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## THE SITUATION.

Mr. Foster's budget speech, as usual, took a contentious form. He dates the new financial *régime* from the year 1878, as Mahometans date from the Hegira, and aims to place in striking contrast the before and the thereafter. But he prefers to dwell on the reductions of duty which were made in 1894, rather than on the previous increases which, at the time, were characterized as progressive phases in the National Policy. His chief critic, Sir Richard Cartwright, denies the reductions, if dutiable goods only be considered, and dwells on the increases on these goods. He claims that the average rate of duty on dutiable articles was, in 1893, 30 and 3-10 per cent., while in 1895 it was 30 and 6-10. The enlargement of the free list in 1894 altered the percentage, in the direction of increase. While it swept some duties away, by that fact the percentage of the remainder of the list was increased, the chief reason being that the list of dutiable articles was made shorter. When this fact is taken into account, the difference between the Finance Minister and his critic will be found to diminish. The revised estimate for the current year is that the revenue will be about \$37,000,000, and will be equal to the expenditure. For next year the supplementary estimates will be heavy, and, until the amount is known, the total expenditure for 1896-7 cannot be stated. Mr. Foster takes the ground that no change in the fiscal policy of the Government is necessary or desirable, and he announces that the Government will appeal to the country on its record and the maintenance of its policy, of which the chief plank is characterized as National.

While Mr. Foster and the Government still stand by the National Policy, Sir Richard Cartwright avers that the tariff has taken \$500,000,000 more from the pockets of the people than it has put into the Treasury. He reaches this total by assuming the sum so to be taken at \$30,000,000 a year for seventeen years. The theory is of course that the tariff enables domestic manufacturers to exact in aggregate prices so much more than they could get if there were no duty on foreign goods of like kind and quality. Whether any attempt has been made to work out the problem in detail is not stated. The importance of the allegation lies in the distance which it makes between the advocates of

the National Policy and its critics. But between Sir Richard and the upholders of the National Policy standing room for the advocates of a revenue tariff must be found. From this standpoint a modification of the figures would be seen.

What may be called the extraordinary feature of the budget of the year is reserved for a supplementary estimate, and is to cover the cost of provision for the public defence, including the arming of the militia. The postscript in the proverbial lady's letter may well serve as a precedent. Sir Richard Cartwright has given assurance that the Opposition will not meet this proposal in a carping or hostile spirit. What the amount will be has not been stated, perhaps not ascertained. The arming of the militia will be a considerable item. Under an existing treaty only two revenue cutters could be built for the lakes, and whether even one will be is at present uncertain. Whether new fortifications or additions to old will form part of the programme, the supplementary estimates must be left to tell.

Incidentally there has been some discussion in the Canadian Senate on the proposed Georgian Bay and Ottawa Canal, which a private company asks a Government bonus to help it to build. One Senator instanced the fact of two-thirds of Manitoba's wheat going by way of New York as a proof of the necessity of the canal. It is, in fact, proof that we are not making the best of our own unrivalled water route, with its sea connections; and that it is not more canals that we want, but to make the best use of the facilities we possess. A private canal would have to collect tolls sufficient to pay interest on the cost, put at \$12,000,000, besides paying the working expenses. To impose the barrier of a private speculation between the upper lakes and the St. Lawrence River, in the form of a privileged canal, would be an act so extremely improvident that the company is not likely to get either charter or bonus.

The Board of Engineers who enquired into the cost of the Nicaragua Canal, report that the figures will reach \$64,000,000 in excess of the company's estimate, bringing the total cost up to \$1,338,272,893. The efforts to force the American Government to undertake the work are not likely to gain strength from these figures. The Clayton-Bulwer treaty denies control of the work by any single nation.

General Duffield, superintendent of the United States coast and geodetic survey, the American representative on the Canada-Alaska boundary commission, has given to an interviewer his views of some of the data obtained by himself and the Canadian commissioner, Mr. King, which must be referred to when another commission, not yet appointed, makes the delimitation. The treaty on which the boundary depends is one made between Great Britain and Russia in 1825, when the latter was owner of Alaska, and by which, on the transfer of that country to the United States, the purchaser became bound. It makes the starting point the southernmost point of the Prince of Wales Island, and it is not clear from General Duffield's language whether he raises a question about the identity of that island or not. After the line left the water and struck the land, it left to Russia the seaboard as far as a chain of mountains, or if this chain was found further from the coast, then, ten marine leagues was to be the distance. General Duffield says the mountains do not form a continuous chain and cannot on that account be followed, and that the ten marine leagues alternative must govern. It is easy to see that on this point some question may arise. The mountain peaks are there, it is admitted, numerous and some of them high,