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TORONTO, FRIDAY, NOVEMBER 8, 1901.

THE SITUATION.

At the manufacturers' annual banquet, held in Montreal on Wednesday, Sir Wilfred Laurier was present. Among other things Sir Wilfred noted the change in the bent of reciprocity negotiations with the United States; he recalled the historic fact that Canada going in quest of reciprocity to Washington had been repeatedly repulsed. The natural result followed; and in the words of Canada's Premier, "We are not sending any more delegations to Washington." And the statement was cheered by his audience. Doubtless bearing in his mind the movement in the United States to secure further reciprocity negotiations, he added, "I rather expect, and I would not be surprised if the thing were to take place within a few years, that there will be delegations to Ottawa for reciprocity," in which he undertook to guarantee that they will be received with every politeness. There is a feeling in some quarters that Canada ought to refuse to enter into any reciprocity arrangement with the United States, but it does not coincide with the general view of the matter, and is not the view that will prevail. Only this, and nothing more or less: the United States can have reciprocity with Canada only by giving fair and reasonable equivalents, which, since the denouncing of the old Reciprocity Treaty she has never been willing to do. Our trade with the Republic at present is all one-sided; and we desire reciprocity only to restore the equilibrium.

A convention of the American Association of Manufacturers will be held at Washington, D.C., on the 19th inst., at which the question of reciprocal trade with Canada will be discussed. The convention is likely to be largely attended, if we may judge by the preparations made to send delegates from different places. This phase of the desired reciprocity is not one which so strongly recommends itself to Canada as reciprocity in raw produce. The Americans want to find an extended market in Canada for their manufac-

turers; but this is a phase of reciprocity which Canadian manufacturers, as a rule, do not desire to encourage. They even grudge the British preference, especially in the woollen trade, and are ready to demand a change if the prospect of success should open, and even in the absence of such prospect. Here nationality counts for something, and the seal of empire is put on the law of preference. Our trade with the United States is cosmopolitan, and in spite of the British preference, is much larger than that with Great Britain. The stage of development which our manufacturers have reached has something to do with this; a great many things partially manufactured are found in the United States, suitable for entering as parts into Canadian manufactures; but this is a passing phase; we are already establishing additional manufactures for several of these parts, which we have hitherto imported. In any negotiations for reciprocity with the United States, Canadian manufacturers will stand watchfully by, ready to protest that no undue license of competition with them be conceded. It was so in the case of lumber; it will be so in everything else.

When the bill to alter the mode of assessment, so as to remove what was known as the scrap iron basis of assessment, in the case of trolley roads and other concerns, to which it applied, came before the Legislature, the general opinion was that a change in the basis of assessment would be effected. Indeed, to find a means of doing this appears to have been one of the principal objects in appointing the Assessment Commission. But the original bill for this purpose was withdrawn, and another substituted, which became law. To the substitution the Opposition objected, as inadequate, when members of the Government, responsible for the bill, gave assurances that it would be adequate to effect a change in the basis of assessment. The event shows that this object has not been attained. Judge Macdougall, deciding on a case that came before him, said that "as far as the method of estimating the value of the classes of property involved in the present appeal is concerned, I am of opinion that the amendment enacted at the last session has effected no change whatever." The scrap iron assessment rests on a judgment of the Court of Appeal; and must, under Judge Macdougall's present decision, be held to be the one applicable to the assessment law as passed last session. The conclusion is that the new law has failed to effect its intended purpose. In this state of matters, a declaratory, or some form of amended law will probably claim the early attention of the Legislature of Ontario.

While the negotiations between England and the United States are apparently near completion, a voice from Nicaragua, speaking authoritatively, gives notice to the United States of the termination of the treaties by which Nicaragua made the necessary concession to enable the United States to build the canal. There were two treaties, one bearing date 1870, and the other 1867. Has Nicaragua lost patience, seeing that no progress in the construction of the canal has been made; or is she annoyed at the flirting that has been going on over the possible purchase of the colossal French abortion, which took the form of a rival to the