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NOTICE TO READERS.

THE ANGLO-SAXON goes regularly to Sons of England lodges and branches of the St. George's Society in all parts of Manitoba, the British North-west Territories of Canada, British Columbia, Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island; to branch societies of the Sons of St. George in all parts of the United States, to Clubs, Reading Rooms, Emigration Societies and similar institutions in Great Britain and Ireland, and to British citizens generally throughout Canada, the States, Great Britain and the Empire.

A Merry Christmas and A HAPPY NEW YEAR.

"GRIT AND TORY."

It is sometimes said of the two great political parties, now contending with each other in Canada, that, after all, there is no great difference between them; that it is only a question of the "ins" and the "outs," and that a change of government could not very much affect the business of the country. It will, however, usually be found that those who indulge in such observations are for the most part hostile to the powers that be and would not greatly object if they were replaced by the Liberals.

Mr. Laurier tried not long ago to enlighten the men of Ontario as to the true position and policy of the Liberal party. Among other things he said: "It behooved the Liberals now to secure as far as possible freedom of trade." "He believed we could have in large measure freedom of trade with the great nation of sixty millions on the other side of the line." "He believed the Liberal manufacturers, at any rate, would approve of a fair arrangement under which the American cans would be given the privilege of selling their goods in Canada. As to the question of loyalty to England, it would be time enough to consider that when the question presented itself to Imperial statesmen whether a reciprocal treaty should be ratified or not." In one of these statements Mr. Laurier reckoned without his host, for at Berlin Mr. Snider, a representative of the "Liberal manufacturers" there, declared that "it would be simply ruin if any party, either Liberal or Conservative, should go to work and wipe out of existence what has been brought about under the present state of things."

I. A reduction of the duties on imports generally, and an equalization of the rates, looking more towards revenue and with less regard for Canadian industries.

II. Such a re-construction of the tariff, or treaty modification of it, as would bear less heavily on goods the produce of the United States, than on goods from Great Britain or other countries.

III. A conditional loyalty to the mother country dependent principally upon her acquiescence in the preferential treatment of importations from the United States.

Now it can be maintained with very great confidence that to all of these three tendencies the policy of the Conservative government is utterly and uncompromisingly hostile.

I. It looks towards reducing duties as far as the requirements of the country will allow, but in such a manner as will take care of those industries which have been built up in reliance upon the good faith of the government.

II. It has declared in favor of the preferential treatment of the products of Great Britain rather than those of any other country, and this because of the political tie which binds Canada to the Empire as well as out of gratitude for the consideration that the country has had at the hands of Great Britain.

III. The loyalty of the Conservative party to England is unconditional, to be continued for better or for worse, and entirely independent of any treatment, favorable or otherwise, of her products in the ports of Great Britain.

In these three particulars then, the "Grit" policy is totally different and distinct from that adopted by the "Tories", and to these may be added two others regarding which we have no recent explicit declaration by any Liberal leader, but upon which the two parties are traditionally opposed. The Conservatives approve and the Liberals dissent from the following additional propositions.

IV. That the Dominion government should be supreme, and provincial rights limited in the manner provided by the constitution.

V. That religious or even denominational education is to be preferred to the secular system which now prevails in the United States.

It is because of its adhesion to the last-mentioned principle that the present Conservative government has been placed in an awkward, and some people say, a dangerous position. But its policy on the Manitoba School question has been decided and straightforward, and is likely to be carried out in spite of the opposition of friend and foe. Those supporters of the government who are unwilling to approve of this policy are no doubt influenced by the feeling among some of their constituents that the time has come for standing out against the concessions that seem to be always and everywhere made to the French and Roman Catholic wing of the party. There is little doubt that if the Jesuits' Estates Act had been disallowed by Sir John Macdonald, as it most assuredly ought to have been, the opposition to interference with Manitoban affairs would not have acquired its present intensity. But Conservatives of all shades should look upon that unfortunate action, or want of action, as a hideous old nightmare, and treat the Manitoba School question now upon its merits and upon some intelligent principle. Englishmen and Sons of England should, above all, take care to avoid any steps that might end in displacing the present administration, who have shown by their deeds the loyalty, love and favor which they entertain towards the dear old mother country.

STEAMSHIP SUBSIDIES.

At length the railway and ocean line policy of the Canadian government has been crowned with brilliant success. Not content with forging an iron chain and stretching it across the Dominion, from the Atlantic to the Pacific, it has long been striving to add the links across these oceans which are requisite for binding the Empire together. The task, so far as regards the Pacific, was accomplished several years ago at a cost of \$125,000 in annual subsidy. But on the Atlantic the offer of \$750,000 failed to effect the establishment of an ocean line of steamers of great speed and first-class equipment. Quite recently Mr. Chamberlain, on behalf of the Imperial government has undertaken to contribute \$375,000 in addition, making the annual subsidy \$1,125,000 or \$225,000, a sum which will no doubt induce some of the best British steamship companies to compete for the privilege of establishing one of the finest ocean lines in the world between England and Canada.

