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THE SITUATION.

The revelations before the House of Commons committee which is enquiring into the working of combination monopolies, show that these concerns are spreading in a dangerous way over the country. The movement is, to some extent, a reaction against competition, which had occasionally been carried to an unreasonable extent. In many instances the "combines" are made possible or favored by the tariff. This is a point which deserves more attention than it is getting from the committee. The existence of the evil has been shown; and its causes and the means of its removal are the points of too much interest to be neglected. "Combines" which owe their existence solely to the tariff admit of an obvious cure. There is more difficulty where the combination is international, as in the coal trade. The discrepancies in the evidence in this branch of the enquiry are startling, and the supposition that they are all true makes a heavy draft on public credulity, which may not always be honored. When competition has been carried so far as to destroy all profit, combination may be justifiable; but the right of combination among producers or distributors is subject to limitation. So long as they do not interfere with the rights of non-combiners, these organizations cannot well be interfered with; but when they deny to non-combiners rights which they would otherwise possess, the duty of the legislature becomes plain.

There is no doubt about the nature of the conditions on which negotiations for the surrender of the C.P.R. monopoly turned. A money payment would not have been acceptable to the country; a land purchase might have answered the double purpose of meeting the needs of the company and saving the government from loss. The company's lands are not to be used in that way, but to be given in security for the guarantee asked, which involves a money payment of about half a million a year. The quantity of land available for security is about thirteen millions of acres. It is safe to say that no individual or company would take them as security for fifteen

millions of dollars, and if the government should do so, the transaction will be once more non-commercial. But we shall get rid of the monopoly, and that is worth something. The lands may be good security for the amount, though it would be impossible to induce any one to take it. Unfortunately for the severe critics of the various transactions between the government and the company, they put a high value on the lands when they were granted, and will now be at some disadvantage if they should desire to depreciate the value of them as a security. The proceeds of the land sales will go in payment of the bonds. If sold to settlers the operation will take time, but the value of the remaining security will increase. With proper management, the guarantee ought to involve no loss. With a government guarantee the company will make a large saving of interest, as it will probably be able to float the new bonds at $3\frac{1}{2}$ per cent. Manitoba and the North-west directly, and the whole country remotely, will gain by the extinction of the monopoly.

No other country except the United States is suffering from a plethora of revenue. The life-blood of the currency circulation when it reaches the national treasury is arrested, producing plethora at that point, and corresponding inanition throughout the great arteries of public business. Secretary Fairchild resorts to expedients as best he can, contravening the principles of the Sub-Treasury Act by depositing over sixty-one millions in the banks, whence some of it will flow back into the channels of commerce. But the more conservative banks will take no more, and some of them refused to keep what they had. In this extremity, Secretary Fairchild appeals to Congress for authority to purchase bonds with the surplus. A bill for that purpose made its way slowly through the House; and when it got to the Senate the silver men forced an amendment, to the effect that whenever a national bank not in liquidation surrenders circulation, an equivalent amount of silver bullion shall be purchased and coined in excess of the two millions per month now purchased for coinage. The object of course is to force a market for their silver by adding to the coinage of a metal of which vast quantities now lie useless in the treasury, and cannot be got into circulation. The bill is not likely to pass without this amendment; a fact which shows to what a perilous supremacy the silver ring has attained in Congress.

At length the long debate on Commercial Union has come to an end. The vote on Mr. Jones' amendment to Sir Richard Cartwright's resolution was 67 against 124. Mr. Jones' resolution was purely tactical, though professedly in favor of throwing open the coasting trade of Canada and the United States to the citizens and subjects of each country, and of each country admitting the vessels of the other to register. To this proposal, in itself, there would probably have been no objection; it would most likely have been carried by an unanimous vote, especially if that vote could have realized so desirable a consummation.

But Mr. Jones did not propose that we should get these things until we conclude to admit American manufactures free. That proposal, he well knew, would cause his resolution to be negated. A majority of fifty-seven against Commercial Union is decisive as far as this Parliament is concerned. But the advocates of the measure profess to be still hopeful. Their reliance is on the constituencies. They have had their own way at a number of unopposed meetings; and this encourages them to think that they are making substantial headway in the constituencies. The answer to this is that they fail to carry the bye-elections. Commercial Union is not a dead, but to us it seems to be a hopeless issue.

The coming conversion of consols is being discounted. Already holders of these securities are flying to other investments, and the activity in the share market thereby occasioned caused a sharp demand for investments in England last week. But the fact that two per cent. for three months' paper was not exceeded, while bills of shorter date were down at $1\frac{1}{2}$, does not show any great strain on loanable resources. But the change of investments does show a prevalent belief that the conversion scheme will be carried out.

The Fishery treaty is likely to suffer, at Washington, from the influence of party spirit. Before dealing with the treaty, the Senate sent it to the Committee on Foreign Relations, and report says that the committee is divided on party lines, four Democrats being for and five Republicans against ratification. Should this attitude of the committee prevent consideration of the treaty by the Senate, it would merely postpone but not kill it. The Senate alone can ratify or refuse to ratify the treaty; the Committee on Foreign Relations may cause delay, but of itself this is the worst it can do.

On Tuesday, Sir Charles Tupper entered into an elaborate statement connected with the Fishery treaty, explaining the causes which led to the negotiations. Up to that date, the treaty had not met much party opposition in Canada; but the first speaker who followed Sir Charles opened the prospect of a possible party vote. Be this as it may, it so happens that a party vote can do no harm in Canada, while at Washington it would be fatal to the treaty in the Senate. Sir Charles explained that, early in the negotiations, he gave the United States authorities the opportunity of saying how far they were prepared to go in reciprocal trade with Canada, seeing that the air was full of stories of commercial union and unrestricted trade between the two countries. And he puts in this evidence: "You may go to Washington, as I did, and mix with the leading men of all parties; you may go through the House of Representatives and canvass every man; you may go to the Senate and canvass every member, and you will not find a single man who will talk with you on the subject of unrestricted reciprocity." But every American statesman he met was willing to hold up both hands for Commercial Union, "because," such is the reason, "he knows it would give Canada to the United States."