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TORONTO, FRIDAY, DECEMBER 25, 1896.

THE SITUATION.

War between the United States and Spain seems to be among the possibilities of the near future. The Senate Committee on Foreign Relations at Washington has reported resolutions acknowledging the independence of Cuba, but they cannot be acted upon by the Senate till after the Christmas holidays, and then even if they be accepted by that Chamber, they would stand less chance of finding acceptance in the House of Representatives. But in the event of their passing both Chambers, which is improbable, Secretary Olney has let it be known, through an interview, that the executive assent would be withheld. In that event, the resolutions might be passed over the Presidential veto by a two-thirds' vote. The President holds that the matter is one exclusively for executive action. Congress may as stoutly hold to the opinion that its action upon the resolutions is constitutional and with a two-thirds' vote this would be decisive.

Spain resents the attitude of United States Jingo politicians with regard to Cuba. The Spanish Government takes the ground that honor prevents Spain making any concession to rebels with arms in their hands, or to the demands of American politicians, but professes to be quite willing to grant a certain degree of self-government to Cuba as soon as the rebellion is put down. The Spanish notion of honor is responsible for the determination to do nothing until the rebels lay down their arms. It might, however, be better for Spain to accept the friendly offices of the United States to mediate on the reasonable conditions that the President mentions: the retention of the Island by Spain. Mr. Cleveland could not have given better proof of his friendly disposition towards Spain than by his declaration that it would be best for all parties that Cuba should remain a dependency of that country. It is in striking opposition to the attitude of President Monroe, who, during the rebellion of the South American colonies of Spain, frequently expressed the wish that the result would be separation. Spain, in throwing away this opportunity, will make a great mistake, and one that may cost her her finest colony.

The American Jingoes who, with a light heart, cry

"let war come," do not stop to consider how much mischief they are doing to their own country. On the production of the resolutions of the Foreign Relations Committee of the Senate, stocks took a tumble, many of the best sinking as much as five per cent. That the time for recognizing the independence of Cuba has come, under the actual conditions of the two parties in the island, is contrary to the opinion held by the executive and legislative authorities of the United States during the revolt of the South American colonies of Spain. When, in 1822, the independence of five or six of these colonies was recognized at Washington, Spain had practically given up the contest. One of them had enjoyed its independence undisturbed for four years, in another all action by Spain had ceased. The simultaneous rebellion of so many colonies put it out of the power of the Mother Country to cope successfully with them. No such condition of things exists in Cuba to-day. Spain has a vast force in the island, which could put down the rebellion in a month, if only the rebels would meet them in the open field. The insurgents confine themselves to guerilla warfare, and the destruction of private property; their practice is to make a sortie from the fastness of hills or swamps, and after they have done as much mischief as they can, they hasten back to shelter. In some bad practices, the Spanish troops copy the rebels, and between the two, the innocent inhabitants suffer terribly. It is this state of things which may finally lead to such intervention by the United States as President Cleveland hints at, if things be allowed to drift on in the present woeful condition.

As the unrolling of the evidence before the tariff commission proceeds, the task of the Government in dealing with the question does not become lighter. Nearly all the evidence is against the idea of a revenue tariff. What deduction ought to be made from pleas intended to induce the Government to promote the personal objects of witnesses, when it is considered, need not necessarily turn altogether on the credibility of the evidence. Due allowance for their point of view being made, something else besides credibility comes in question. If all they say is true, is the policy they recommend best, from a public point of view—that is, best for the country at large? Where they contradict one another the question does arise: Where is the truth to be found? The fatal notion of desiring for domestic manufacturers a monopoly will have to be negatived. This much it is safe to assume. The principle of monopoly is in direct opposition to sound public policy. To establish a system of protection in a country is easy; to moderate it after it has obtained a footing, though in ever so small a degree, is difficult. The existence of domestic manufactures, on a scale numerically large, might be used to ensure competition with foreign, in a reasonable degree. Even a false system, if protection be such, when great interests grow up under it, can safely be changed only tentatively and by gentle means.

The North-West policy outlined by Premier Greenway, at a recent banquet, would prove somewhat expensive. But its merit is, doubtless, in its author's eyes, that the Dominion would pay the cost, and the Province would reap the benefit of it. He wants Manitoba extended so that there would be room for only one more province between it and the Rocky Mountains; he mildly suggests that its income ought to be a million, instead of half that sum, without indicating precisely the source whence the additional amount is to come. Besides these two items, he suggests a third for adoption: that the Federal Government should buy the lands belonging to the Canadian Pacific