

ESTABLISHED 1866

The Monetary Times

TRADE REVIEW
AND INSURANCE CHRONICLE

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal (in 1869), the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

Issued every Friday morning.

SUBSCRIPTION—POST PAID.

CANADIAN SUBSCRIBERS	-	\$2.00 PER YEAR.
BRITISH	"	10s. 6d. STER. PER YEAR.
AMERICAN	"	\$2.00 U.S. CURRENCY.
SINGLE COPIES,	-	10 CENTS.

BOOK & JOB PRINTING A SPECIALTY.

PUBLISHED BY THE

MONETARY TIMES PRINTING COMPANY OF CANADA, LIMITED.

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President.	Secy.-Treas.

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TORONTO, CAN., FRIDAY, APRIL 17, 1891

THE SITUATION.

No time has been lost by the United States Government in fixing a date for the resumption of reciprocity negotiations with Canada. This shows that the reason given for the delay was the true one, the desire of President Harrison to be present and take part in the discussion. If the 12th October seems far in the distance, it will afford time for the negotiations before the Senate would have the opportunity of convening. The delay need not, therefore, occasion any loss of time in completing the proposed arrangement. The pretence that the United States had put an affront upon Canada by sending back her delegates without a hearing, is an assumption for which there is no warrant. Meanwhile the Behring Sea controversy is under double treatment, judicial and diplomatic, and before the reciprocity negotiations open there may be a decision of the Supreme Court, or an agreement to arbitrate, or both. Canada will have a free hand in the reciprocity negotiations, though it is well understood that she cannot consent to unlimited treaty, and though she may agree to an arrangement not dissimilar to those which the United States is making with other countries. Both countries have something to gain by coming to an understanding on questions in which they are at present simply inconveniencing one another without any benefit to either.

No better spirit towards Canada has yet shown itself in Newfoundland. The restrictions on Canadians obtaining bait still continue. The delegates which the island has sent to England will likely be thrown into contact there with representatives of Canada, and a foundation for united action may possibly be laid. In the late negotiations at Washington, Mr. Bond undoubtedly exceeded the authority which he was entitled to exercise, and the mistake is seen and acknowledged by one of the political parties in the island. It is desir-

able that there should come a change of policy on the part of Newfoundland which would make it unnecessary for Canada to consider any question of retaliation on our coast fisheries; and the best thing the two countries can do is to co-operate in negotiations at Washington. On the temporary *modus vivendi* agreed upon between France and England, pending the sitting of an arbitration, Newfoundland is likely to be heard at the bar of the House of Commons; but she is not encouraged to expect that her objection will be allowed to prevail.

For the present the question of sugar monopoly appears to be settling itself in a natural and legitimate way. Foreign sugar, if now obtainable, as alleged, at rates below those fixed by the Canadian combination, will do the work. Under this pressure, the refiners must lower prices or lose the trade. Of course, if this state of things continues, they may be relied upon to appeal to Parliament and ask that the duties be increased still higher. But in this they cannot hope to succeed. They have exhausted popular sympathy and created an antagonistic feeling which may be expected promptly to negative their demand should they really have the temerity to make one. The duplex combination which they formed was the offspring of high duties, without which it could never have come into being. The public is not likely to consent to a prolongation of the combine, by artificial means, when it has broken down by a cheapening of foreign sugar. If the trade has a right to combine, the public has a right to resist, and it is not likely to allow Parliament to put new weapons into the hands of a combination for the purpose of being used against itself.

When the British corn laws were on the point of being repealed, a public meeting in Toronto protested and petitioned; the British American League came into existence, and a few years later the Montreal annexation petition was signed. It is an anachronism and an anomaly for the Toronto Board of Trade to discuss the question of asking Great Britain to reimpose the corn laws for the benefit of the colonies. What do the colonies propose to give in return, and is the Board of Trade authorized to speak for them or [any one of them? The talk of re-enacting the corn laws is a proposal to plunge back into the darkness of the past; it is at best a delusion, a waste of time, and cannot possibly lead to any practical result. It is the strangest thing conceivable that a resolution asking for this retrogression should obtain the unanimous support of the Board of Trade. The resolution declares that a duty on foreign "food products" would "not enhance the value of the food products of the empire." If so, what is the object of it? What good would such duty do to the colonies, if it did not raise the price of "food products?" All this passes comprehension, the more so that it should come from the Board of Trade of the metropolitan city of Ontario.

When reciprocity negotiations with the United States are pending, an extension of

the *modus vivendi* in connection with the Atlantic fishery is recognized by the Canadian Government as necessary. Fishing licenses will be issued to Americans as before. In this way occasions of international irritation will be removed. In Behring Sea, Canadian sealers are likely to be numerous this season, and though the dispute must be regarded as open till the matter is settled, the United States cannot well enforce its view of the matter pending litigation and negotiation.

Cattle exporters and owners of vessels in which the trade is carried on disagree on some points as to what the proposed new regulations ought to be. The discussion arises on the draft bill for regulating this traffic proposed by the Minister of Marine. The bill, instead of prescribing the conditions of the traffic, gives power to the Governor-in-Council to make rules and regulations. The objection to this procedure would generally be that it substitutes executive discretion for law, but there are cases in which, to a limited extent, the substitution is necessary and useful. The inspector must approve the arrangements made on board. Exporters desire that the traffic should be as little interfered with as possible. The Allan and the Dominion lines object to shippers selecting their own companies for insurance; and while the exporters desire that two feet eight inches should be allowed for each animal, the ship owners want to restrict the space to two feet six inches. This is a point on which Parliament may have to exercise its authority. No room ought to be left for the contention that the animals have not sufficient space in which to lie down. Meanwhile the rates for cattle space have been greatly reduced, as compared with those paid last year.

Except in a vague general form, charges of municipal corruption are rare in Canada. Of suspicion, enough has been excited by indiscriminate statements; of proof, but little has been produced. At last, we have at least specific charges of fraud against a corporation contractor made by Commissioner Macdougall, after investigation. Overcharges and false accounts, wrongly certified, are among the accusations. Inspectors are involved in the alleged wrongdoing. No evidence was put in on behalf of Mr. Godson, against whom the principal charges are made; but in the criminal trial which is likely to follow, he will of course have the fullest opportunity of defence. Meanwhile, he makes denial of the charges. Any comments upon the case, at this stage, would obviously be improper.

A later tendency of combinations is to beget counter organizations. Thus the retail grocers have resolved to hold a convention in Toronto next summer. This was decided upon at a meeting of the Retail Grocers Association held in Richmond Hall, on Monday night. In the meantime it was decided that the members of the organization would not keep in stock any goods which may hereafter be added to the combinelist. In this way, one organiza-