

THE ENGLISH DEBATE ON THE RAILWAY GUARANTEE.

"An old adage said 'he who goes a borrowing goes a sorrowing.' This is not always true nowadays—for the lender of money is just as glad to see a good borrower, as the latter is when he gets the accommodation he seeks. Indeed, we have known even in this comparatively poor country, the lender to seek the borrower, and importune him to take his money, of course giving good security."

It is often enough true, however, to keep the old saying good, and when money is tight it becomes the general experience.

It is often as sorrowful an experience to a friend to endorse your paper as it is to obtain a loan. And when a person is thus asked to guarantee, the applicant need not be surprised, if he is told some truths which are more biting than phrasms. Especially is this the case when a younger son who is suspected of leading a somewhat fast life, applies to his father for the loan of his name. A lecture and homily on the folly and extravagance of the course he is pursuing will be the infallible result—and very properly so,—always supposing that the criticism is just. But if the father flies into a passion with a hardworking and economical son, who is slowly working himself up to a position in the world, and needs a little assistance to enable him to extend his business, he does that which brings no credit to himself, and may lay the foundation of bitter alienation. Nothing is so irritating as undeserved abuse, and words though lightly and hastily uttered and perhaps, sincerely repented of, have often proved roots of bitterness, which have borne fruit in years of bloodshed and strife.

We have been led into this strain by considering the debate in the English House of Commons, on the guarantee of £3,000,000 for the construction of the Intercolonial Railway.

During that debate, it was broadly stated by Mr. Lowe, that the majority of the people of Canada, were as well off, as the majority of the people of England. We have not the exact words before us, but this is the sense, and the whole scope of the argument was that the people of Canada were a most grasping and unreasonable set, for whereas they were as well off as the people of England, they were continually applying to them for assistance. The same line of argument was used, if we remember right, in a speech of Mr. Bright. Now this assertion, although true in the letter, is false in spirit. It conveys an impression which is utterly false and erroneous, for the argument is so put as to mean this: That England taken as a whole, is no better off than Canada, taken as a whole.

The most ignorant person scarcely needs to be told that this is not correct, but few, except those who have studied the relative means of the two countries could form an adequate conception how enormously incorrect such an impression would be.

The population of Canada is that of the United Kingdom as about 1 to 10; but the wealth or income (whichever may be taken as a basis) of Canada as compared with England is certainly not more than 1 to 50 and may be no more than 1 to 100. The average income of the people of England then man for man and family for family is not less than five times as much as the people of Canada, and it may be ten times as much; and this is the case though it is perfectly true that the bulk of the people of Canada are as well off and perhaps better than the people of England. The reason is plain, that in England there is a prodigious accumulation of wealth, beyond anything else to be found in the world in the hands of the wealthy classes.

The farmers of England as a class are undoubtedly worth as much as the farmers of Canada though the latter are owners and the former only tenants. The enormous wealth of the English landholders is therefore so much clear over and above what we have in Canada and the reason is plain. The wealth of the landed aristocracy represents the accumulations of long past generations. The foreign trade of England is just 20 times the value of foreign trade of Canada, and it certainly yields as much profit. But between the manufacturers of England and the manufacturers of Canada there is a vastly greater disproportion. There is many a single firm in Lancashire or Yorkshire whose business is larger than the whole manufacturing interest of Canada—and the total must be in the proportion of at least 500 to 1. Then if we glance at the immense accumulations of wealth represented by fund-holders, railway companies, insurance cor-

porations, bankers, both private and joint stock, persons owning property in towns, cities, and in the great overshadowing metropolis of all, London, when we think that the deposits in one London bank alone are four times as great as those in all the banks of Canada put together, and that the total deposits of the London banks must be at least fifty times those of the banks of Canada, when we think of the vast extent of the shipping of England, and of English capital loaned to foreign countries, and to colonies like our elves in all parts of the world, it will be evident that the estimate of the proportionate wealth of England to Canada cannot be over estimated when it is put down at 50 to 1.

Canada is in the position of the man who is accumulating his first thousand pounds. England is the wealthy capitalist who got over that difficulty 500 years ago, and is now going on adding to his accumulations at an enormous rate. Every one knows how money makes money, and how much easier it is to turn one hundred thousand into two, than to turn nothing into a hundred.

It is on this very ground of the enormous accumulated wealth of the parent, that Canada, the son, asks for her endorsement, and the sum is as trifling as £100 would be to a wealthy land owner worth his £100,000.

New considering that the said son has always punctually met his obligations, that he has worked hard and converted a vast tract of forest and swamp into a partially cultivated estate, it is a most pitiful and ungenerous business, as paltry as it is unjust, for the parent to tell him that he is as well off as his father, and must sponge on him no longer.

The plea is false, as we all know, but even if it were true it would be contemptible, considering the amount for which the guarantee was asked.

THE THREATENED WAR IN EUROPE.

