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TORONTO, FRIDAY, SEPTEMBER 27, 1895.

THE SITUATION.

The first annual Deep Waterways Convention, held at Cleveland this week, shows a diversity of opinion on the subject of a ship canal from the great lakes to the seaboard, which would enable vessels to go from Duluth to Liverpool. As a rule, it may be set down that Americans prefer an American route to that of the St. Lawrence. The New Yorkers are dubious about the advantage to them of a canal which they fear would reduce their city to the position of a way port. Many of them are in favor of the proposed expenditure of \$9,000,000 to enlarge the Erie Canal to a depth of nine feet, but are opposed to a ship canal which would cost \$200,000,000, not really on account of the cost, though this is the pretext, but because they think it would injure the city. One of the New York delegates, Mr. Smith, told the convention that the interest on the cost of a ship canal would be sufficient to pay for the movement of 60,000,000 tons, one-third more than the actual tonnage now carried, from Buffalo to New York, through the Erie Canal deepened to nine feet. But it is plain that the question cannot be argued as if the canal were expected to pay interest directly on the cost of construction; it might have been, if to obtain a direct return on the cost had been the policy in view in the past. Something of this kind was talked of when the Erie was first built, but gradually this view was discarded, and the canal was made free. Why was it made free? To cheapen the cost of transportation, and that is the policy of the advocates of a ship canal; they expect the State to shoulder the burthen of the cost, in the expectation of its citizens receiving a still greater indirect benefit. This policy may be sound or unsound, but it is the policy of the present canal management, and it would be the policy on which a ship canal would be undertaken. That a ship canal can be built where the Erie runs, is not quite certain; if it were built, there would still be a question of the vessel to perform the combined service of lake, canal, and ocean. Mr. Joseph R. Oldham told the convention that, in his opinion, a screw steamer could be designed that would answer all these purposes.

Word comes from Cleveland that Canada is willing to join the United States in an international commission to enquire into the best means of obtaining deep water navi-

gation between the great lakes and the Atlantic. The initiative comes from the Republic, and Canada consents, on invitation, to take part in the enquiry. Physically considered, the Canadian route is, for this purpose, without a rival. The great river St. Lawrence is ready made by the hand of nature, and there is no similar channel to compete with it. Some contend that a great artificial ship canal could be made to replace the little Erie canal; but the physical possibility of the feat is not free from doubt. The projectors of a great ship canal between the lakes and the ocean, as seems to be the privilege of their class, talk a little wildly about what they propose to do. Yesterday twenty or twenty-one feet of water measured their utmost aim; to-day, talk being free and cheap, twenty-four is mentioned. No one can say what to-morrow's figure will be. One thing is certain: the greater the depth, the greater the difficulty of supplying the water, and the impossible, if not always present, on the old Erie canal route, cannot be far off when great depth is assumed. It would be quite out of the question for Canada to join the United States in making a new Erie ship canal, and it may be taken for granted that the Republic would neither expect nor desire our aid. A great international waterway, the work of two nations, can only be made by utilizing the St. Lawrence River, where but short stretches of canalling are requisite to overcome the rapids which impede the natural course of the navigation. In such a work political forces would come into play. The great difficulty would be to make an international agreement for the use of an international canal through Canadian territory. Such a proposal, whatever form it might take as to details, would meet the opposition of the Empire State, and the metropolis of American commerce, the city of New York. Many existing interests would be opposed to it; the railways here and there, the canal men of New York State, possibly the forwarders of one or both countries. Most of these obstacles might be overcome. The main difficulty would be in the neutralization of the distinctively Canadian stretches of the St. Lawrence navigation, in which canals would have to play a part.

Sir Charles Tupper, presumably acting in unison with the Government of Canada, whose representative he is, expresses disapproval of the attempt to induce the British Government to try to persuade the colonies to make direct appropriations towards the support of the British navy. But he thinks that Canada ought to do her part in aiding the auxiliary naval force of the Empire through four swift, adaptable, Atlantic passenger vessels. There is something to be said in favor of this view. Sir Charles couples his suggestion with another in favor of encouraging what he calls inter-Imperial trade. His desire probably is that this should be done by discrimination within the Empire. He overlooks the fact that such discrimination would lead to no end of trouble. France discriminates in this way, with the result that no other nation desires to see her occupy any more territory in any part of the world, because nobody wishes to be the victim of her discrimination. For this reason there would not be half as much objection to Germany, which does not discriminate, acquiring new territory, say in Africa, as to France doing so. Once establish discrimination within the British Empire against foreigners, and all the world would not only oppose the acquisition of new territory by England, but would cease to look without disfavor on her present colonial system.

England declines to agree to the proposal made by the United States that the two nations should divide between