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EDW. TROUT,
Manager.

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THE SITUATION.

An attempt is to be made to bring about closer trade relations between Canada on the one hand, and Australia and New Zealand on the other. With this purpose in view, the Government of Canada is to invite these two Antipodean Governments to send delegates hither to discuss the question. Better means of communication between Canada and these countries will come under discussion, and Mr. Fleming's direct cable will not be forgotten. Any encouragement of direct trade will have to take the form of a special agreement, having much the same effect that a commercial treaty between foreign countries has. All these three countries make their own tariffs, and any agreement between them for facilitating trade must be based on equivalents. The basis of the exchange to be facilitated will be variety of productions; such variety does exist. The distance is great, but not greater than much commerce carried on between different parts of the world. The conference invited will very likely take place, and it may lead to some extension of trade between the countries represented. The Australians and New Zealanders will yield nothing without an equivalent; all three countries must be willing to give as well as take, or no agreement can be reached.

The Governor-General made a sensible remark the other day, in replying to a national society whose ties are in another land. Such societies, he pointed out, were liable to commit the mistake of regarding themselves as a separate entity of the community rather than as citizens of the Dominion. Confederation, which was still exposed to criticism, he added, required the hearty and united help of all Canadians to put it beyond a peradventure. Segregation is one of the things Canada has to fear, at the present time. National societies, English, Scotch, or French, may find legitimate duties to perform without derogating from their greater national unity as Canadians. What is necessary is that the Canadian nationality should be paramount over all the subsidiary nationalities, and when this happens the subsidiary nationalities may

fill an allotted niche in welcoming strangers and seeing to the wants of their countrymen. But to put a subsidiary nationality in place of the primary one of Canada would be a mistake that bodes no good. Canadian nationality is a feeling that had to be created; the old-world nationalities were imported ready-made. They gradually fade into recollections, more or less dim; while that of Canada experiences a gradual growth. There is room for them all; but it is desirable that each should keep its true place.

Lord Salisbury stated, the other day, that five nations are keeping under arms no less than twelve millions of men. This means an enormous drain upon the resources of these countries, and, besides, it admonishes Great Britain not to be in a state of unreadiness. The French defensive budget is 550,000,000 of francs, and below this figure it is not likely to fall. In a time of peace the financial pressure of war is felt; and there is always the danger that this vast machinery of slaughter may be called into activity. America is at present enabled to profit by her isolation; but whether this immunity will always be maintained is one of the problems of the future. The United States is almost exempted from war expenditure in time of peace, though she has to pay for this immunity in money and in life when actual war comes, as she did in the conflict between the North and the South. In getting Alaska she avoided the risk of a collision with Russia. Spain and France ceased to be possible enemies of the Republic when they parted with their American colonies. At present her isolation gives her an immense advantage, in this particular, over the nations of Europe, which are obliged to maintain enormous armies at frightful cost.

Senator Frye thinks that the fisheries difficulty ought to be easily settled between the new American Administration and Canada. The right of transshipment and buying supplies, including bait, should, he thinks, be reciprocal, and if denied to one country should be denied to the other. All this, he believes, can be arranged under existing American laws and without the necessity for a new treaty. He says the United States is disposed to deal fairly in this matter, as it is to exact similar treatment. Whatever may come of it, it is impossible not to welcome the improvement in tone indicated by the advice which Senator Frye is prepared to give to the new Administration, when it shall be installed. When the question is approached, from the other side, with a simple view to its settlement, on terms mutually beneficial to both countries, the difficulty will vanish, as if by magic.

An attempt will be made by the City Council of Ottawa to get other municipalities to join in a movement against exemptions. Some towns and cities may accept the invitation, but the rural municipalities are not easily moved to action in the direction indicated. There is but slender reason to expect that the movement can be

made general. Only towns and cities are deeply interested in the abolition of exemptions; in the country, where only the churches are in question, the feeling is in favor of exemptions. But this feature of the case—the fact that the interests of towns and cities are different from those of the country—is the strong point of the exemptionists, as it forms a ground for separate treatment. And separate treatment, as between town and country, is what is needed. If the country had the same interest that the towns have, it would take the same view of the question. The proposal to make it optional with municipalities whether they shall abolish exemptions or not is intended to meet the case; but it is open to the objection that an interested party ought not to be allowed to decide in his own favor. It is known, in advance, that all the towns and cities would go against exemptions; and this is precisely why the champions of exemption would object to a choice which would only be exercised one way.

Although there has been no conference, as was proposed, between Canada and Newfoundland on the subject of confederation, it is now certain that the island is very far from being an unit against confederation. A few days ago there was an election at Bonavista, at which confederation was a prominent issue, when Mr. Morrison, the candidate in favor of an union with Canada, was elected by the large majority of four hundred. Confederation meets its principal opposition in St. John's; but while the capital is against it, the country is believed to be in favor of it, and this election strengthens that belief. Some of the anti-confederates, including Sir Wm. Whiteway, are in favor of putting the question to a popular vote.

A protest against federation has been interposed by the Senate of Victoria University. Whether the Senate was heard as a matter of courtesy or a matter of right is an open question. The general conference in deciding for federation was supposed to have settled the question; but it did so on the expectation that the money necessary to carry out the scheme would be raised, and the Senate emphasises the fact that only half that sum is at present forthcoming. One speaker said it was an open secret that more money could be raised for an independent Victoria University than for federation. Whether the action of the Senate will suffice to block federation is at present uncertain. If there be any danger of the University of Toronto falling into the toils of the sects, federation would be a public calamity; hitherto it has been assumed that no such danger exists.

Mr. Justice Killam was appointed a commission to enquire into the alleged libels on the Manitoba Government, the range of the enquiry being specifically limited. The editors of the *Call* and *Free Press*, in which the alleged libel appeared, insisted that, as a condition of going into the enquiry, its scope should be enlarged, and Mr. Norquay moved in the House that the enquiry embrace the matters contained in certain in-