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, DECEMBER 9, 1898.

THE SITUATION.

Experience shows that there is one thing, outside of any treaty which may be made at Washington, in which the interests of Canada are concerned, that ought not to be lost sight of. Under the old reciprocity treaty the contention was started that Canada had gone contrary to the spirit of the bargain by raising her tariff outside the limits of the treaty. This preposterous pretention even found an echo in Canada, if it did not originate here in political bitterness seeking to obtain an advantage. Ostensibly on this ground the treaty was abrogated by the authorities of Washington. The real ground was probably something different; but it is important to provide against the possible use of a like pretext in future.

If common report may be credited the question of removing the restriction against building vessels of war on the great lakes, which form part of the international frontier between Canada and the United States, has come under discussion before the International Commission. The object is to provide that vessels of war may be built on these waters on account of the facilities in iron and coal which are found there for the purpose. Such facilities do undoubtedly exist. If the restriction were removed is there no danger that the vessels built would not be floated down through our canals into the Atlantic? The restriction to two vessels which could be used on the lakes for hostile purposes for each country is now the rule. Western American ship-builders asked its removal, their own Government having ruled that the construction of hulls without armaments on these waters was contrary to the stipulations of treaty. This construction certainly showed no desire to make the obligations of the treaty bend to the wishes of American ship-builders. As a result of this ruling a demand was made for the removal of the restriction. Of course the liberty asked for, if granted, would have to be, in name at least, mutual. Would it be so in reality? Could English war vessels, as well as American, be built on the lakes? It is possible that iron and coal can be found there at less cost than in England? The Americans have both these materials there in abundance; Canada has iron only. No war vessel built on the lakes for use elsewhere could exceed the capacity of the canals, which are too small to admit the largest of their class. Canada would not require to use the privilege of building war vessels on the lakes, and we could not undertake to increase the size of our canals to enable them to pass down the largest of such vessels. The privilege of building them would accrue, in practice, only to one country, the United States. Would such vessels be no menace to Canada? That is what we have to consider in this connection.

News from the International Commission at Washington, contains some definite information as to procedure, but as to the nature of the proposals there is little that is reliable. According to a Press despatch "the American list includes concessions—does this mean a lowered duty?—on barley, live animals, agricultural products [but does not say how many], and certain ores, and possibly also some concessions on coal." The last clause of the sentence is confessedly mere guessing and throws doubt on the whole. The statement is more positive that "no concessions will be made on lumber." Another report says that this is mere guessing of the lumber lobbyists, and that some former proposals of free lumber are becoming unstable. Senator Mason of Illinois said, a few days ago, that free lumber would meet little opposition in the Senate, a point of great importance in the negotiations. The same Senator added that unless a better market for American manufacturers were provided in Canada he did not believe the Senate would ratify the treaty. He thinks that Senator Fry would have enough members on his side to prevent salt fish being admitted free. According to one account a replication of offers may come from Canada.

On the relations of the United States with Great Britain and Canada, President McKinley's Message is cordial. "It is the earnest wish," he says, "of this [the Washington] Government to remove all sources of discord and irritation in our relations with the neighboring Dominion." The relations of the Republic with Great Britain are declared to be "on the most friendly footing." The alien contract labor law is admitted to require amendment. In saying that the Nicaragua Canal project should be controlled by the United States, the President is probably anticipating some modification of the Bulwer-Clayton treaty, which at present stands in the way of the realization of the control of the work by any of the three signatory powers, of which the United States is one. Such a canal ought, like that of the Suez, to be neutralized. France would particularly object to the Nicaragua Canal coming under the control of the United States; the real control would go to the nation which might have the largest fleet to detail for its protection. This rather than a paper control which would in the event of war go for little would be the governing factor. The report that the Panama Canal Co. has sent representatives to Washington to oppose the building of the Nicaragua Canal, has caused some severe criticism of the "effrontery" of the move. Whether England would be disposed to join France in any protest against a violation of the Bulwer-Clayton treaty, under present circumstances, must not be hastily assumed.

Mr. Lyman G. Gage, Secretary of the United States Treasury, has caused disappointment in Europe by recommending a policy of exclusiveness for the commercial marine of the United States, embracing a system of graded bounties "as compensation for the training of seamen for the national defence," and what is still worse, "the restriction of the trade between the United States, Porto Rico,