, and people go back and forth as they do between New York and Boston.

Patagonia, instead of being the "drear and uninhabitable waste" we have been taught to consider it, is now practically occupied by ranchmen, and, since its division between Chili and the Argentine Republic, the aborigines have been so completely subjugated that they never offer any resistance to settlers.

Altogether, the valley of the Rio de la Plata is a wonderful region, and our manufacturers, in their search for foreign markets, should make a careful study of the wants of its people.

COMMERCIAL UNION.

Mr. Goldwin Smith, in a letter which is chiefly remarkable as an example of the art of special pleading, has been advocating Commercial Union in the *Times*, where he will probably meet with some foe man worthy of his steel, (which, by the way, does not seem in this instance to have been particularly well ground,) and, apart from the contentions of this able, but extremely uncertain publicist, the battle of Canadian national sentiment versus veiled annexation, resounds through the land. The more discussion the question evokes the better. It is already becoming apparent that the farming interest of Canada generally, and perhaps more particularly that of Ontario, which has been so specially invoked by Mr. Wiman, does not by any means unflinchingly return the sort of response desired. How much Mr. Wiman's naive expression of regret that the boundary line should have stopped short at the St. Lawrence may have to do with the evident signs that the "boom" has topped the scale, may be open to conjecture; but it seems certain that continued debate brings into play an increasing proportion of independent, if not absolutely adverse opinion, which is, moreover, opinion of that sober and weighty sort that dissipates fallacies, and startles hastily-formed and one-sided opinion.

It has been broadly put to the farmer that "when Canada had a Reciprocity Treaty with the States the farmers of Canada were prosperous." At a banquet at Orillia, Ont., last month, Mr. D. C. Anderson, speaking to the toast of the "Farmers' Interests," went some length towards pricking what seems to us somewhat of a bubble, though it possess an outside of apparent strength and smoothness. After demurring to the broad, but superficial assumption, involved in "the market of sixty millions of consumers," on the very tangible ground that "about thirty-five millions" of them are producers of agricultural products themselves, and have every year a large surplus to dispose of; Mr. Anderson went on to admit that, while the treaty lasted, and for two or three years afterwards, farmers were prosperous, and continued to save money. "But, sir," said Mr. Anderson, "I do not admit that the treaty was the cause, but there was a cause, and it was one which has always had the same effect. That cause was war." Mr. Anderson then cited the effect of the Napoleonic war on the price of agricultural produce in England, when, in the fall of 1815, after peace had been proclaimed, wheat still sold in Mark Lane at \$4 50 a bushel.

He then pointed out that the Treaty began in 1854, during the war of the Allies against Russia, when Britain depended on two countries for her supply of wheat, and those were America and Russia, the Russian supply being of course cut off. "How," said Mr. A., "did this affect the Canadian Farmer? In this way—that there are men now in this room who sold wheat at that time at \$2 a bushel, oats at 75c., and other produce in proportion."

Again, during the last years of the Treaty, came the civil war in the States, and, in consequence of its enormous devastation, wheat sold as high as \$1 60 and \$1.80 for two or three years after its expiration.

Mr. Anderson drew a more graphic picture of causes than we have space for; but, summing up, he said—"The treaty began in 1854, and ended in 1866. At the beginning of it there was war in Europe, and at its end war in America, to say nothing of the Indian mutiny (and the Franco-Austrian war.) so that three (four) of the greatest wars of the last 70 years happened just at the time that Canada had a Reciprocity Treaty with the United States."

We may possibly revert to other pregnant utterances in this gentleman's lucid and able speech. Meanwhile, the point of "war" seems to us quite worthy of consideration; and it may be borne in mind that Mr. Anderson is not a partizan, but a very unprejudiced enquirer, speaking such considerations as he found to impress him in his study of the subject.