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THE SITUATION.

The tariff alterations, taken in the bulk, constitute an exaggeration of the protection previously existing. Where are we going to stop, if every session of parliament is to bring an increase of duties? The National Policy is rapidly being run into the ground. We first had a re-adjustment of duties, without any declared aim of a total increase. Nevertheless there was an increase. Next came an alteration of policy, under the same name: protection for its own sake. We have now reached the second or third phase of this system. That we have gone unreasonably far does not admit of question, and the end is not in sight. Will the iron producers be satisfied with the new duties, high as they are? Will they not rather ask an increase, in future, till the American scale of duties is reached? Of course we can produce iron, under heavy duties; but is it not worth while to enquire at what cost we shall accomplish this feat? Against the rampant protection at which we have arrived, the farmer will surely one day protest. Already he is in an uneasy state, and it will take very little more to put him into a decidedly complaining mood.

Of all the numerous changes in the tariff proposed by the Minister of Finance, the increase in the iron duties attracts most attention. Persons interested in iron manufactures take different sides, in reference to the proposal, according as they believe it would affect them. This is the general rule, but it is not universal. Mr. Gurney, of Toronto, who could not possibly be benefitted by a rise in the price of his raw material, advocated an increase of duties prior to the proposal of the Minister being published. All changes of duties cause temporary inconvenience and loss to individuals engaged in the lines of business which they affect, and the proposed change is no exception. Perhaps the motive for the change is as much political, though not in a party sense, as economical. Nova Scotia is in a state of unrest, and is dissatisfied with the National Policy. The increase in the iron duties will change her into the most protective of the Provinces; she will become, in the political system of

Canada what Pennsylvania is in the American Union. Politically, it will be an advantage that her protests against the general policy of the Dominion should cease. We cannot say that this is not an object to which a wise statesmanship should look, quite as much as to the economical result.

The economic merits of the proposed increase in the iron duties are less tangible. We are told that the iron industry is the only one to which efficient protection is not accorded, and that to round off the system this increase is necessary. But can you protect every interest in the same proportion, the farmer for instance? If not, the system must still remain incomplete and one-sided. The proposed duties will be one-third less than the iron duties of the United States; and Sir Charles Tupper flatters himself that they will rest on a scientific basis, by being proportioned to the amount of labor expended on this industry. This scientific idea is not claimed as original, but is confessedly borrowed from the United States. But if so, how comes it that they are only two-thirds of what was found necessary in the United States? The scientific basis is evidently too narrow, for it takes account only of labor and ignores the motive power, capital, which puts labor into action. But what does this scientific theory do for labor, in the land of its birth? One thing it certainly does: it diverts labor from other employments to this, and it can be justifiable only, if even then, provided it raises the remuneration of labor employed in this industry above the general average. Whether it does so is a question which Mr. David A. Wells, no mean authority, answers in the negative.

Whatever differences of opinion there may be about the iron duties, there will be none about the advantage of the abolition of the duty on anthracite coal. This will be a boon to manufacturers and to the public at large. It has long been called for, but is now "traded off" for the iron duties. It is a pity that the duty on breadstuffs did not bear it company in its departure.

If the producers of iron will benefit by the new tariff, manufacturers to whom puddle bars and billets constitute raw material, complain that they will suffer severely. The owners of rolling mills, nail makers and founders, are very generally, though not quite universally, opposed to the change. In Montreal, the whole iron trade, importers included, deprecate the increase of iron duties. Mr. Hersey, whose firm makes nails, tacks, brads, etc., said they should be obliged to close up their mills. It seems to be generally admitted that until Canadian iron can be produced, all manufacturers who use iron largely will suffer. And when Nova Scotia iron is produced in large quantities, the rail freight against ocean freight will be a serious obstacle, in the winter season, when the St. Lawrence is closed by ice. If the effect of protecting one industry by extravagant duties, be to injure several others, where is the gain to the country? A system of mutual accommodation may be tried, but in the case of iron producers and iron workers,

it has yet to come; and it is not easy to see what shape it could take.

In France, the Goblet Ministry has been defeated on a question of Ways and Means. The expenditure having outgrown the income, the government proposed to restore the equilibrium of the finances by taxes on income and alcohol. The budget committee demanded reductions in the estimates, which both M. Dauphin, Minister of Finance, and Premier Goblet declared impossible. On the division, the ministry was defeated by a vote of 275 to 259, and M. Goblet announced that the Ministry would resign. It remains to be seen whether the recommendations of the Budget committee will be found practicable, under another administration.

In referring to the commercial treaty with Spain, Sir Charles Tupper took occasion to signalize the fact that practically the right of negotiating such treaties had been ceded to Canada. The British government, he said, was prepared to give pleni-potentiary powers to the Representative of Canada, who may be selected to negotiate commercial treaties, and "we are to have all the aid and sympathy and support of her Majesty's government, through her Majesty's minister, at whatever post these negotiations may be carried on." After the session is over, Sir Charles expects to go back to Spain to enter into further negotiations concerning trade with Cuba and Porto Rico.

Mr. Henry George has been airing, in Toronto, his theories of land confiscation. He pointed out what a fine thing it would be to confiscate all the land in the city of New York, mentioning its alleged value. But if one class of people is to be enriched by robbery of another, it is difficult to see the benefit of the operation to the community, as a whole; its justice does not in the least trouble people who preach or accept the gospel of confiscation.

Commercial travellers will henceforth be able to do their business, in Quebec, without the necessity of obtaining municipal licenses. There can scarcely be a doubt that the tax was illegal, and as it is still imposed elsewhere, its legality ought to be tested, and once for all put beyond doubt.

The opinion of the council of the Montreal Board of Trade, as explained by Mr. George Drummond at a meeting of representative citizens, is that the government should assume the Lake St. Peter debt, and have charge, as a public work of the channel to the sea, and that the city should look after the harbor and protect itself from floods. This is a very reasonable view of the respective duties of the city and the government, and must in the end prevail. The prevention of inundations is an enterprise that can be postponed only at the peril of of constantly recurring damage; it is within the power of the city, and should not be delayed an hour longer than is necessary, to take proper steps to secure the immunity required. There is a disposition to look to the local and federal governments for aid;