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THE SITUATION.

Under Lord Palmerston, the right of the colonies of Great Britain to levy differential duties, even in favor of the Mother Country, was denied; and several treaties were made with foreign countries in which the prohibition was recognized. The British Premier of to-day, Lord Salisbury, goes so far as to characterize those treaties as "most unfortunate," and he prophesies that the error will never be repeated. When the treaties expire, the prohibition will die along with them. This, at least, is Lord Salisbury's forecast. But at present, he holds that public opinion in England does not sustain the views of the United Empire League in favor of reciprocal preferences between Great Britain and her colonies, which should include a tax on grain, wool, and meat. If this policy were carried out, would there not be danger that it would lead to adverse action by foreign nations? When Great Britain made a distinction between nations, which, like herself, were in possession of colonies, and the United States, which had none, the experiment did not succeed. In that case, the bone of contention was certain reciprocal rights of trade with the nations possessing colonies, denied to nations which had no colonies. The United States set up the objection that it allowed foreign vessels to trade to its ports, and that it ought in return to have the right of trading to all British ports, whether colonial or not; and that if British colonial ports were closed to its shipping, it might retaliate by closing its own ports to British vessels. It succeeded in breaking up the monopoly of the trade to the East and West Indies, after a prolonged struggle. Under the same sort of fair trade advocated by the United Empire League, is there not danger that this example would be revived and extended?

Fruit is already being borne by the Berlin labor conferences, which took the ground that women and children who cannot pro-

tect themselves may reasonably have their hours of labor abridged by law. Already the half time rule has been applied not only in Germany, but also in Belgium, Holland and Scandinavia, and in a modified degree in France, Switzerland and Italy. In these particulars Great Britain lead the way, and she is likely to go somewhat farther in the factory bill now before Parliament. Canada followed British legislation in imitating this protective legislation before any of the countries named. Where labor is scarce and dear the sacrifice is greatest. The application of a like rule to men—limiting the hours of labor—has, so far, been resisted nearly everywhere. The effect of the limitation of the hours of labor on the struggle to get access to the world's market would depend upon whether a working day shortened by law were exceptional or general. If exceptional, the country adopting it would place itself at a disadvantage; if general, the highest skill and the best machinery would be additionally important factors in the race. The socialists have been recommended to make the eight hours' day the chief plank in their platform, but the point is one on which they are far from being unanimous. Still, the tendency almost everywhere is to demand shorter hours.

No one could have been surprised at the announcement that the Government of Mr. Abbott would take for its programme the election policy of the late Sir John Macdonald. The new Government consisting of the same members as the old, with one necessary exception, finds itself face to face with a Parliament that is bound by election pledges. So far as controllable by the Government, these obligations are not confined within very strict limits. To get any treaty with the United States some manufactures must be made an element in the reciprocity; what they are to be, and how few or how many, are the questions. It is not likely that Sir John Macdonald had sketched a schedule which contained his ultimatum; the question for his successor will be the same as he would have had to determine himself: how far he will go? That he will not go the full length of Commercial Union is taken for granted. On the other side, the question will be how much the United States will demand as a condition of making a treaty. An agreement may be reached or it may not; on this point, no one is in a position to pronounce positively. The question of unlimited reciprocity was decided by the Canadian electors in the negative, and the Government is not likely to run counter to that conclusion. Before we get unlimited reciprocity, we must have a reversal of the verdict of the Canadian electors. So long as this Parliament lasts the election policy of the majority is likely to be maintained.

A telegram from the capital of the German empire brings the somewhat startling information that the basis of a customs league has been formed by Germany, Italy, Switzerland and Hungary. Proposals to this effect were made immediately after the passing of the McKinley tariff, and was

intended to be directed primarily against the United States. The statement adds that it is to be consummated by an international conference which is to meet at Berne on the 20th July. This commercial alliance, it is alleged, is to tie the hands of the contracting parties, in the matter of making separate commercial treaties with other countries. It will be interesting to see what form the agreement will take, if it should ever be completed. It is not probable that the proposed agreement will run on the lines of the German Zollverein, which being confined to the German Confederation, and not even embracing all the States, permitted of free trade among the several contracting countries, and a distribution among them of the duties collected on foreign goods. A customs agreement between several foreign States will not permit of free trade among them, though it will necessarily be a move in that direction. Such a convention may, to some extent, serve, if not as a model for us, to suggest in what way commenced arrangements between different nations can best be carried out. The new move appears to have special reference to the illiberal tariffs of the United States and France, to which it is apparently intended as a counterpoise.

When our Government issued an order regarding vessels in which cattle are exported, to provide a space of 2 feet 6 inches for each animal, the American Government was on the point of promulgating a similar regulation, which, besides, contains special provisions regarding the vessels' fitting and ventilation, and food and water for cattle. The Canadian steamship companies continue to protest against the regulations issued from Ottawa, and to pray that they may not be enforced. If they are to be obliged to afford additional space, their right to extra remuneration can scarcely be questioned. The extended space seems to be necessary to enable the cattle to lie down, for they cannot, like horses, sleep standing. The shippers cannot expect extra space for nothing, though some of them would perhaps rather put up with contracted space than pay higher passage money. Public opinion in Great Britain requires that the cattle be properly treated on board, and a compliance with the dictates of humanity is also the best policy for Canada.

The Premier of British Columbia, who has paid a visit to Ottawa, is said to express the fear that the sealing interest of his province will suffer severely from the operation of the new British Act for a close season, which has already gone into operation. Of the vessels engaged in that business, some of them have gone to the sealing grounds some time ago, and others which had got ready would, if they remained at home, lose the season's work, for which they had incurred the expense of getting ready. The former would be liable to capture, and few, if any, of them could escape the vigilance of the British fleet. We learn from a Halifax telegram that thirty sealers, owned and commanded by Nova Scotia, have gone to the Pacific. The "Otto,"