

circumstances, to keep them up to the mark. We believe that four-fifths of all the business failures which take place, may be traced to this cause, and the worst of it is that the mere fact of a man having spent money freely (which, after all, belonged to him) is considered a valid reason for not visiting his conduct with the moral censure which it undoubtedly deserves. What is true of individuals is also true of nations, and prodigality of expenditure is no more conducive to the general good in the one case than in the other. What is spent by a nation on armies, or unprofitable public works, is so much abstracted from its realized means, or in the case of borrowing, is so much chargeable upon its future earnings. There may be, and often is, necessity for it, but it should always be restrained within the limits of that necessity, and the notion that extravagant public expenditure conduces to public prosperity is founded upon exactly the same misapprehension of the true facts of the case as those to which Mr. Mill has alluded. The basis of all expenditure is remunerative industry. Some body must pay; and if the expenditure of a nation, whether of the Government or of the individuals or of both, be lavish in proportion to its means, then, no matter how fair and prosperous the surface may appear, such a nation will be really poor, and the bulk of the people ill provided for. We think every candid man must admit that considerations of this kind deserve to have especial weight just now. There is a little too much inclination for lavish expenditure both on the part of the Government and individuals, and it would be a matter of lasting regret if our present and future prosperity should be impaired from want of attention in so important a particular.

WHICH ROUTE IS THE BEST?

ONE of the most important questions which will be likely to come up for discussion at the meeting of the first Parliament of the Dominion of Canada, is the selection of a route for the construction of the Intercolonial Railway; and few questions can arise which will be debated more earnestly than this. For, aside from the reasons for the selection of one or the other of the lines which have already been proposed, that might be supposed to influence the judgment of unprejudiced persons, there are numerous interests which will be directly affected. Nova Scotians will think or imagine they think, the way they wish the road to come is the very best possible way it could come, yet New Brunswickers may be of a different opinion, while representatives of Ontario may have a choice in the matter widely apart from that entertained by those speaking for Quebec. Because therefore, so many individual interests and individual desires must of necessity be mixed up with the weightier reasons which should conquer a decision on this question, it becomes the more necessary when it does come up for settlement, that all who have a voice in the matter be ready to listen to the voice of wisdom, through whatsoever mouth it speaks; be ready to legislate for the greatest good of the country at large, and uninfluenced by hopes of sectional or personal benefit, be willing to give up for the good of the majority, the apparently greater gain to the few.

There are many points to be considered in making choice of a route. Expense of construction is a primary one, though perhaps others may be of more weight. The safety of the road in time of war is of the last importance; a mistake in this respect might some day prove to be an exceedingly costly one. Again, the consideration of which route will give the greatest amount of through and local traffic cannot be overlooked, nor yet the economical working of the road and the time occupied in transit from one terminus to the other.

Without venturing to give a decided opinion on a subject of so much difficulty, and not desiring to anticipate the discussion which will take place in due time, we may be allowed to intimate the direction in which our own convictions carry us. In doing so, we would refer to a communication which appears in other columns over the initials W.M.B., St. Andrews, N.B., in which the writer offers a few reasons for preferring the frontier line, running from River du Loup to Woodstock, passing through the Western portion of New Brunswick at no great distance from the frontier of the State of Maine. From Woodstock to St. Andrews, there is a road already built, which would make the distance to be constructed very much less than by either the central route through New Brunswick, or by the North Shore Line. We are inclined to the opinion that the balance of advantages

are in favour of this route, the only objection of weight being from a military point of view, inasmuch as the road, being closer to a possibly hostile frontier, would be more exposed to the attacks of an invader from that quarter than if it ran at a greater distance therefrom. The natural difficulties of the country on the American side of the line, however, are great obstacles in the way of an invading force, and tend much to lessen the force of this objection. We do not agree, nevertheless, with W.M.B. in the selection of St. Andrews as the terminus of the road. St. John, we consider as much to be preferred. It is now the chief city of New Brunswick, and a long way ahead of all competitors. The very fact that it is so, seems to prove that its natural advantages are superior to those of any other port in the Bay of Fundy, whether we consider those it has for the cheap construction of vessels, or the comparatively thickly settled country which draws its supplies from the markets of St. John. In selecting a route for through traffic, it is always well, too, to choose for a terminus, a port to which a large number of vessels are already trading or are likely to be induced to come, and St. Andrews in this respect, is certainly far behind St. John now, and for a long time to come, at all events, must continue to be so.

We will not at present discuss at length the reasons which have led us to the foregoing conclusions, but we shall probably return to the subject on a future occasion, and at greater length than now.

WHAT WE WANT.

