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THE SITUATION.

Sir Michael Hicks Beach, President of the British Board of Trade, and a former Secretary of State for the colonies, adds his testimony to that of the present holder of the Colonial Office, that differential tariffs that would favor the colonies at the expense of foreign nations are impossible. There is no doubt that this view is correct, and it is sheer waste of time for people in this country to hope for discrimination. At the same time, both these gentlemen think some sort of a commercial zollverein between Great Britain and her colonies is possible. The thing is almost inconceivable, and, as no outline of a scheme is given, we are left in the dark as to how it is to be done. Imperial Federation is a phrase, and a phrase it has now remained till it has become stale: every one shrinks from the attempt at giving it an intelligible meaning. Does a commercial zollverein mean the same unknown thing? Is it the same mystery under another name? It looks as if the substitution of one name for another was an attempt to hide the addled egg. But no one can hope that a bit of legerdmain of this kind will give birth to new hopes of an unborn scheme which years have done nothing to develop.

The statement has been made by Montreal journals, and, as far as we have seen, not contradicted, that the Dominion Government has relieved the Canadian Pacific Railway Company of the lien of one million of dollars which it held, on behalf of the public, on the old North Shore Railway. The statement reads as if the payment of the money were no part of the transaction, and a gift of another million of dollars had in fact been made to the company. For this result local interests have for some time been working, and it is significant that the announcement is made in the midst of an election campaign. It is well known that the company had refused to fulfil the conditions on which it got possession

of the road. Now, having been made a present of a million of dollars, the statement adds, it will do so. Surely the company will know how to show its gratitude for this last act of executive favor. Mr. Van Horne's letter seems to indicate that he is not altogether ungrateful.

For the first time in the history of British colonization, we venture to say, the right of the Crown to make treaties is being questioned in a court of law, the Supreme Court of Newfoundland. The dispute arises over a temporary convention made between the governments of France and Great Britain, under which Walker, the plaintiff, who owned a lobster canning factory on the French shore, complained of having suffered injury. The defence took the ground, not that the plaintiff was not entitled to damages, but that he should have applied to Parliament for relief. This doctrine has been adopted and become ingrained in the American procedure; it is asserted in a constitutional amendment. When an individual has a cause of complaint against a State or the United States, he cannot appeal to the courts. The captain of the "Emerald," a national vessel, must have acted under orders when he interfered with the lobster factory, and that redress should be sought from the Crown, whose servant he is, is the contention of the defence. The pretence that the treaty does not bind Newfoundland is a new constitutional doctrine. Somebody, it would seem, is seriously to blame for having advised Mr. Baird to resort to a wrong procedure. If he had no right, under long-existing treaties, to erect the establishment which he did, he cannot be, strictly speaking, entitled to damages; but the British Government would be inclined to compensate him if he had any claim at all. By taking the course he is now pursuing he cannot be strengthening the chance he may have had in this direction. In this suit we are likely to hear the first and the last of the doctrine that treaties do not bind.

There is a bill before the Senate, at Washington, for giving the guarantee of the United States to a million of four per cent. bonds in aid of the Nicaragua canal. By this bill exclusive control of the canal is given to the United States. Years ago both England and the United States bound themselves by what is known as the Clayton-Bulwer Treaty, not to acquire certain interests in Central America; and that agreement this bill antagonizes. The treaty has not been formally annulled, though the Committee on Foreign Relations at Washington contends that England has practically put an end to it by her settlement at Belize, and her control of the Mosquito shore. The bill may not perhaps become law. The Panama canal, that child of French genius and French capital, is a wreck, and at present it is impossible to say whether it is to remain a permanent ruin. There is reason to believe that the Nicaragua canal is a more feasible project, and between the two it is difficult to see why objection to the Americans building a canal across the Isthmus should be stronger than to the French doing it. England has

shown no sign of a desire to aid in doing the work herself. She opposed the Suez canal for a long time, and now her commerce profits by it more than that of any other nation. As the greatest of the maritime powers, it is almost certain that the same result would follow the construction of the Nicaragua canal. The funny thing about the proposed American guarantee is that the United States would have practically no use for the canal after it was made, if her present antiquated navigation laws are to continue.

Like the recent French loan, that of Germany has met great success; the offerings have been forty-five times the amount asked. These continental money markets had not been exhausted by committals in all directions, as that of England had been. In these two countries, at any rate, there is plenty of money to meet the demand for first-rate loans. And for mercantile purposes money in England is neither scarce nor dear. But fancy securities, and with them some solid ones, get the go-by for the present. Before long, a proper distinction between the good and the bad or doubtful may be expected to be made; and after this has lasted for some time, a slackening of precaution may be expected to occur. Will these oscillations from undue credulity to unreasonable scepticism ever cease?

Some uncertainty still continues about the demand for nickel in connection with armor plates. Lord George Francis Hamilton, First Lord of the Admiralty, says the new plan is to build war ships rapidly without waiting for novelties which may prove of no value. If the "compound steel plates" recently used in experiments at Portsmouth were compounded with nickel, then the demand for that metal for future armor plates is assured. The penetration in only one of the three shots reached as much as .2 of an inch. The thickness of the plate experimented on was eight inches, a little less than that of those used in the latest French experiments, in which the projectiles went nearly through the plate. If the results at Portsmouth were obtained without nickel, it is safe to say that metal will not be required for this purpose; if nickel forms the "compound," the demand will be great. In the British naval estimates this year there is a small increase of £358,000. It is claimed that a great saving is effected by the new plan of rapid construction.

When Irish Nationalism next appears in the United States with the collection box in its hand, it is likely to wear two faces, one representing McCarthyism and the other Parnellism. So singular an apparition may cause some perplexity to the soft heart of poor Biddy, and for the first time she may begin to enquire what it all means, and if she does there will be trouble. Should the duplicate begging delegation of Irish members of Parliament cross the sea, it is not unlikely that they will honor Canada with a visit. Of all the representative anomalies the world has ever seen, that of the Irish member who is supported by politico-charitable contributions is the greatest.