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## THE SITUATION.

Speedy opposition, prompted by personal interest, has appeared to the bill brought forward in the United States Congress to remove the duty from several kinds of lumber. The American lumber manufacturers and wholesale dealers have issued a call for a mass convention to take place on the 23rd inst., for the purpose of concerting measures against the bill. Sixteen out of the twenty-four who signed the call are Southerners, a fact that may have some influence on the Democratic vote. The circular pretends that the imports of Canadian wood last year caused a loss of \$9,000,000 to American labor. It is highly improbable that this bill will pass at a time when a large measure of reciprocity with Canada is attainable. The reduction of the duties on lumber, by the McKinley bill, was conditioned on Canada making a mutual concession by removing the export duty from saw logs. That duty was \$2 per 1,000; the American reduction was \$1. The fact that such a bill as this is introduced at all shows that there are sections of the Republic which are suffering from timber duties, and its object is to afford relief; but the chances are that the interest of the manufacturers will triumph. Canada need not expect any gratuitous concessions from the Republic, at present, even though the public would greatly benefit thereby. The outlook for reciprocity with the States is dim and uncertain. Canada cannot undertake to protect American manufacturers by discriminating duties against all competing nations. To give an artificial preference to manufacturers who cannot, on equal terms, hold their own in the markets of the world, would be a costly piece of favoritism for which no possible equivalent could be got. There is a rumor that Canadian negotiators will go to Washington next week. If they do, there is not much reason to expect that reciprocity will be greatly forwarded at the present.

There is room for such a society as the Patrons of Industry; but unless the policy on which they determine to act is sound and wise they will do no good to themselves or anybody else. The methods of the defunct Grange having ended in failure, some new ones are set in motion by the Patrons of Industry. Instead of providing themselves with goods at stores of their own, they ask existing store-keepers to supply them at 12½ per cent. profit, excluding from the list sugars, nails and other goods on which there is now little or no profit. The question for the store-keepers to whom such profits are offered is whether they are living rates. In some instances they have been accepted; if they are insufficient to support a business the acceptance is a mistake; if they are sufficient, the choice is well taken. Of this, every one in business must judge for himself. If the Patrons offer rates of profit which no one will take, the only means of enforcing their views is to set up business for themselves, and the experience of the Grangers tells them that this would be a mistake. However, they are taking the risk, in some instances, and are starting flour mills, foundries, and cheese factories—one of each to date. They may perhaps run a cheese factory successfully: it is rather more in their line; but it is doubtful whether they can successfully compete against founders and millers, who are bred to the business. The chances are that instead of benefitting themselves by these ventures, they will incur a loss. When they ask for the free admission into the country of artificial fertilizers, salt, binder twine, and coal oil, it cannot be said that the demand is wholly unreasonable, though taken altogether it is extreme. The demand that the provinces should lend them money at 2½ per cent. to pay off their mortgages, or rather to exchange them, cannot possibly be complied with. The local governments could not borrow at these rates, and if they did farmers' interest would fall into arrear, and the provincial treasuries would become first embarrassed and at last bankrupt.

A fit of superheated Jingoism which seized upon an idle crowd in Bridgeport, Connecticut; the other day, came near to being attended with serious consequences. The National Guards, seeing the schooner "Glendon," of New Brunswick, coming in with the Union Jack at her mast-head, got it into their heads that she was committing an offence by not flying the Stars-and-Stripes as well. The crowd of idlers who had joined the National Guards went on board and threatened to pull down the Union Jack, and were only prevented by the men in charge presenting their revolvers. Threats were made that the flag would be forcibly hauled down before morning. Captain Trowbridge, however, afterwards quietly lowered it of his own accord. Hauling down the British flag by a foreign mob would prove to be a serious business. The ridiculous side of the fuss is that there is no law requiring foreign vessels to hoist the Stars-and-Stripes on entering an American port; a customary compliment omitted on this occasion having

been mistaken by these ardent American Jingoese for a non-compliance with law. The United States boasts that it has only a few thousands of soldiers in its regular army; this fit of militarism shows that the National Guard can be as dangerous, on one side, as a standing army could be. In the American navy the same anti-social spirit prevails: officers and men became elated at the prospect of war with Chili, and when peace was assured, these patriots had a fit of the dumps.

France, by her new high-strung tariff, which went into effect on the first of the month, has earned the title of the most restrictive nation in Europe. The experiment is not without danger to herself; to begin with, it seems that she runs the risk of a short supply of mutton before she can substitute home grown for foreign. One effect must be to lessen her foreign trade. Her great wine industry is in a critical stage from the attacks of the phylloxera, and is in no condition to withstand new discouragements. French exports must share the fate of the imports; both will decline under the new tariff. In the meantime, new rivals in the production of wine are springing up; and though at present California does not produce samples equal to the French, she will continue to improve, and may in time become a serious rival; the new tariff cannot fail to help any rival and may make it formidable in the near future. Besides, the policy of isolation may cause retaliation to be made by other countries in self-defence. Switzerland is already making threats of retaliation. From one cause or another, a reaction from the high tariff policy may be expected henceforth to begin.

New revelations, as startling as those that came before, have been unearthed by the corruption commission during the week at Quebec. "Count" Mercier and his organ, *L'Electeur*, accuse M. Pelletier, once a colleague of M. Mercier, but now a member of the DeBoucherville Government, of having received different sums of them out of subsidy granted to the Quebec and Lake St. John Railway for election purposes. The statement is met by the assertion that it is bluff; but it will require to be looked into. "Count" Mercier is visibly losing support, many of his old friends refusing to fight by his side in future. His methods have been denounced by an organ of the Vatican at Rome, and the clergy in his own province are turning their backs on him. In spite of all this he continues to pretend to be confident of success in the coming elections.

Of the Chilian-United States imbroglio nothing now remains but for Chili to salute the American flag and to settle the compensation to be paid to the families of the two American sailors who lost their lives or received injuries in a street brawl. There is an impression even at Washington that Minister Egan ought to be recalled, a motion to that effect having been made in the House of Representatives. It is probable that he was responsible for much of the difficulty after the attack upon the American