ESTABLISHED 1866

THE MONETARY TIMES, TRADE REVIEW

And Insurance Chronicle,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal (in 1869), the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

Issued every Friday morning.

SUBSCRIPTION—POST PAID:

CANADIAN SUBSCRIBERS	$2.00 Per Year.
BRITISH "	10s. 6d. Sterling Per Year.
AMERICAN "	$2.00 United States Currency
SINGLE COPIES	10 Cents.

Book and Job Printing a Specialty.

PUBLISHED BY THE

MONETARY TIMES PRINTING COMPANY OF CANADA, Limited.

EDW. TROUT, President. ALFRED W. LAW, Sec'y-Treas.

Office: 62 Church St., cor. Court

TELEPHONES { BUSINESS AND EDITORIAL OFFICES, 1892 / PRINTING DEPARTMENT, 1485

TORONTO, FRIDAY, JUNE 12, 1896.

THE SITUATION.

A letter of Mr. A. Mallory, sent under injunctions to the receiver either to destroy it or keep it secret, having obtained surreptitious publication, makes known the fact that a tripartite arrangement was being made between the Patrons, the Liberals and the McCarthyites for an election coalition. The public interest in the incident arises out of the fact that the combination introduces uncertainty and confusion in the tariff issue. The Patrons have been demanding to have the duties wholly remitted from several articles of which they are consumers, notably coal oil and wire fencing. If the different views on the tariff of the three units, uniting more or less closely, remain unadjusted until after the elections, a compromise, the nature of which it is impossible to foresee, will become necessary in case of success at the polls. It is unfortunate that this element of uncertainty has been brought into the tariff issue. Even now it may not be too late to make some common agreement and give it publicity before the elections take place.

Sir Charles Tupper's reply to Mr. Laurier's contention that protection and preferential trade cannot co-exist, and that a statesman must elect which he will accept, is that the discrimination which preference implies can take either an upward or a downward turn; that while the present tariff might be retained for the British Empire, a surcharge might be put upon the productions of foreign countries. As a matter of possibility this is true. But a surcharge on foreign goods would scarcely be so gratefully accepted in England as a lowering of the duties on whatever is produced within the Empire. Meanwhile, Mr. Bowell, the late Premier, who is in England on public business, thinks that Canada might make some concession in return for one which Great Britain might make, in order to bring about closer trade relations between different parts of the Empire.

Mr. Greenway, the Manitoba Premier, has settled a question on which suggestion had been rife, in connection with the school question. "It has been reported," said the Premier, "that the Manitoba Government would settle the school question if Mr. Laurier came into power. The local Government," he answers emphatically, "so long as I have any connection with it, would never make any settlement of the school question which would involve the restoration of separate schools." This statement will tend to clear the political atmosphere at a point where it was somewhat murky. It was proper that Mr. Greenway should let it be known where he stands. This declaration lessens the chances of a settlement by the local legislature, and gives us some insight into the negative side of political sympathy, as a possible quantity in the solution of the problem. We are thus one step nearer to a final settlement of the question by Parliament, against which a commission of enquiry affords no guarantee. Mr. Geoffrion does not stand alone among Opposition candidates in declaring that the remedial bill of last session did not go far enough. There are many candidates who, in refusing to give pledges either for or against remedial legislation, leave themselves the right of free choice after the elections are over, without at present proclaiming the fact.

Newfoundland is passing, let us hope, out of the period of gloom bordering on despair, which it has been her misfortune to experience. At any rate, her public finances are vastly improved. She has just floated a 3½ per cent. loan of $2,500,000, in London, at rates varying from 97 to par. This is 16 points better than she could do a year ago. Something is due of course to the anxiety of lenders to get moderate interest on securities which are supposed not to involve too much risk. The Government has a surplus of $100,000, another fact which would favorably influence the loan. There are signs, too, it is said, of a return of private prosperity.

During the heat of our elections the time is scarcely opportune for making arrangements between the Dominion and provinces regarding certain railways which bear some relation to the Intercolonial. The *Minerve*, a journal likely to be in a position to know, states that it is the intention of the Federal Government to take possession of the Bay de Chaleurs Railway and a number of local roads in New Brunswick, and to make them parts of the Intercolonial system. This determination, it is said, was come to at a meeting of Ministers held in Montreal, and that at least in one case this action was invoked by the local Government. At present the Bay de Chaleurs Railway is not being worked, and renders no service to anybody. Some sort of an agreement has been made between the Federal Government and that of Quebec, but nothing has been said about the terms of the transfer. If the Federal Government takes over a road which is not running and which is in financial difficulties, the facts imply that the operation will cost something. In return, we are told, there will be an increase in revenue, but whether it will cover the outlay is a question which, in connection with such transactions, it has not in the past been the custom to ask. For the Government to own a railway, if it can be made to pay, is more rational than for it to aid roads of which private individuals are to reap the profits.

One point raised in Mr. Bertram's letter to Mr. Laurier, was passed over by the latter without remark. Mr. Bertram alleged that "a very large number of manufacturers who are now doing business under a tariff of say 25 per cent. have to pay a duty of over 50 per cent. on the raw material required by them," instancing stove founders and engine builders; and he called for a material reduction of the duties. It is not necessary here to go into the accuracy, or the contrary, of these figures. But it is necessary to point out that the pig iron used by stove founders is not raw material; it is a manufactured article not complete, indeed, as a manufacture; but is something more than raw material. Mr. Laurier, no doubt, saw that the iron