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THE SITUATION.

It is safe to say that the result of the elections is that the Government is sustained by a working majority. The defeat of several Ministers will give the Premier the option of reconstructing at pleasure; but as this resource will not be necessary to enable him to sustain himself, it is likely to be sparingly used. For some of the defeated Ministers seats could of course be found. Some of them may wish to retire and be allowed to do so. To the result of the elections, it is probable that Sir Richard Cartwright's fencing on the annexation question largely contributed; he had a right openly to advocate annexation, if he chose; but when he was accused of being secretly in favor of it, candor required that he should give a straightforward answer one way or the other. This he did not do, with the result that the inevitable inference was against him. In Quebec the organs in the press of the Jesuits opposed the policy of the Opposition with little effect. M. Laurier, on his part, conducted the fight in a perfectly unobjectionable way, and in the spirit of a gentleman. *La Verite* and *L'Etendard* assumed that he meant annexation; but there was no adequate ground for this conclusion, and so the electors of Quebec have decided. The circumstance of Mr. Blake dropping out of the contest, and leaving the fight to lieutenants who might, for all that appeared, to be going on their own account, was a powerful factor in the failure of the Opposition. But the causes that contributed to the result are secondary to the effect which the victory of the Government may produce. There is little chance of reciprocity on the uncertain lines laid down by Sir John Macdonald; and there was no assurance that it could have been obtained on the terms too freely offered by the Opposition. Protectionism has been carried too far, and nothing but the belief that unrestricted reciprocity meant annexation has saved the former policy from condemnation.

The conduct of the United States Congress in refusing to do anything that might have had the appearance of interfering in the Canadian elections, is to be commended. The battle was one for Canadians to fight and they neither desired nor would have accepted outside guidance. The elections will leave regrets enough behind. Any appearance of hostility to the States, which the exigencies of party warfare caused to be put on, is to be deprecated, while attempts to excite bad feelings between the two countries deserve universal condemnation. During the contest, things were said of the United States which had better been left unsaid, some of which were of an irritating nature and others positively untrue. We trust that if this cannot be all forgotten, it will not be repeated in future.

A gleam of hope that the negotiations with France on the French shore question may be successful appears in the speech with which the Governor of Newfoundland opened the legislature. "I am informed," he says, "that the proposals made by Her Majesty's Government have been favorably received by that of France." This is contrary to all the statements that have previously been made, and as the British proposal to buy out the French claim for a money consideration was rejected, the reference here made must be to a new offer. It may possibly have reference to African territory, on which subject the French were reported to have made a proposal. Whatever it may be, it is satisfactory to learn that it may form a basis for successful negotiation. Official delegates from Newfoundland went to England last year, and laid the views of the islanders before the colonial office, with the effect apparently of quickening the negotiations with France. The negotiations have in view the withdrawal, on equitable terms, of France from the treaty shore of the island, a consummation much to be wished.

Some doubt has been thrown upon the statement of Sir Charles Tupper that an arrangement has been completed with a company, of which the Marquis of Hartington is president, for a Canadian line of fast Atlantic steamers. The doubt is not that certain terms are practically agreed upon, but whether the new company can induce the Allan Steamship Company to join in the enterprise, on conditions which scarcely look as if they would prove tempting to the latter. We do not want any more contracts for steamers which the other side is unable to carry out. There may be no danger of this; as yet there does not appear to be an actual contract, but there seems to be some hitch in an arrangement which was announced as practically complete.

A movement to promote free trade between Great Britain and her colonies has been started in England. For this purpose, a United Empire Trade League has been formed, for which, through a circular, Mr. Howard Stinson, M.P., asks support. If the United Empire Federationists would take up this programme, they would at least set before them an intelligent aim,

which would deserve some sympathy. Free trade between Great Britain and the colonies cannot, on the side of the mother country, mean discrimination; on the side of the colonies, it might. It would mean either partial or complete free trade from their point of view: the obstacles in the way of the realization of such a policy are so great as to be almost certainly insuperable. The colonial tariffs are not like the tariff of Great Britain, confined to a few articles; they embrace almost all kinds of manufactures, and even when they are not dominated by protectionist ideas, it would not be convenient to sacrifice the revenue which they produce. On the side of Great Britain there is, in most colonial products, free trade already; so that the motive for change on the part of the colonies is hard to find. If the advocates of the new movement will develop a definite scheme, we shall then be better able to judge of its chances of success. But on a general view the vague proposal does not present much chance of success.

Objection to the constitutionality of the McKinley tariff is made on several points. The sugar bounties are attacked, and the power assumed to be given to the President to impose or remit taxes, under the reciprocity clause, the Supreme Court is asked to declare void. A precedent could be found for it, perhaps, but this would be useless, since the power of taxation given to Congress is conveyed by a written instrument. Congress has a right to levy taxes, but it is not surprising that a doubt as to its right to grant sugar bounties should have been called in question. It is an old doctrine of the Democrats that the right to raise a revenue does not imply the right to put on duties for the purpose of protecting or favoring particular industries. Of late the courts have leaned towards what many regard as a stretch of the federal powers. Relatively, the importance of the State governments has decreased, and they are now largely used as stepping-stones to federal control. If the appeal to the Supreme Court should succeed, any treaties that may be made under authority of the McKinley tariff would be of no effect. The chances are that the decision will be in favor of upholding the law, though of course this is not at all certain.

Having reduced the mercantile marine to dimensions altogether disproportionate to the magnitude of the commerce of the country, by means of antiquated navigation laws, the United States is seeking to revive it by an addition to the methods which have proved so disastrous. The new postal subsidy bill requires the vessels which are to carry the mails to be American, though the rule with great Britain, not without exceptions, is to give postal contracts to any vessels that will perform the service on the best terms; and not only must they be American built, but they must be owned and officered by American citizens. These conditions show a narrowness that is surprising in a great nation. The larger vessels to be used for the purpose are to be capable of conversion into cruisers; a requirement borrowed from the British mail service in the Pacific.