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## THE SITUATION.

A ghastly chasm exists between revenue and expenditure in the Province of Quebec, the deficit being something like \$2,700,000 this year, \$2,000,000 being extraordinary expenditure for which no provision has been made, and \$700,000 in excess over the ordinary revenue. How to bridge over the chasm is a problem that may well appal the new Treasurer, Mr. Hall. What he will propose is not yet known. An appeal to the Dominion Government cannot, we should hope, be made with success. Such appeals have been the resource of most of the governments of Quebec. Under confederation their success, from time to time, has led to the ruin of the provincial finance, by encouraging a spendthrift policy which rested on the maxim, "Come easy, go easy." If, from the first, the province had had to raise its own revenue, it would have met a wholesome opposition which would have enforced the difficulty of the task and made the Government feel the responsibility of its fiscal policy. But when money was to be had from the federal treasury for the asking, and the whole Quebec electorate applauded the success of each demand, which was generally enforced by a menace of the withdrawal of political support, the process was found to be delightful. These demands constituted an avowed policy, and the treasury of Ottawa came to be looked upon as a perennial source of provincial riches. Not one of these demands ought to have been met, except on condition that the amount given was to be considered a payment towards the extinguishment of the capital which the subsidy represented.

There is a great need of a declaratory provision in the Tariff Act to remove doubts which have befogged the minds of customs collectors as to what constitutes "advertising pamphlets" and "illustrated advertising periodicals," which are subjected to a duty of six cents a pound and twenty per

cent. on the value. A number of trade and technical journals, on coming into the country, have been forcibly brought under one or other of these descriptions. A pamphlet, we take it, is a casual publication and not a periodical; there ought to be no difficulty about what constitutes a pamphlet. An "illustrated advertising periodical" is not so easily distinguished; but when a periodical contains literary matter, as most of the trade and technical journals do, it is more than a mere advertising sheet and cannot be adequately described in the terms of the statute. But if doubt exists, as seizures from time to time prove, it ought to be removed by an amendment of the Act. There is a number of technical journals received here of great value to the iron, metal, drug, and other trades, as they bring the latest intelligence of what is interesting and indeed indispensable to those trades, and there can be no sense in legislation or interpretations which deprive them of these aids. The attention of the Minister of Customs to the unsatisfactory working of the law is desirable.

It is now admitted by the Washington authorities that smuggling Chinamen into the United States from Canada employs the energies of Americans, and even of American soldiers. A soldier caught at this business, at the Suspension Bridge, has been placed under arrest. If much of this contraband trade be traced to this source, the hope of putting an end to it may be indulged. There was a rumor some time ago that the American Government had asked Canada to consent to the exclusion of Chinese altogether. The request, if made, is not one which it would be proper to grant. Our Government may be relied upon to do nothing to encourage this branch of the smuggling trade, but there are reasons why we ought not to consent to the utter exclusion of Chinese from our soil.

The electoral contest in Quebec is being contested with much heat and animosity. M. Mercier poses as the defender of a violated constitution and of the menaced liberties of the province, while his opponents present the deplorable condition which corruption has induced. On the constitutional question of the dissolution of the House, opinions follow party lines, and political parties have changed their opinions with their attitude since the days of Letellier. One party contends that the requirement of the law that a session shall be held once a year is mandatory, the other that it is merely directory. We expect to hear next a revival of the old judicial theory that the sovereign is not bound by a statute in a matter which concerns his prerogative, if he is not specially named therein. This would about complete all the pleas that could be set up for and against the dissolution. Meanwhile, it is plain that dissolution can have no final justification but what the electors may pronounce. Meanwhile, stories of the unearthing of new acts of corruption fill the air. No less than \$60,000 is said to have been paid to a stationer, who has furnished only \$10,000 worth of goods, and there are hints that the transaction involves personal

corruption of one of the late Ministers or a near connection of his. In this case, as in the Baie des Chaleurs scandal, the money is said to have been raised by letters of credit. What truth there may be in this story will doubtless soon be made to appear.

Indians, like other ignorant people, find it difficult to understand why they should be subjected to an official count, if it is not intended to do them some injury. The census enumerators in our North-West have found this prejudice in full vigor. Some of the Indians were at a loss to know why the white man should take the trouble to count them, unless he desires to take from them their land. Others thought they ought to be paid for the trouble of answering questions. Under these circumstances, it will not be surprising if the census returns of our Indian population should be wanting in precise accuracy.

School Inspector Hughes evidently wishes to hasten the happy time when everybody will get everything for nothing. He proposes that a beginning should be made by everybody getting school-books free. Toronto is to be selected for the experiment, and on the 4th January each voter at the municipal elections is to be confronted with the question: "Shall the text books be free in the public schools?" If the decision be in the affirmative, the cost of school-books will be thrown on the tax-payer at large. In connection with this scheme we are told that its adoption will tend to make nobler men and women. Releasing parents from their duties to their children, in this particular, must have the opposite effect. We are asked to believe that books got for nothing will be better taken care of than books purchased by parents. This is too improbable for credulity to gulp. "With the money now spent for text-books," Mr. Hughes states in so many words, "parents may purchase historical, biographical, and scientific books for their home library." So that this is a round-about way of providing parents with home libraries at the public expense. What has the general tax-payer to do with buying home libraries for people? This scheme we hope will be defeated. If it be adopted in Toronto, there will be an attempt to make the example general. Far better would it be to teach people a little self-respect and self-reliance.

Financial disaster, on a wide scale indeed, has overtaken a part of Australia, where, within the last six months, twenty banks and loan companies have come to grief, among them the Bank of Van Diemen's Land, the oldest in that colony. The cause of all this trouble was an immense land and mining boom. Some of the collapsed concerns paid high dividends to the last. The greater part of the capital with which wild speculations in lands and mines were carried on was obtained in England. The result will be to create distrust of such enterprises everywhere, and it may extend to others which are probably legitimate and safe. When abnormal amounts of money are locked up in land and mining ventures, no regular return is possible, and it is only a question of time