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THE SITUATION.

In estimating the value of views expressed about the Washington negotiations, it is well to remember that for some years past there have been people, if not a party, in Canada, who were and are opposed to reciprocity with the United States. They take a personal, not a public view of the matter, having irons in the fire that warp their judgment. The public view is, and always has been different from this. Just now, downright opposition to reciprocity is not readily tolerated in Canada; popular it never was and never can be; and so opposition has to take by-paths and seek to attain its end by indirect means. One of the setakes the ground that if the Canadian commissioners do not get just everything they want they should break off the negotiations in high dudgeon. These are bad advisers and we trust they will not be listened to.

It is quite clear that the difficulty which the International Commissioners experience in making a treaty at Washington is found in the extreme pretensions of certain interests, on one side and the other. It cannot be said that one side is much, if at all, more unreasonable than the other. Against this mutual illiberality the great trading interests in both countries stand opposed. The interests of the two classes are different, or at least each class believes them to be so. Compromise is the only possible basis of agreement, and the extremists on both sides stand out against concessions which to commerce would bring mutual advantages. Of course the United States Senate has to be reckoned with. The fact that the Senate is likely to be Republican for some years does not ensure a two-thirds majority, without which no treaty can be ratified. Fortunately the Democrats show more liberality than the Republicans on the trade question, but they might act as a party against the Administration on the question of ratifying the treaty, though there do not appear to be serious reasons to fear hostility from that quarter. The adjournment of the Commission, which will take place in a few days, probably, looks to the improved composition of the Senate after March next. Free lumber the Canadian commissioners are said to be convinced is now impossible, though an agreement for some reduction under that head is understood to be possible.

Canadian interests are not always unanimous as to what they would desire under a commercial treaty with the United States. Thus, the Grand Trunk Railway Company is quite willing to go under the Interstate law, with all that that implies, but the Canadian Pacific Railway Company objects to be hampered in this way. In such a case the pressure naturally comes from rival American railways to enforce the views of the Grand Trunk; against this the C.P.R. finds an ally in New England commerce, which does not want to be shackled in this way. Of the two influences the American railway companies are the stronger; but where so many interests are at work it is difficult to say on which side victory will perch. The Canadian commissioners are represented as regarding the enactment of the Dingley tariff as an unfriendly act. In economics no public act, unless it has an ulterior object of a political nature, can properly be regarded as unfriendly, and that the Dingley tariff has such object we are scarcely warranted in concluding. If we are to get any agreement with the United States it must be on the principle of equivalents; equivalents are another word for compromise, and if nobody is willing to sacrifice anything on public grounds for the sake of something else, agreement must be impossible. If no treaty be made, the unwise selfishness of special interests, Canadian as well as American, will be responsible for the failure. If a treaty be made it will be by disregarding the extreme claims of unreasonable people.

There seems to be no reason to doubt the statement that the Standard Oil Company has for some time controlled the greater part of the oil fields at Petrolia and Sarnia. What interest the Canadians who sold to them have retained is not publicly known. There are some oil properties at these places still in the hands of Canadians, towards whom we may expect the Standard Oil monopoly to pursue its usual destructive methods of opposition, the worst vice of that formidable organization. Unfortunately for them, the Canadian oil men are not in a position to demand the full sympathy of their compatriots. They have, as a rule, neglected their opportunities in not fully testing by deep wells the capacity of the oil regions, while they were in complete control, and never having gone to the expense of finding out the best method of refining the peculiar crude oil with which they dealt. The Standard Oil Company, whatever its vices, has served the public well by selling well refined oil at a price much lower than their Canadian rivals got for their inferior product. But if it be true that one or more Canadian railway companies are discriminating in favor of the southern monopoly which is carrying on its operation in Ontario under various disguises, the Government has a clear duty to the people to perform. Taking the affirmations, the denials, partial, direct or indirect, with the reaffirmations, there remains some doubt, but on the whole a pretty well settled conviction, that favors have been shown to the foreign monopoly, to which it is not entitled. It becomes the Canadian Government to ascertain the facts beyond doubt and to do justice in the premises.

Since the Standard Oil Company got a firm footing in Canada, there is, we fear little or no room for doubt, it has found means to induce the two great Canadian railways to increase the rate on American oil for the benefit of the great foreign monopoly. The effect of this move is the same as the increase of the import duty would be; and the two great railway corporations in exercising this power are, in effect, doing indirectly what the Dominion Parliament alone has the right to do directly. Such an abnormal exercise of power is not likely to pass