It is not likely, however, that the scheme will be carried out without the severest criticism on the part of Her Majesty's loyal opposition. Such censure is indeed liberally bestowed in reference to almost every undertaking of our present rulers, but it may be anticipated that the charges of folly and extravagance will be more than usually vigorous when it is found that the vote towards this subsidy is actually to be made use of. Under the circumstances it may serve a good purpose to state some facts regarding steamship subsidies which are not generally known, and which are taken from papers by Lord Brassey as President of the Institution of Naval Architects, and by Mr. John Inglis as President of the Institution of Engineers and Shipbuilders in Scotland.

There is a tradition still extant which attributes to Dr. Dionysius Lardner, a prediction made nearly seventy years ago, that it would be found impossible successfully to navigate a ship between England and America under steam alone. Mr. Inglis is disposed to maintain that Dr. Lardner never made any such prophecy, but on the other hand quotes as follows from a work of his written in 1825: "In 1812 steam vessels were first produced upon the Clyde, and since that period steam navigation has rapidly extended, so that at present there is scarcely a part of the civilized globe to which it has not found its way. The Atlantic and Pacific oceans have been traversed by its powers, and if the prolific results of human invention should suggest

means of diminishing the consumption of fuel, or obtaining a supply of heat from materials sufficiently small and light, it would be hard to assign limits to the powers of this most wonderful agent." What Dr. Lardner did maintain at a meeting of the British Association in 1836 was this, that long sea voyages could not, in the then state of the art of steamship building, be maintained successfully without a subsidy. More than half a century afterwards in 1893 we find Lord Brassey urging the payment of increased subsidies to fast steamers lest all the ocean steaming at high speed should come to be performed by foreign vessels, those of Great Britain being unable to compete without state aid. It seems that the amount of such grant by Great Britain to the great shipping companies trading from her own shores is proportionately much less than the sums spent by foreign governments for the same purpose.

The aggregate sum paid in subsidies by Great Britain, France, Germany, Russia, and Italy is £3,331,513, of which only £637,000 or about twenty per cent is paid by the first named country. The foreign trade of these five countries amounts to £1,646,000 of which Great Britain's proportion is forty-five per cent. Another mode of comparison shows that the four foreign countries mentioned pay for mail service a sum which bears to their total import and export trade the ratio of 1 to 336, while in the case of Great Britain the ratio is 1 to 1161. In addition to the sum of over one million sterling paid by France in mail subsidies, the premium or bounty for navigation will, under the new laws, amount to a further annual sum of about £360,000. The extent to which foreign shipping companies have the advantage over those of England will also be apparent if consideration is given to the financial facts which are known concerning some of them.

The French Transatlantic Company, with £1,600,000 capital, and 167,000 tons of shipping, absorbs subsidies amounting to £446,320 and only distributes in dividends about £80,000 annually, less than one-fifth of the state aid. The Messageries Maritimes has £2,400,000 of capital, 202,000 tons of shipping and is subsidized to the extent of £534,000 a year. The annual payment as dividend to shareholders is about £120,000. These French Companies pay, therefore, dividends amounting to five per cent. on their capital, but it must be remembered that five times as much is received by them in subsidies from the government. In other words, in order to maintain them in existence, France is obliged to pay them twenty five per cent. upon their capital.

In Germany the chief ship-owning concern is the North German Lloyd's with a capital of two millions sterling and a fleet of 197,000 tons. Notwithstanding its subsidy of £220,000 a year, the available profits in 1892 only amounted to £30,000 or 14 per cent. on the capital, and the year previous there was a debit balance of £158,000, equal to eight per cent. on the capital. This unfortunate state of things was said to be due to the loss of the steamer "Eider", but as the company had been singularly exempt from serious casualties for many years, it would appear as if previous dividends had been the result of a successful marine insurance business rather than of legitimate shipowning, and that in the underwriting account, adequate provision had not been made for the losses which in all such ventures must come sooner or later.

With reference to the great shipowning companies of Great Britain some particulars may be given of the affairs of four of them whose accounts for 1892 show profits to a greater or less extent. These are: (1) The Peninsular and Oriental Company; (2) The Cunard Company; (3) The Royal Mail Steam Packet Company; and (4) The Shaw Savill and Albion Company.

