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THE SITUATION.

The country is to be congratulated on the apparent determination of the Ottawa Government not to tamper with the tariff during the present session. This is the second year in which the fiscal policy has remained undisturbed, and we trust the fact may be taken as an indication that legislation for the benefit of particular interests has ceased. When particular persons find that they can get laws passed to put money in their pockets for the asking, they may be relied on to ask. This plan having succeeded to a charm in past sessions, great enterprise has been shown this and last year in sending deputations to Ottawa to ask that more taxes might be put on. They are all destined to disappointment. The case of the millers we have already given reasons for thinking deserved consideration; and if we are not mistaken in the facts, and we do not think we are, it is sometimes difficult to get simple justice in the arrangement of the tariff, assuming that it is not to be made an exception. Two provinces would have objected to a change of the wheat and flour duties, and perhaps with the political opposition from the rest of the Dominion it could not have been carried, even if it had been proposed by the Government.

In dwelling on the history of protection in the United States, President Harrison changes the ground of justification. In the infancy of the Republic, the plea that political independence could not be complete till a large measure of commercial independence had been secured—till the country was able to manufacture what was indispensable to it in time of war—was a very strong one. It was not merely commercial independence, as the new President assumes, that was sought; it was such a degree of manufacturing ability as would secure political independence against a hostile foe, by enabling the country to fabricate weapons, clothing, and other things essential to their independence, in time of war. This was not unreasonable, and protection was in accord with the then predominant policy of every European nation. Now the object of protection is

alleged by the President to be the defence of the working people of the United States against injurious foreign competition. But is this object attained? The most numerous class of workers are those found on the farm, and for their surplus produce there is no protection; they are obliged to meet, in the open markets of the world, the competition of all nations which produce an excess of breadstuffs for exportation. If one portion of the workers of the Republic can be protected, this can only be at the expense of another and larger portion.

President Harrison recognizes the desirability and indeed the necessity of disposing of the large accumulated surplus. This he thinks should be done in three ways: by extraordinary expenditures, a readjustment of the revenue laws, and reduction of the public debt. The justification of extraordinary expenditure must depend upon the necessity for it, and the objects upon which it is bestowed. Money can be got rid of in any amount by affording "encouragement to the American steamship lines"; but if these lines have disappeared from the Atlantic the best encouragement would be to admit foreign-built vessels to American register. Mere subsidies are eaten every year and bring no lasting amelioration of the commercial marine. Modern war vessels, which are recommended, except a very few, cannot be a necessity for a nation which so completely lives a life of political isolation as the United States. The proposal that the internal revenue duties and not the Customs tariff should be reduced, is a suggestion for increasing the system of protection over what it is to-day. If the recommendation to add to the pension list be carried out, a large hole may in this way be made in the surplus. It will be a relief to commerce to remove the menace which an abnormal surplus occasions. The simple and natural plan of returning to a tariff that would produce ample revenue required for all purposes, and no more, finds no place in the Republican programme of President Harrison. When this plan was recommended by Mr. Cleveland, Congress turned a deaf ear.

The northern boundary of the Province of Quebec is undetermined, and some negotiations between the Local and Federal Governments looking to a settlement have taken place. The latter proposed as the boundary line the 52nd degree of north latitude, from the shoals of Belle Isle to James' Bay, but this proposal was refused by the Provincial Government. A counter-proposal, varying the preceding though accepting it in part, was then made, only to be rejected in turn. Mr. Mercier seems to be in search of a conventional line, on the ground that a line of latitude would be too expensive to run. A conventional line can only be adopted in a spirit of compromise, for if the evidence on which the respective claims rest be strong enough to establish a right to any specific line, that right can only be foregone if the negotiators are willing and at liberty to agree upon a mutually convenient line. The province claims 20,000

square miles more territory than is embraced in the offer made by the Federal Government. It is not the interest of other parts of the Dominion that Quebec should get more than she is entitled to. The case of Quebec was made out by a committee of the Legislative Assembly; though the investigation could have been better pursued in the privacy of the closet. Whether this boundary dispute can be settled without reference to the Privy Council it is too soon to venture an opinion.

The grain men of Manitoba, through their Boards of Trade, are asking for a separate inspection of grain for the province. At present, the inspectors of all the principal cities of Canada meet in Toronto, between the 15th August and the 1st October, and establish a grain standard for the Dominion for the year. The Manitobans object that the 1st October is too early to collect the necessary samples of the year's crop; that the Ontario barley trade requires the fixing of a standard by the 15th of September; that Manitoba hard wheat, standing alone in Canada, requires a special classification; that practical difficulties have arisen out of the present method of fixing a grain standard for the Dominion. Machinery for a special inspection of Manitoba grain is suggested, and it is recommended that the board constituted for that purpose should meet in Winnipeg, not later than the 15th October, and fix the standard. It is contended that a provincial standard is necessary to prevent eastern millers mixing Manitoba No. 1 hard wheat with wheat of poorer qualities. What say the Boards of Trade of the rest of the Dominion to the proposal?

Congressman Baker proposes to subject eggs, which now go into the United States free, to a duty of five cents a dozen. Canada it seems sent 14,000,000 dozen eggs to the United States last year. The fact must be held to show that they were in demand there, and if American consumers wish to make eggs scarce the duty will be put on. As the eggs sent from Canada are only about three to each of the American population, the proportion to the whole consumption is so small that the proposed extra duty could hardly be expected sensibly to raise the price, though it might do so indirectly and in particular places, at certain times. The duty would interfere with the trade, perhaps cause it to dwindle to a nominal figure, and the result would be partial scarcity, especially at times and in particular places. If the Americans had to produce more eggs to supply the deficiency, they would have to be supplied at additional cost, and they would not be supplied unless this encouragement existed. Poultry, up to a determinate limit, costs farmers next to nothing to raise, as the birds feed themselves on what would otherwise be wasted; but the quantity so produced is limited, and if an addition to it had to be made through stimulating production, by special feeding and care, it could not be done except at great cost. The proposed egg duty is certainly not more promising to Americans than to Canadians.