ESTABLISHED 1866

THE MONETARY TIMES, TRADE REVIEW

And Insurance Chronicle,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal (in 1869), the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

Issued every Friday morning.

SUBSCRIPTION—POST PAID:

CANADIAN SUBSCRIBERS	$2.00 Per Year.
BRITISH "	10s. 6d. Sterling Per Year.
AMERICAN "	$2.00 United States Currency
SINGLE COPIES	10 Cents.

Book and Job Printing a Specialty.

PUBLISHED BY THE

MONETARY TIMES PRINTING COMPANY OF CANADA, Limited.

EDW. TROUT, President. ALFRED W. LAW, Sec'y-Treas.

Office: 62 Church St., cor. Court

TELEPHONES { BUSINESS AND EDITORIAL OFFICES, 1892 / PRINTING DEPARTMENT, 1485

TORONTO, FRIDAY, MAY 8, 1896.

THE SITUATION.

If Sir Charles Tupper's election manifesto contains little that is new, it at least meets the two principal issues squarely. The Manitoba school question has of late been pushed to the front, so as to overshadow the tariff question, but both will be brought prominently before the electorate during the campaign. Sir Charles declares for the continuance of protection, and he seeks to bind down the Liberal party to an expression more than once used by Mr. Laurier, that the Liberal leader's aim was finally to reach in this country "free trade as it is in England." Not since June, 1893, has there been an authorized party deliverance on the subject by the Liberals. The Ottawa convention then made confession of its politico-economical belief in these words: "The customs tariff of the Dominion should be based, not as it is now, upon the protective principle, but upon the requirements of the public service." In other words, that enough revenue, and only enough, to meet the wants of the public service, should be raised. This is what is called a revenue tariff; that is, a tariff for revenue only, not for protection. A three years' old political confession may be a little stale, in these days of rapid movement, but this plank must be considered as still doing duty, since it has not been formally superseded. If slight divergencies, or supposed divergencies, from it have been made by individuals, they may mark a change or development of individual opinion. When Mr. Laurier shows a longing for "free trade as it is in England," he is quite in harmony with the Ottawa platform aforesaid. The only question is as to the pace at which the realization of the declared policy should proceed. Sir Oliver Mowat gives reasons to show that the pace cannot be rapid, and Mr. Laurier has on different occasions spoken in the same sense.

Without lessening the measure of protection, Sir Charles Tupper regards as possible preferential trade within the Empire. The mutual concessions which he speaks of, as the basis of a preferential tariff, would be difficult between England, which has already conceded nearly everything, and Canada, which would refuse to concede half as much. On a fast Atlantic service and the proposed Pacific cable, there are no clear-cut party divisions. The Government is committed to both, and the Opposition can scarcely be said to be fully committed either way, though some of its members have shown a disposition to be somewhat critical of both projects. What Sir Charles Tupper claims the Government to have done, and to intend doing for the farmers, is, in fact, in the line of protection, and more or less part of the system. To national defence both parties, last session, contributed, so that this subject may be considered as being out of the political contest. For the admission of Newfoundland, Sir Charles tells us that the Government is "prepared to make all reasonable sacrifices, and that the resumption of negotiations, looking to the admission of the island, is contemplated." He claims that the credit of Canada, which stands at its highest, "is the measure of the financial burthens we bear."

Sir Oliver Mowat has so far consented to throw in his lot with Mr. Laurier as to aid him in the campaign, and to accept a place in the Government, if the result of the elections should be to give the leader of the Opposition a majority in the new House. It does not appear that Sir Oliver will seek a seat in the House of Commons, but will be content to accept the comparative quiet of a seat in the Senate, as more suitable to his advanced years. In this way his accession to the ministerial strength of the Liberals will leave the career of Sir Richard Cartwright, in the Commons, what it has been before. That Sir Oliver Mowat can materially aid the Opposition chief in the Dominion contest is taken for granted. With the Roman Catholics his influence will be great; what the effect of his appearance in the arena will be upon the Orangemen remains to be seen. Sir Oliver regards the adoption of the protective policy as a mistake, but having been acted upon so long, he recognizes the necessity of reverse legislation being "gradual and cautious." He sees the difficulty which is caused by the investment of a large amount of capital in manufactures, "on the faith that a system which our people unfortunately have sanctioned for eighteen years would not be abrogated hastily or without due regard to the interests which have arisen under that system." He thinks that to raise the means to pay the interest on the public debt will increase the difficulty of a change of system.

Last year, a Nail Trust or Pool, covering the United States and Canada, became known. When the discovery of its existence was made, the usual protestations of the perfect harmlessness of the combination were offered in defence. However satisfactory the arrangement may be to the operators, consumers are beginning to complain, that while the makers were charging $2.55 for wire nails, and $2.80 per keg for cut nails, they were selling in Europe for $1 less than in the United States. One result of this discrimination was that nails were purchased for exportation, shipped across the Atlantic and then shipped back again; and after paying 40 cents, 20 cents each way, in freights across the Atlantic and back, they were sold below the price charged by the Pool to domestic consumers. The nails in question escaped the payment of the American duty, on account of their American origin, the packages not having been broken on the other side of the Atlantic. The total cost of the returned nails, including all charges, was $1.90 per keg, at the outside, while nails sold by the Pool for domestic use, then cost $2.45 now, thanks to an increased duty of 15 cents per keg, since put on by Congress; the price is $2.56 at Pittsburg. The Pool has taken steps to prevent a repetition of this operation by cutting off the supply. The profits of the largest firm in the Pool was 27½ per cent. in 1895; now its profits reach 80 per cent. on a capital of $4,000,000. How much water is there in this $4,000,000