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**CANADA'S NAVAL POLICY.** **A**LL over the world the action of the Canadian government in asking Parliament to build and place at the disposal of His Majesty for the defence of the Empire three of the biggest and best Dreadnoughts that can be built has aroused great interest and almost everywhere is evoking expressions of approval. In Great Britain it is the chief topic before the public and the proposed Canadian contribution is warmly appreciated by both Liberals and Unionists; in fact by everybody, except those cosmopolitan patriots who have a good word for every country but their own, and by the usual sprinkling of class cranks. In Ireland it is welcomed by the Home Rulers as an indication of the loyalty that springs from local self-government. Even in Germany the action is regarded as making for the peace of the world, as a proof of the unity and strength of the British Empire. One well-known German naval critic declares that Canada's policy is the outcome of Germany's naval policy. He says: "Borden is undoubtedly right in affirming that the participation of the dominions in British defensive equipment will tend to emphasize peaceable inclinations. Great Britain and the dominions unquestionably desire peace. They are far beyond the reach of European militarism and they will thus use their influence in the cause of peace and the reduction of armaments. It will be interesting," he concludes, "to see what attitude our navy enthusiasts take up towards the new situation. One must hope that our government will perceive that it pursued an entirely wrong policy when it permitted itself to be taken in hand by these circles."

Throughout the British Empire it is cordially recognised that Canada has set the pace for the overseas Dominions, as it was her duty to do. A few critics are agitated at the thought of a Canadian minister sitting on the Council of National Defence, on the assumption that this is equivalent to a seat in the Imperial Cabinet and a voice in Great Britain's foreign policy. The importance of the position will depend much on the man who occupies it. If the Canadian minister resident in London has tact and common sense he will be one of the most influential members of the Council of Defence and will exercise a potent though indirect influence in world politics. His Majesty's ministers will have the advantage of seeing things from a new and always friendly point of view. The position of the Canadian resident minister in London will be, in fact, what he makes it. One critic seems to be unduly anxious lest the Canadian contribution should lead to another insane era in battleship building. He need not worry; a United British Empire is the best possible guarantee for peace.

**PANAMA CANAL TOLLS.** **T**HE London Morning Post fails to understand the delay of the British government in presenting its protest against the Panama Canal legislation of Congress. In our judgment the British Government showed good sense and a keen appreciation of American politics, by waiting until after the presidential election before sending its protest to Washington. United States politicians either have a tendency to underestimate the standard of honour and fair play among the people of their country or they think it more practical politics to play for the support of the Anglophobic and Spread Eagle elements during a presidential campaign. The manner in which the protest has been received in New York and Washington is in itself a justification of the delay. The conciliatory and fair tone of the protest has been most favorably commented upon and there is a decided disposition manifested in influential American circles to deal with the question fairly on its merits and with a sense of justice due to the honour of the nation.

The protest begins by maintaining that the Hay-Pauncefote Treaty does not stand alone. It was the corollary of the Clayton-Bulwer Treaty which it undoubtedly superseded but the general principle of which as embodied in Article 8 is maintained. The object of the Hay-Pauncefote Treaty as stated in the preamble was to facilitate "the construction of a ship canal to connect the Atlantic and Pacific Oceans by whatever route may be deemed expedient, and to that end to remove any objection which may arise from the Clayton-Bulwer treaty to construction of such canal under the auspices of the Government of the United States, without impairing the general principles of neutralization established in Article 8 of that convention." It was upon that footing, and upon that footing alone that the Clayton-Bulwer treaty was superseded.

The general principles of neutralization here spoken of must mean something. Article 8 provided for equal treatment of American and British ships and the joint protection of the Canal by the two powers. We do not imagine that the United States government will maintain that the word "neutralization" is intended to preserve the system of joint protection. To what then can it refer but the equality of treatment for American and British ships?

The protest points out that the Hay-Pauncefote Treaty guarantees that the tolls shall be just and equitable and it maintains that it is impossible for the United States to discriminate in favor of any particular class of shipping without increasing the burden of tolls on the other classes, if the tolls are to be based upon the cost of operating the canal.