WE all, or most of us, have implicit faith that Canada, under Confederation, is destined to become a great country, but there is much diversity of opinion as to the best mode of attaining greatness. Many believe that it is only to be acquired by the influx of European immigration into the Dominion; some insist that the true secret is the protection of our home manufactures; and others contend that it is to be found in unrestricted free trade. For ourselves, we conceive that the chief want of Canada is capital; for capital would confer upon us all the other desired advantages—immigration would crowd our shores, manufactures would spring up, and trade would increase and flourish. We are as yet, to some extent, in the condition of a person who is the possessor of a large estate, but which he has not the means to cultivate and improve. The soil is good, it abounds in mineral wealth, in valuable timber and water power; but he is without money, and these sources of prosperity are all but useless to their owner. He is poor in the midst of riches. Under such circumstances, what is he to do? On the one hand, he sees fortune within his reach, if he had the power to secure it; on the other, he dreads the dangers, entanglements and burthens of debt, if he mortgage his property to the money lenders. This expedient he must, however, have recourse to; and with knowledge and sound judgment to guide him, and by the exercise of industry, energy and economy, he probably gains his object and becomes a millionaire. The people of this country are exactly in the situation we have described; they are the owners of a splendid estate, but they lack the capital to render it productive. We are too much influenced on this head by European precedent and example, which we misapply because the circumstances are not the same in both cases. Europe is old, and this continent is young. There, in the more advanced communities, every foot of ground is more or less in use and occupation, and has been for centuries; cultivation and construction have been going on, generation after generation, till now there is comparatively little room for profitable outlay. Here money expended in improvement converts the wilderness into a garden, and the savage forest into green fields, villages, towns and cities, as if raised by the wand of an enchanter. We have therefore, as we said, to deal with a different order of things from those which exist in the old world, and the results are also different. In Europe, they must generally be contented with slight profits, while every dollar wisely laid out here is increased ten, twenty, a hundred fold, whether the benefits derived be direct or indirect. The distinction in that respect is apparent in many ways. For instance, we appear sometimes to carry burdens here which would be considered ruinous on the other side of the Atlantic. It may happen that in a small village in Canada or the United States, the local imports may amount to 10s or 15s in the pound; but in a few years this village grows into a considerable town, and the

taxation per head dwindles down to a small amount, while property has increased immensely in value, so the seeming extravagance is an act of sagacious expenditure. Such events only occur in Europe, and that rarely, in the vicinity of great cities; here they occur daily, throughout the whole continent. The future policy of the Dominion in this respect is, in our opinion, evident: *rem quocunque modo remoney, money, at any reasonable sacrifice, ought to be the motto of our statesmen.* The course followed by a gentleman who died in this neighbourhood a few years ago, after a long residence amongst us, affords them an example to follow. He procured a large sum of money in England at a low rate of interest, and by simply laying it out here in profitable investments, he accumulated great wealth. What was done by an individual with such easy and certain success, may equally be effected by the state. The process in both cases is the same.

It must not be supposed that we wish to see the country involved in liabilities beyond its capacity to bear and to meet. But that is the problem which demands solution. The New Dominion must march in the track of improvement and progress. Besides the Intercolonial Railways, for which the money has been provided, we have to enlarge the St. Lawrence canals, and to construct several others, as well as roads and railroads throughout the country; nor must our military defences be neglected. The ordinary revenue cannot accomplish all this, and much more that cannot be ignored nor evaded. For one item, next to the Intercolonial Railway, the Bay Verte canal is an undertaking consequent upon Confederation, and which is so indispensable to the trade between the Western and Eastern Provinces, that its construction will not admit of long delay, if we do not desire to see the Americans in possession of the markets of Nova Scotia and New Brunswick, and all the exports of these countries seeking another destination than the St. Lawrence. Surely, then, we are right in saying that our first and most crying want is capital; and the Finance minister who manages to get it for us without injury to the credit and character of the Dominion, is the man for Canada. We think this can be done, and shall on a future occasion endeavour to show how.

LETTERS FROM ENGLAND. COMMERCIAL REVIEW.

(Special Correspondence of the Trade Review.)

[FOR RUSSIA]

THERE is but little change to notice in trade since this day week. A more buoyant and hopeful feeling continues to prevail in every department of trade, although the actual transactions of the week were not numerous, owing to the holidays usual at Whit-Sunday. With occasional fluctuations, the price of the funds and public securities continues to advance, and in the money market there is increased ease. The enormous stock of bullion in the Banks of England and France is still accumulating, and should the weather and the prospects of the harvest continue favourable, it is probable that the rate of discount will soon be reduced to 2 per cent. The grain markets during the week have been quiet, and early in the week there was a considerable decline which was, however, partly recovered.

The Brighton Railway Company has this week experienced a heavy fall in the price of its shares. The full report of the Committee of Investigation has not yet been published, but it is understood that it will be very unfavourable, and that it is not likely any dividend will be paid for a couple of years. No doubt the report will present the usual features,—unprofitable extensions and little or no allowance for renewals, &c. The position of the Brighton Company has had an unfavourable effect upon the entire railway market.

The Government of Spain has long been in the position of a defaulter, and Spanish credit has, in consequence, been at the lowest possible ebb. Practically for many years past no dividend has been paid on the public securities of Spain, and a compromise which has now been effected amounts to a confiscation of a large portion of the debt. Nothing could be more discreditable than the whole transaction, and it will be years before the credit of the nation can be restored, or money obtained from foreign sources to develop the great national resources of the country. The policy of repudiation is, in fact, always a short-sighted one and however convenient it may appear to be at the