The particulars referred to are given in the following table:

Table with 4 columns: Capital, Profit, P. C., Subsidies. Rows include Peninsular and Oriental, Cunard, Royal Mail Steam Packet, and Shaw Savill and Albion.

This average of three per cent. profit on their capital earned by these four large companies cannot be said to be a handsome return, especially when it is considered that the subsidies amount to something over nine per cent. on the capital. In the case of the P. & O. Company it amounts to nearly fifteen per cent., but even this rate is far below that which the French government has found itself obliged to pay.

But the above showing is the best that can be made for British steamship companies. There are others which have made serious losses, namely, (3) The Union Company; (4) The Castle Packet Co.; (5) The Orient Co.; and (6) The Pacific Steam Navigation Co. The following table gives the particulars:

Table with 3 columns: Capital, Loss, Subsidies. Rows list various companies with their respective financial figures.

From this it will be seen that as regards these four companies the subsidies were not only swallowed up, but a loss of 64 per cent. sustained on the capital.

Here, then, we have the net result of the operations of eight of the largest British steamship companies. Their total capital represents about £3,500,000 and their business altogether results in a loss of £50,000 in one year, notwithstanding the receipt of £589,107 in subsidies. In the face of these facts, it will be very difficult to maintain that our government and parliament were at all lavish in the offer they made to effect the establishment of the new Atlantic line. If a company like the Cunard, with a capital of £1,600,000 were to undertake the task, the subsidy of £225,000 would amount to only 14 per cent. on the capital, which is less than the English government finds itself obliged to pay in order to secure the services of the Peninsular and Oriental Steam Navigation Company.

No doubt it may be asked: Why give any subsidy? Why not be content with the quality of ocean navigation which we at present enjoy? These questions may be fairly and properly answered by asking others. Why should an Atlantic cable have been laid? or a Pacific railway built? or, in fact, any railway? We might paraphrase Mr. Ruskin, and characterize the Canada Atlantic Railway as a means whereby every fool in Ottawa can be in Montreal in four hours, and every fool in Montreal get to Ottawa in the same time. But to go back to the question. People are bound to have swift intelligence and locomotion, and they must cost and be paid for. It is certain that the Canadian people have never regretted their expenditures for the Canadian Pacific Railway, and it is also the fact that our reputation with foreign countries was vastly increased by its construction. We feel persuaded that the fast Atlantic line will have a similar effect in raising Canada still higher among the nations of the earth, and that the action of the government will, at the approaching elections, gain the approval of the country.

DOES TRADE FOLLOW THE FLAG?

From time to time there have appeared in the columns of the London Times letters from correspondents calling attention to the loss of trade which England is sustaining in the markets of the world, and the consequent dullness of trade and worklessness which not unfrequently prevail in the old country. In the Times of 12th November, Mr. W. J. Hammond writes as follows concerning the iron trade: "At the present time we not only purchase girder and other iron abroad cheaper than we can produce it, but we are being undersold in all foreign markets. Most of the contracts now being executed by us are at such prices as leave no profit for the manufacturer, who is obliged to take them in order to keep his men together in hopes of future better prices. When?" Mr. Hammond blames the Trades Unions and the eight hours movement, and maintains that things will not improve until men are willing to work 10 hours a day for a fair wage. Thus in Free Trade England the present policy of unrestricted importation tends toward lowering wages and increasing the hours of labour, and few have courage enough to suggest that other causes are active and other cures might be found.

The reality of the existence of these "depressions of trade and industry" in the United Kingdom has been fully proved by the labours of the Royal Commission which investigated the subject, whose report contains abundant evidence that they are to a great extent owing to a diminution in the demand for English goods, both in home and foreign markets. But the fact that Great Britain is losing her hold on the markets of her own colonies and dependencies has not been sufficiently emphasized in the report of the Commission above referred to. The British people have been too much inclined to accept as the truth the saying that "Trade follows the flag," when in fact that expression is fallacious to a considerable degree. In the Dominion of Canada, over which the British flag happily floats, there has been during the last twenty years a diminution in the quantity of goods imported from England, accompanied by an increase in those furnished by the United States, France and Germany. The figures given in the Trade and Navigation returns for the year ending 30th June, 1894, show that the value of the importations into Canada from the countries mentioned during the last four quinquennial periods were as follows:

Table with 4 columns: Fiscal year ending 30 June, From Great Britain, From the United States. Rows show data from 1875-79 to 1890-94.