As a purely commercial journal, the *Trade Review* religiously avoids the discussion of party politics. But in the present day the principles of political economy so largely enter into the affairs of nations, our own commercial legislation is so vitally important to us, and that of other countries so nearly concerns our relations with them, that we should but ill perform our duty to the public were we to ignore such subjects, and those of a similar character. But of all things it is war that has the greatest influence on trade; and present indications in Europe are far from being of a peaceful aspect. If hostilities should break out on a large scale, the experience of last years' short contest may serve to afford as a notion of what the commercial consequences may be, for like effects always proceed from like causes. The preparations for the struggle between Austria, Prussia, and Italy, commenced early in the spring, and diverted vast numbers of the people of those countries from their usual occupations, especially from the pursuits of agriculture. The scarcity of labor left the farmer without the means of placing his lands under cultivation, and besides that, the apprehension of the threatened strife as never the case, rendered him reluctant to sow the seed, when uncertain if he might reap the harvest, or to raise crops which might be trampled beneath the feet of contending armies. As a consequence corn and provisions are more or less scarce and dear in the districts, that were, or were likely to be the battle-fields of the combatants, and in parts of Southern Italy the scarcity has almost amounted to absolute famine. There was in fact a short supply of bread in these sections of Europe, and a sufficient quantity to fill up the vacuum had to be procured elsewhere. The existing high price of produce everywhere, including this Province, has been the result, though it is true that the circumstances may, in some degree, be assigned to other causes. Such always are the fruits of war and rumors of war.

We may infer from this what would be the effect of a great European outbreak, which a rupture between France and Prussia would undoubtedly bring on. The first shock fired by these redoubted belligerents would be the signal of a general melee, a "free fight" of nations, from Turkey to Spain. Russia would pounce upon the Danubian Principalities. Austria is smarting under her late defeat, and would gladly recover her lost prestige and credit, and if possible her old position in Germany; the dispossessed German princes have many friends and partisans, especially among the higher

classes, who would aid them in regaining their thrones. Italy wants Rome, the Lower Tyrol, Illyria, and Trieste, Spain is ripe for revolution, which is ready to break out at any moment; and, in a word, the powers of the old world, great and small, are armed or arming to the teeth, a condition usually the forerunner of a trial of strength, at no distant period. It is evident however, that the Government and people of England are resolved to keep aloof from Continental complications, though unavoidably forced to be prepared for any contingency that may arise. As for Napoleon, we do not believe that he is desirous of a quarrel that would lead to immediate hostilities; but Bismarck may be of a different opinion, and may suddenly precipitate matters, as he did last June against Austria. The French army is only partly provided with the new fire-arms, while that of Prussia is fully equipped with them, and the wily and resolute Prussian minister may be unwilling to throw away an advantage which may never occur again. On the whole, then making allowance for the efforts of stock-jobbers and speculators to set rumours afloat to serve their own purposes, and to exaggerate the difficulties that really exist, there is much reason to fear that peace cannot long be maintained on the European continent. For our own part, we have strong doubts if the conference of the great powers in London will have much permanent influence on the pacification of Europe. Bismarck's course last spring should lead us to expect that he may now be playing the same game over again.

To speculate on the probable misfortunes of others is an ungracious task and repugnant to the moral sentiment of mankind, but we do not create these events, nor can we control them. The interests in the trade of these Provinces may therefore legitimately enquire what is likely to be their influence on our commerce in the coming summer. We imagine that there is little question, the result will be to keep up prices, and that the demand for our products will continue and increase.

THE DEBT OF THE UNITED STATES.

In making comparisons between the public debts of various nations, that of the United States obtains a very prominent position. But it is really much greater than it appears to be, for in general, in speaking and writing of it, the very respectable public debts of the individual states are left out of the question. These state debts in 1860 before the first mutterings of the storm that broke over the country in 1861, were in the aggregate larger by far than the then debt of the central Government, exceeding \$29,000,000. We have not complete returns, but the *New York Financial Chronicle* has made up a statement shewing the indebtedness of 32 of the states in 1859, and also in 1863. During that time, it had increased from \$235,819,769 to \$352,151,530, thus making no inconsiderable item in the sum total representing the public debt due by the people of the United States. The States which have been the heaviest borrowers during the war are New York, Massachusetts, Missouri, Tennessee, and Virginia, and they in 1860 owed respectively \$51,753,082, \$26,555,747, \$3,145,923, \$25,277,347, and \$45,119,741. In the statement of the *Chronicle*, the war debt of the various Southern States has not been taken into the account at all, and none of it will probably ever be paid, except where cotton or other security has been given for monies borrowed. Nor have any figures been given to shew even approximately what sums have been borrowed by the large cities of the United States. New York alone increased its previous indebtedness by the round amount of \$19,000,000, and there is no doubt that Philadelphia, Cincinnati, Chicago, and other cities followed boldly in the footsteps of the New Yorkers. Several important states increased their indebtedness but little during the war, as for instance Pennsylvania, Illinois, and others, but we know they equipped and sent forward many regiments, so that in them the increase has been in municipal, instead of state indebtedness. It will thus appear that our neighbours have a tolerably heavy burden to carry, one which Canadians need hardly wish to participate in, which if added even to our present comparatively light load of debt would press with crushing severity on all our industries, and which, for the doubtful advantage of enlarged markets for our manufactures, it would be the rankest of all follies for us to fasten upon our backs by annexation, or in any other way.