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TORONTO, FRIDAY, JANUARY 10, 1896.

THE SITUATION.

In neither England nor the United States does commerce regard the possibility of war between the two countries otherwise than with horror. In New York, the Chamber of Commerce, the most powerful commercial organ in the republic, raises its united voice for peace. And a speedy response, in the same spirit, comes from the London Chamber of Commerce. The recommendation of the New York Chamber is that the President of the Chamber shall appoint a committee of fifteen members to consider the propriety of appointing a committee to examine the whole Venezuelan boundary question. It is proposed to utilize, for this purpose, the Venezuelan commission and to add to them an equal number of British subjects, and that a chairman be appointed by the governments of Great Britain and the United States. It is not proposed that these gentlemen should form a board of arbitration, but only a commission of enquiry with advisory powers. The resolution proposes that the views of similar commercial bodies should be ascertained. The resolution is well meant and has already produced a calming effect upon excited public feeling among the powerful commercial class, and through them upon others. Carl Schurz, as an honorary member, addressed the Chamber. Of the Venezuelan Commission, he said: "We have to admit that after all it is a one-sided contrivance, and as such lacks an important element of authority;" owing to its one-sided origin, the commission "would lack the essential element of moral authority required to command general credit." An advisory council, he pointed out, might, without offence, consider the whole case. Whatever may come of the proposal, it is a distinct advantage to have obtained a conciliatory opinion in so influential a quarter as the New York Chamber of Commerce.

Over the proposed issue of bonds by the Washington Government a distinct issue was raised by the Republicans and the Populists, on the one side, and the Administration Democrats, on the other. The former demanded a "popular loan"; that is, that the Government, ignoring syndicates and bankers, should address itself directly to the people who have money to lend. The advocates of a popular loan profess to have no doubt of its success; the more sanguine ones express the opinion that it would be

subscribed several times over; the New York *World*, on its own account, offers to start the loan with a million dollar subscription. Some profess to see ground for suspicion in the fact that the President's former law partner has been in Washington acting as the attorney for J. Pierpont Morgan, by whom a new syndicate to control the loan has been got up. Small bankers and investors, it is said, do not want to pay a large percentage profit to a syndicate, but would prefer to deal directly with the Government. The defenders of the syndicate express doubts about the possibility of a popular loan, and say that if it failed the condition of the Treasury might become perilous.

Two other questions are in issue between the Washington administration and the Senate, growing out of the loan; one is, that the former wants the word "gold" substituted, in the Loan Bill, for "coin," as what the takers of the bonds are to be promised. On this point, the Government never had any chance of getting its own way. Chairman Dingley, of the Committee of Ways and Means, is said to have informed the Secretary of the Treasury that three-fourths of the Senate would refuse to vote for the substitution. The Secretary of the Treasury wishes this point to be made clear, not merely in respect to future loans, but also as to the past. He desires to obtain a joint resolution of Congress, that all bonds and notes hitherto issued, except those which in express terms are otherwise payable, shall be paid in gold coin of the present standard weight and fineness in silver dollars, at the option of the holder. This attempt is laudable, but its failure is not likely to improve matters; for if the silver men, who are already in a majority in the Senate, ever get full control of Congress and carry their aims into effect, they will not forget to point out, that when the Government desired to get a specific promise to pay the bonds in gold, it was refused. The danger of the financial situation, looked at from this point of view, is certainly not diminishing.

Influenced by pressure from without, the Washington Administration finally decided to issue an appeal for a popular loan of \$100,000,000 in four per cent. bonds. No price is named, the public being left to make it, the Secretary of the Treasury leaving himself the option of refusing any offers. There is nothing to prevent the Morgan syndicate bidding, any more than any individual, though it may wait to see how much the general public has fallen short of subscribing the whole amount. Whether successful or not, the Administration will be held to have done its duty in leaving it open to any one who desires to invest as small a sum as \$50 in the loan, to obtain a bond for that amount direct from the Treasury.

The Emperor of Germany, by intimating to President Kruger that if called upon he would have rendered aid in repelling invasion or suppressing revolt, has set all England aflame, and the war spirit has risen to a great height. The chief cause of the offence is the apparent ignoring of the suzerainty of England. So far as the Emperor's telegram was regarded as concealing a desire to assume a protectorate over the Transvaal, it appears to have been misinterpreted. It is now said that he desired to protect only the Germans in the Transvaal. England's suzerainty is secured by the treaty of 1884, in these words: "The South African Republic will conclude no treaty or engagement with any state or nation other than the Orange Free State, nor with any native tribe to the eastward or westward of the Republic, until the same has been approved by Her Majesty the Queen." Any attempt to deprive England of this right would lead to war. Preparations are being made to send several British regiments at once to the Cape.