

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

TELEPHONE: { BUSINESS AND EDITORIAL OFFICES, 1892
PRINTING DEPARTMENT, 1485

ORONTO, FRIDAY, FEBRUARY 18, 1898.

THE SITUATION.

Senator Scott has announced, on behalf of the Government of which he is a member, that after the 1st August next, tariff preference will be confined to the British Empire, and that the amount of the preference will be 25 per cent. That all the colonies will be included in the circle of preference, he seemed not to be quite certain. What will be the position of India in this programme? Will her cotton manufactures, which are denied the incidental protection of any revenue duty, be included? A preference within the British Empire, it is presumed, will not offend against the most favored nation clause of the British treaties, a colony not being a nation. Will the effect of this preference on Canada be the same as a renunciation of the most favored nation provision, or will Canada be entitled to the benefit of the clause as a colony of one of the contracting nations? Or is she to be considered as having, in the exercise of legislative option, contracted herself out of the clause? Can she receive where she does not give? When the Canadian Premier spoke of preference as a free gift offered by Canada to Great Britain, he must have been well aware that no equivalent for our action can now be got; that we have, in fact, long been in possession of the equivalent, in the free admittance of our produce in the British market. In Great Britain there is no large body of people seeking for duties on agricultural produce or manufactures; there is no considerable party willing to accept such duties; no government could get them accepted if it tried. There is no ground for the objection that the preference proposed is one-sided; it is the redress of a balance which had nearly all the weight in one scale.

The wisdom of a policy of preference must be determined by the result of its working. From a broad point of view, it is not entirely without objection. It is only by regarding the British Empire as a unit that this policy does not clash with that which England is chivalrously pursuing in regard to China: equal conditions of trade for all nations. If Canada were a country apart, and not a part of the British Empire, preference would place her on the lower commercial level of France, with her double tariff. If colonial preference become general within the British Empire, other nations would naturally object to

further acquisitions of territory by Great Britain, though they might not, as they do not in the case of France, openly protest, unless, as in the instance of Madagascar, promises were violated and treaties pushed aside.

To the new phase of preference no serious objection is likely to be made in Parliament, seeing that it brings exactly what the political party in Opposition has been calling for. Doubtless it will be contended that an equivalent ought to be got, and protection will find a new opportunity to protest. But equivalents are not now to be looked for, and the preference proposed is only what Parliament has already agreed to. Instead of having all the great manufacturing nations for competitors, the competition will be chiefly confined to one, and with that the contest will be softened by a good round revenue duty.

To reach the starting point of the Klondyke railway, we shall have to make use of the Stikine River as far as Fort Wrangel. The river is American up to the boundary line, which is unsettled; but British subjects have a right to navigate it, under the treaty of St. Petersburg. British vessels navigating the river will be liable to the customs regulations of the United States. Our right of navigation of the Stikine is precisely the same as that which we have in the Yukon; and if the American Government can order our vessels to be boarded at a distance of four leagues from the coast to demand the manifest and enforce the customs laws of the United States near the mouth of the Yukon, it can do so at the approach of the Stikine. If it can designate the place, and make it exclusive, at which transshipment to or from river boats shall be permitted, in the one case, as it has assumed to do, it can do so in the other. We do not suppose that the exercise of our right to navigate the Stikine will be hampered by needless vexations; but we shall not be as free from obstruction on the Fort Wrangel route as we should be on an all Canadian route. Four other routes were all rejected by the Government because they ran, in part, through American territory; and as the one chosen has that defect at present, it follows that a further extension to a British Columbia port forms part of the plan, so far as there is a plan, for the future of the Government. That such extension entered into the calculation is further proved by the preference reserved for the present contractors, if the extension be made within a given time.

From the first, we stated that in the Klondyke railway deal there is a large speculative element. Just now there is, in some quarters, a disposition to exaggerate this feature. It has been given the name of a huge gamble. On the supposition that the transaction belongs to the order of gambling, which is often prohibited, there are two parties to the risk; and, if the transaction be objectionable from its uncertain character, neither party to it can claim a moral advantage over the other. If the deal were really as uncertain in its results as has been described, the question might fairly be raised whether the Government ought to have entered into it. There are many reasons why, in that case, it would have been better to provide the necessary facilities in some other way. But the risk is not so perilous as has been described, if it were, the mere statement of the fact would damn the enterprise, and prevent the contractors raising the money necessary to do the work. It so happens that nobody believes the appalling criticisms that have been made in Parliament on the extreme gambling character of the enterprise. They are made impossible by the reports of the Government's own explorers and geologists; by the experience and success of