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### TORONTO, FRIDAY, JUNE 29, 1900.

### THE SITUATION.

In China the principal events are the raising of the siege of Tien-Tsin, and the relief of Admiral Seymour's expedition. Foreign ministers were found to be with Seymour, and Europe and America breathe more freely now that these diplomats are safe.

From twenty-five to thirty-three and one-third the preferential duty in favor of British goods now goes up, the bill making the change having finally passed. It is on the face of it a form of protection and discrimination; there is also concealed in it a distant homage to the principle of Free Trade. Something of this kind was needed to put our trade with England and the United States, as between them, on an equitable footing. Many goods, which we buy from the United States, from their character, pay much lower duties than the manufactures which we buy from England. Incidentally, this acts as a discrimination in favor of American products, though not imposed with that intent; and to balance this practical discrimination and act fairly by Great Britain, a preferential duty in favor of her goods was due. That obligation will now be discharged more fully than before. The effect on the course of trade of the increased preference will be watched with interest. It need not be concealed that Canadian manufacturers would have preferred that the preference should not have been increased; twenty-five per cent. they, or at least many of them, think is enough, especially as the preference lessens their own protection, which with them is the main consideration.

As between the two great political parties in Canada, it is now becoming plain that while one—the party in power—favors preference on lines which include no bargained reciprocity, the other—the party in Opposition—insists on getting a direct equivalent for any concession made to Great Britain. One of the recent speakers, who have elaborated this point, in favor of reciprocal concessions, is Sir A. P. Caron. He and those who agree with him also take their stand on

the ground that political federation of the Empire is impossible. To their proposal of commercial reciprocity within the Empire, they give the misleading name of commercial federation. This party being avowedly protectionist and having set that policy on foot, object that British preference is going to pinch Canadian manufacturers; the other party, with free trade professions behind them and having adopted protection as the work of the day, would rather not enter on the discussion, believing direct equivalents unattainable. Antecedent concessions, on one side, took away the materials of direct reciprocation. The side which got the concessions before it gave any can scarcely complain that it is not paid twice over, and yet this is practically what some persons wish to do. As the respective views, with the interests attaching to them, develop, it is not easy to foresee where the stopping-point will be of those who already complain of too much preference.

The question of reciprocity within the Empire has found its way into the Fourth Congress of the Association of Chambers of Commerce of the United Kingdom, at which Canada has representatives. But it is hard for them to claim that they represent the opinion of a country which happens to be characterized by a want of unity. If the Government, with its majority, be taken as expressing public opinion on this question, then Canada is not seeking this particular form of reciprocity, not because she would not welcome it if attainable, but because it is deemed impossible of attainment. Senator Drummond can speak for certain Boards of Trade, but he cannot claim to present the united opinion of Canada, for no such union exists, and there is no warrant for concluding that he voices the opinion of the majority. This question relates to trade, but its settlement calls for the highest statesmanship. It is the boast of England that in her numerous possessions she seeks no exclusive trading advantage; and though she is envied and even hated by jealous rivals, her liberal policy prevents their combining to effect her commercial ruin. But if she should henceforth resolve to discriminate against all the world, would there not be a danger that all the world would discriminate against her? Would that danger not become certainty as soon as the scheme got into operation?

To the last the Lieutenant-Governor of British Columbia, Mr. McInnes, remained obdurate, refusing to give the Dominion Government the satisfaction of resigning. There was nothing left but dismissal, and with whatever reluctance, Sir Wilfrid Laurier had the courage to take this last step. It must have been a painful separation of old political friends, and on one side, it is likely to leave a rankling wound. To do him justice, it should be borne in mind that the ex-Lieutenant-Governor had a difficult task to perform. Parties in British Columbia are so split up that no premier can easily command a majority; but when one is in the position to rule, the more reason why he should be let alone. British Columbia of all the provinces is the one in which the doubtful experiments entered on by the late Governor are most out of place. In the new Lieutenant-Governor, Hon. Mr. Joly, we have a guarantee that no pranks will be played; under him the province will re-enter on the constitutional path. The