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THE U. S. NATIONAL BOARD OF TRADE.

The United States National Board of Trade, which last week held its annual meeting at Washington, touched on some questions in which a common interest is felt in this country and on the south side of the lines. Among these are reciprocity and free ships; on both of which the commercial interests, as represented by this Board, are in advance of the politicians. The Board recalls the efforts it has repeatedly made to induce Congress and the Executive to take "the initiative toward the negotiation of a new treaty on a broader and more comprehensive basis, if possible," than that of 1854. But the minute which, in 1877, the Board submitted to the President, "suggesting the appointment of a commission to co-operate with a commission to be appointed by the Government of Great Britain for the negotiation of a new treaty," produced no result. The commercial relations of the two countries, in the opinion of the Board, are most unsatisfactory. The falling off of from eighteen to twenty per cent, in American exports to Canada, during the year ending June 30, 1879, is noted; and it is apparently considered additional aggravation of the evil that the imports remain the same, though on this point there is room for doubt. In the general tariff the Board does not even desire any radical changes; but only "such modifications as might seem desirable in the interest of the whole country and of its various industries."

No complaint of the tariff legislation of Canada is made, though its inconvenience is felt; and none could be made in good faith since the United States legislation has gone beyond ours in the matter of restriction, and since the example set on that side has been but feebly copied on this. That the mutual restrictions are a mutual injury there cannot be a doubt; but they were first began by the States, and were only adopted, in a milder form, by this country

as a means of self-defence. The National Board of Trade fully recognizes the fact that any negotiations for a new treaty must originate with the power that terminated the old one. Canada's natural attitude, till the United States moves, is and must be passive. We have never been unwilling to enter on negotiations for the benefit of the trade of the two countries; but all we can do is to show that we are not desirous of opposing obstacles to a mutually freer exchange of products. Before initiating, in any degree, however remote, the restrictive policy of the States, we remained inactive in this respect, and ready to receive any offers the Government of Washington might make; and it was only when all hope of reciprocity had gone that we took a line of our own. Even now, we are as ready to treat as ever; but the initiative does not lie with us, and if nothing be done towards an accommodation the fault is not ours.

The National Board of Trade makes a strong appeal to the Government for the removal of the incubus that weighs down the shipping interest. It demands the removal of taxes from whatever enters into the construction of vessels; the repeal of the tonnage duties yearly levied by the general government, and of all local charges. And the Board adds: "With freedom for the ship builder should come freedom for the ship owner. He should be allowed to purchase, build or equip his ship in any part of the world, with the privilege of registering under our laws, and sailing under the American flag." Under the existing navigation laws no revival of American shipping is hoped for. "Our merchants," the Board truly says, "but for the prohibition of the navigation laws, might go to the Clyde or the Tyne, and purchase an iron or steel steamship of the most approved model, and having the best machinery, on the same terms and on the same footing in every respect with the merchants of Great Britain." But what the French, the Germans and the Scandinavians are freely doing the American citizen is not allowed to do. No wonder that the shipping interest of the States, thus handicapped, languishes without the hope of revival.

Though it is true that iron vessels have to a great extent superseded wooden vessels, especially steamers, the wooden vessel still has its sphere of usefulness. No country is in a better condition for constructing wooden vessels than Canada; and we have always been willing to give some equivalent for having our vessels admitted to American register; but the American ship-building interest has at all times proved too strong for the shipping interest; the

subordinate has outstripped the superior. Ship building, in the United States, has ever been treated as an end instead of a means; as if ships were built to enrich the builders, not to be of use when they have been built. The men who make the ships have alone been considered; those for whom they have been made have been left out of the account: the employer has been disregarded, the employed has been treated as paramount. If this strange misconception is to be continued in practice, we agree with the National Board of Trade that for American shipping there is no resurrection.

CUSTOM HOUSE CHECKS.

In view of the trouble in the Toronto Custom House, it is pertinent to inquire whether the system of checks upon Collectors at the principal ports is theoretically perfect, and if so, why it fails in the execution. At the Toronto Custom House there appears to have been a deficiency, which existed many years before it was discovered; and then the discovery was not due to the action of any official check upon the Collector or the periodical inspection. The checks are, we believe, still imperfect in some particulars; but a simple deficiency in the cash, not covered up by false entries, ought to have been detected at once. There are two officers who had the means of finding it out: the Inspector, and the person in the Custom House in whose charge a receiving book is placed for the express purpose of keeping a check on the Collector. That the deficiency, which a simple examination rightly conducted would at any time have revealed, remained undetected for years, is *prima facie* evidence that two officers, whose business it is to act as sentinels, failed in their duty. We don't mean to say that the failure was intentional, but the fact remains that there was a failure. It is quite likely that the receiving book, which is intended as a check on the Collector, was properly kept; indeed there is, so far as we have heard, no room to doubt the fact. The amount of duties received, we will suppose, was properly entered in it. In that case it would correspond with the other books, and an examination of the one would confirm the other.

At what point, then, did this intended check cease to act? Obviously it is not sufficient to note the amount of duties received from day to day; it is necessary to go further, and see that what is received is duly deposited in the bank. If this had been done from day to day, the deficiency, which lay on the surface, would at once have appeared. For we must bear in mind