

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

TELEPHONE: { BUSINESS AND EDITORIAL OFFICES, 1892
PRINTING DEPARTMENT, 1485

TORONTO, FRIDAY, JANUARY, 1. 1897.

THE SITUATION.

A general system of arbitration between Great Britain and the United States is reported to have been agreed upon. The scope of the treaty is not so sweeping as to bring all disputes under its purview. One exception, for cause, is where the national honor is concerned; and of that condition each party is, in its own case, to be the judge: if either party be of opinion that the case cannot be settled by arbitration, the exception will prevail. And when an award is made it will not necessarily be without appeal. The award will be liable to be reviewed by a permanent court, in which each nation will have three representatives. If a general system of arbitration is to be agreed upon at all, it is difficult to see how a plan for that purpose could be less open to criticism. But it does not follow that the treaty will meet ratification at Washington without objection. The fact that it follows the main lines suggested by Lord Salisbury last April may cause it objection in the Senate of the United States, on the pretext that it is too favorable to Great Britain. Besides, it seems the Republicans would welcome a pretext for throwing over ratification till they are installed at Washington.

While the Spanish Government professes its readiness to make reforms in Cuba, it is not prepared to give the island any measure of autonomy. This reveals a source of danger for any negotiations with the rebels which President Cleveland might be asked to make on the part of Spain. It is not certain that he could accept a mission which did not give him power to offer any degree of self-government, and if he did accept, the party of Autonomists, many of whom are loyal subjects of Spain, would not be satisfied, though they might smother their objections, for the time, to secure peace. The Autonomists have long been strong enough, in the city of Havana, to have important organs of their own in the press, in which their opinions and reasonable aims have for years been advocated. At the same time, the difficulties which the granting of autonomy would raise are not, perhaps, far short of those which its refusal would occasion. In any system of autonomy for Cuba, the suffrage would have to be strictly limited, so as to exclude the ignorant negroes, who form the large majority of the population, not a few of whom were born in Africa.

In the ordinary course of development, the Manitoba School Question has entered on a new phase. *L'Electeur*, M. Pacaud's paper, has been placed under interdict, five bishops concurring, and the faithful are forbidden to read it. This, M. Pacaud assumes, means destruction of the property of the paper, and he meets the blow by nominally suspending publication, but really, it would seem, changing the name and announcing an intended appeal to Rome against the action of the bishops. An action for damages is also on the cards. Suspension of publication is doubtful policy, since it takes for granted what is probably true, but which would legally require proof: that the interdict must work destruction of *L'Electeur* as a property. The appeal to Rome, if successful, would give security against a recurrence of the attack, but the proper place in which to vindicate a civil right is in the Civil Courts. There is nothing new in this ecclesiastical attack on the press; such attacks have frequently been made before, and if they have not seldom effected their purpose, it was because the churchmen always found one another of the great political parties to support them. Will the same thing happen again?

Friends of McKinley, just from interviews with him, aver that he is now only anxious for a tariff that will produce the necessary revenue without aiming to aid any private interests. Still there is reason to believe that the revenue aspect of the tariff is being brought prominently to the front, in the hope of securing in its favor some Sound Money Democrats. Mr. McKinley had the honor of visits from a vast number of delegations, during the election campaign, almost every man of whom wanted favors for some special interest, and it is encouraging to find that the President elect thinks that no special interest ought to be favored in the tariff to be enacted. But that this rule will be applied is hard to believe. At the same time, it is a distinct gain to have the Republicans declare so far as they do, for a revenue tariff. Some American protectionists are clamoring for the virtual exclusion of Canadian goods. At present we buy a vast deal more from them than they buy from us; so that, on this ground, they have no right to complain. If they were, under the circumstances, to heighten the wall of exclusion against Canada, they would find that this policy would not work as intended. They might, by a policy of exclusiveness, injure us; but they would injure themselves more in the list of free goods; we admit a great variety of partly or wholly manufactured American goods, thus placing at a distinct disadvantage the country to which we owe allegiance and protection. If the conditions of the trade between Canada and the two countries are not satisfactory, the right of complaint, certainly, does not rest with the Republic.

In spite of its length, we readily give space to Mr. McClary's letter on the tariff enquiry. In reference to his complaint that we misunderstood some parts of his evidence, we may say, while admitting any possible correction, that we had to depend upon the printed reports. If Mr. McClary intends to argue in favor of the exclusion of foreign goods, we cannot agree with him that the tariff ought to aid such an operation or make it possible. We quite admit that the manufacturers of Canada have made wonderful progress, and are deserving of all reasonable encouragement. But it is not less certain that in some cases a want of judgment has been shown, in creating more plants than there is work for. This has been done at the risk of those who undertook the enterprise; and if they have miscalculated, that is no reason why the public should be called upon to make the sacrifice involved in the absolute exclusion of competing foreign goods. Upon such exclusions, made