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EDWD. TROUT, MANAGER.

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MONTREAL TO HALIFAX.

Last session, the Federal Legislature granted a subsidy in aid of the shortest line of railway which can be found, between Montreal and Halifax. Quebec journals are busy speculating on the location of the road, and giving estimates or facts, which purport to state the relative distances of two possible routes. But the figures given are full of contradictions. One journal makes the route by Maine twenty-three miles longer than that by Quebec; another states the advantages in favor of the Maine route, to be one hundred and ten miles. Conclusions drawn from figures which differ so greatly as these, can be of no value. Of course, it is possible that one set of figures may be correct; but it is quite as likely, perhaps more so, that neither of them is. One set of figures shows the distance between Montreal and Lake Megantic, to be one hundred and eighty two miles; another reduces it to one hundred and fifty two. Either there is some wild estimating here, or one estimate is on a crow line, and the other on a possible railway line. It is quite impossible to argue satisfactorily on the line which will most certainly meet the conditions of the subsidy, till all doubt as to the real length of possible rival lines is set at rest.

Whether the line which is to receive the subsidy should not traverse Canadian territory exclusively, or whether, if the Maine line be shorter, it should be followed, is one of the questions that enters into the discussion. The affirmative and negative are both insisted on with equal energy. But the reasons against taking the shortest line appear, from the commercial point of view, to be weak. We ought not, it is said, to give a subsidy to aid in building a road on foreign territory. A national line should be on national territory. Under some circumstances, there might be considerable force in this objection, but at present there is little. We already possess railway connection between Montreal and Halifax, through Canadian territory. The military idea which dominated the selection of the Intercolonial route, ensured such a line. But it was not the best commercial line that could have been selected. The Grand Trunk was located in obedience to stricter commercial necessities. One military road should be enough,

and there can be no possible justification for building another. Whatever reason there may have been for building one intercolonial railway, there can be none for building a second.

Local interests may argue for deviation from the straight line. It is natural that the people of St. John should desire the line to touch that city in its course, and there are several other places that might be expected to have the same feeling. But no instructions can well be more imperative than those to run the shortest line. Such a line forbids deviation for purposes of local accommodation. The shortest line once found, there is no choice left: its adoption is a legal necessity. Of course a practicable line must be found; but the assumption of the Legislature is that the shortest is a practicable line. Though the shortest line should be the most costly, that would not affect the location. A saving of time is presumably the aim of the Legislature as well as of the promoters of the road, but the shortest lines do not always allow the best time to be made. In this case, the promoters may be assumed to have known that the shortest line would allow of the greatest despatch in passing over it. No place which the shortest line would not touch can expect to be served by this road.

Until the reports of the engineers, who have explored the various routes, are published, it will be impossible to say which is the shortest. Should such a line cut through a corner of the State of Maine, that would scarcely be a reason for setting it aside and adopting a line which is not the shortest. To do so might contravene the intention of the Legislature. If we had no line from Montreal to the seaboard within Canadian territory, there might be a good reason for building one, but the existence of the Intercolonial takes away the only ground on which the contention for a local road could be based. The Pacific railway is a national line; but that line once completed, no one would think of duplicating it, if some other line, say one from Sault Ste. Marie to Emerson would answer the purpose of commerce better than any possible duplication of the Canadian Pacific. When the engineers tell us where the shortest line is, there will be no difficulty in saying what selection would meet the intention of the Legislature; and there can be only one line that will fulfil the condition.

NATIONAL POLICY.

Mr. Blake, speaking at a banquet, in Montreal, a few days ago, is reported to have "ridiculed the attempt to make it appear that the question between the two parties was one of pure free trade against pure protection. Free trade, he added, is an impossibility, in this country. Whatever tariff was formed, if it secured revenue, must give very considerable protection; but he contended that taxes on such articles as coal and breadstuffs should, in the interests of the people at large, and of the manufacturers, be done away with." Absolute free trade, it is quite true, there cannot be, and it is also true that a revenue tariff is incidentally protective. So are the freight and insurance on imported goods. The only place in which

the coal and bread taxes can be successfully attacked is the Legislature; and there no party has made a serious movement against them.

Although there is no such issue as that of absolute free trade against absolute protection, the issue has been widening between the two parties. Mr. Mackenzie's Hamilton speech and Sir John Macdonald's avowed intentions, with respect to the tariff before the general election of 1877, were nearly identical. Perhaps to Sir Richard Cartwright more than to any one else the increase of the divergence is attributable. Be that as it may, the increase has been going on. There is an inevitable tendency in national tariff policies, to exaggeration, and degeneracy. Nearly a century ago, Alexander Hamilton, applied the term National Policy to such a tariff as he desired Congress should enact. His model of a national policy tariff was at first moderation itself; but as years went round his protectionist view became more pronounced. Complaint was made what England would not take American wheat and American farmers could not find a foreign market for the produce of the soil. In her colonies, England still retained the old restrictions upon foreign trade. From the West Indies the United States was practically shut out, and in Canada she was met with discriminating duties. Men were fast being forced to the conclusion that, for the American farmer there was no market but the home market; to extend this single and exclusive market was the object of Hamilton's recommendations, in favor of fostering domestic manufactures. "It seems not always to be recollected," says Hamilton, "that nations who have neither mines nor manufactures, can only obtain the manufactured articles of which they stand in need, by an exchange of the products of their soils; and that if those who can best furnish them with such articles, are unwilling to give a due course to this exchange, they must of necessity make every effort to manufacture for themselves; the effect of which is, that the manufacturing nations abridge the natural advantages of their situation, through an unwillingness to permit the agricultural countries to enjoy the advantages of theirs, and sacrifice the interests of a mutually beneficial intercourse to the vain project of selling everything and buying nothing." As a consequence of this state of things, the foreign demand for agricultural produce was casual and occasional, rather than certain and constant; often "the demand was very unequal to the supply." Hence Hamilton concluded: "There appear strong reasons to regard the foreign market for that produce as too uncertain a reliance, and to desire a substitute for it, in an extensive domestic market. To secure such a market, there is no other expedient than to promote manufacturing establishments."

Hamilton's belief was that the United States could not be a free trade country while other nations were protectionist, but that if free trade could be made general, free trade would not be the worst. "If," he said, "the system of perfect liberty to industry and commerce were the prevailing system of nations, the arguments which persuade a country, in the predicament