These returns show that, during the last twenty years, the value of the supplies purchased by Canada from Great Britain has decidedly declined. If we compare single years, the decrease appears enormous, being from \$60,347,067 in 1874-5 to \$38,717,267 in 1893-4. On the other hand, the importations from what we may call the protectionist countries have increased, in the case of the United States 12.4 p.c., as regards France, 56.6 p.c., and in the case of Germany, the annual imports have now a value nine times as great as twenty years ago.

According to a letter in the Times of 21st September last, from Sir Henry T. Wrenfordley, (Leeward Islands, W. I.,) something of the same sort has taken place in Victoria and the Australian Colonies, goods of the most varied character being imported from the Protectionist countries above mentioned. The same authority also makes the following statement: "With respect to the eastern islands of the Caribbean Sea, their trade with England is practically a thing of the past. The present trade is 'in the hands of the Americans.'"

It thus appears, that although the United States, France and Germany are countries practicing protectionist principles, they, nevertheless, can compete successfully with Great Britain in those markets which are, for obvious reasons, peculiarly hers. The cause of this extraordinary phenomenon is no doubt correctly given in the following passage from the report of the Royal Commission above referred to: "The high prices which protection secures to the producer within the protected area naturally stimulates production and impels him to engage in competition in foreign markets. The surplus production which cannot find a market at home is sent abroad, and in foreign markets under- sells the commodities produced under less artificial conditions." That is to say, in other words, that this commercial warfare is being waged by England, with her flanks and rear unprotected against the foreign producers, who fight from a base of operations perfectly secure.

The Royal Commission failed to suggest a remedy for this condition of things, and, as Sir Henry Wrenfordley writes, "it will require reforms of a very original character to renew a source of national prosperity which is fast passing away." The Colonies can do nothing; they have declared their willingness to discriminate in their tariffs in favour of English goods; but that is what they are expressly prohibited from doing by Great Britain. The mother country is alone responsible for the continuance of a state of things under which the excellent markets in her own possessions are being gradually filched from her, and that by countries who know excellently well how to preserve their own markets for their own profit.

EL TOREADOR.

The Secretary of State for the Colonies seems to be occupying a large space in the public eye of England at the present moment. The artists of Punch are, at any rate, indefatigable in making use of him for their sketches. In one of them he is represented as a lion caressing the colonial cubs. In another cartoon he is "taking the reins" as a circus rider, and essaying to manage a mob of horses. Among them is the Cape turned half round, and Australia wholly so, while Canada is in the right position and appears to be a steady old horse, but much disgusted with the behaviour of the rest of the team. The best sketch of Mr. Chamberlain is, however, one in which he is called the "Tory-ador," and in which he appears in the costume of a Spanish bull-fighter. Mr. Chamberlain was taking a holiday in Spain at the time this wood cut was published, but there is additional appropriateness in representing him in that character, because of the hard fighting he has done in the past, and may possibly have to do in the future in taking various "bulls" by the horns.

Mr. Chamberlain has had an extensive experience in bull baiting, the last noted instance being that of the night of the 27th July, 1893, one of the most memorable in the parliamentary annals of Great Britain, because, for the first time since the Civil War debates, members came to actual blows on the floor of the House of Commons. The circumstances are worth recalling, because Mr. Chamberlain is generally credited with having provoked the tumult. The occasion was the close of the debate in committee on the Irish Home Rule Bill, the same which subse-

Ninth... quently suff... Lords. It w... of the Chair... ten o'clock... the hour, Mr... to wit the... offered no... classes. H... this was b... satisfactory... member he... circumstance... "But as that whic... ago—oh! w... the circum... which Mr. C... was incompe... ground, las... The eyes o... league flash... went on :... black; they... white; it is... of a god! N... has there b... was going... about that... It began w... spread rap... the gangwa... at the top... "Jud... articulate... led to spee... stood with... one who res... storm he h... achieved h... went on, th... "Name!"... until it cul... it is unrec... been writte... Chamberla... fury. His... ceased un... received its... In all su... sedition a... awaiting M... we heartil... elbow." Y... last month... to a deputa... (Defeat th... the m... Defence y... Now, this... wrong tra... justice the... Colonies... mote Imp... like "a b... not seem... bulldoze c... exactly o... announces... decision i... Atlantic s... mittee ha... This wa... twelve d... speech rec... which ma... confession... eration. H... is worth... that of th... bery, who... for twelv... anything... closer Br... portant, i... in which... leagues... ial polic... November... We ha... right an... slightest... policy w... colonies... it may b... backed w... some tin... take som... ing abou... betwixt... (Cheers)... (Cheers)... Minister... direction... Chamberl... improv... to permit... to a (Cheers). November... "So lon... head of... that ov... can do... the pow... to draw... member... most d... Liberal... task, w... better o... Corre... favor... other... sible in... 10th—t...