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EDWD. TROUT, MANAGER.

TORONTO, CAN., FRIDAY, OCT. 29, 1886

THE SITUATION.

Should the receipt of Dominion revenue be as great in the last nine as in the first three months of the current fiscal year, a repetition of the deficit of last year need not be feared. The surplus for the first quarter was no less than two millions and a quarter. Predictions are made that, at the end of the fiscal year, the surplus will not be below, but probably above these figures.

The Supreme Court of the United States has decided, the chief justice and two other judges dissenting, that the regulation of railways as to rates of transportation, discriminations, etc., belongs to Congress and not to the separate States. The court, in its judgment, says: "That this species of regulation is one which must be, if established at all, of a general and national character, and cannot be safely or wisely remitted to local rules and local regulations." "And," it is added, "if it be a regulation of commerce, as we think we have demonstrated it is, and as the Court of Illinois concedes it to be, it must be of that national character, and the regulation can only appropriately be by general rules and principles." In other words, the autonomy of the Republic prevails over the disintegrating influence of conflicting regulations of the several States. The dissenting judges do not deny the right of Congress to legislate on these questions; they take the ground that, Congress having failed to exercise the power vested in it, the separate States are at liberty to step in and make regulations of their own.

The Hudson's Bay brigantine, *Carn Owen*, was wrecked at Cape Churchill, August 30, during a violent storm which lasted two days. The *Carn Owen*, a stout vessel only three years old, was, with the cargo, a total loss. The crew was saved. The loss will be heavy. This proves nothing for or against the navigation of Hudson's Bay.

Should the announcement of the purchase of the Inman line of steamers, by American capitalists, prove true, the vessels could not be admitted, to register, as

American craft: they would still have to fly the British flag. The incident of the purchase might cause reasonable men to entertain grave doubts about the value of this restriction of the U. S. navigation laws. Why, it may be asked, do American citizens wish to purchase foreign built vessels? To which the obvious answer would be that they can be bought on better terms than American built steamers: and no reasonable person could fail to draw the conclusion that the refusal to nationalize foreign built vessels, when they become the property of American citizens, is not the way to build up a national merchant marine. But it does not at all follow that the reasonable people are more numerous than the monopolists and their friends, or that a change in the navigation laws would result from one more demonstration of the folly of these laws added to the thousand that have appeared before.

The statement is made without qualification, though it appears to lack confirmation, that the Grand Trunk railway is to form a connection with the Northern Pacific, and that an arrangement to that effect has been made. A road is being built on the south side of Lake Superior, which will connect with the Northern Pacific, at Duluth, and with the Grand Trunk at Sault Ste. Marie; the latter company extending its line from the Midland, near Atherley, to Sault Ste. Marie, crossing the French river on its way, near the mouth, where a series of islands will make the bridging easy. The capital necessary to carry out this project, it is added, is at the disposal of the Grand Trunk. The expectation is that a large traffic will be drawn by this road from Oregon, Wyoming, Dakota and Minnesota, and part of Wisconsin.

The managers of the Canadian Pacific Railway are reported to be negotiating for running powers over the Central Vermont railway, by which connection with New York may be secured.

In the North-West, government seems to be in the course of development natural to a new territory. The North-West Council, now sitting at Regina, is expected to favor a scheme of redistribution of seats, and to get the assent of the Dominion Parliament to it, on the initiative of the Federal Government next session; the successful candidates for the council next elected forming a legislative assembly, with definite powers. At present there must be, in a given territorial division, a population of one thousand, before it is entitled to a representative, and till then such division remains without direct representation. In Upper Canada, some sixty years ago, the figure was put at a thousand inhabitants, in towns, to entitle the population to a representative. In the North-West it is thought that provision may be made to accept something less than a thousand if that number has been nearly but not quite reached.

Proposals for a reciprocity treaty between Canada and the Sandwich Islands, constituting the kingdom of Hawaii, are said to

have taken official shape, the initiative apparently being due to the colonial office. Though the market at Sandwich Islands is not large, it absorbs several articles similar to those which Canada produces. Now that the Canadian Pacific railway is in operation, a reciprocity treaty with Hawaii could not fail to lead to practical results of a beneficial nature. It would be a decided benefit to the islands to have the steamships, which are to run in connection with the Canadian Pacific railway, make an island harbor a port of call.

The *Manitoba Free Press* seems to us to describe the true condition of the Hudson's Bay railway, when it says: "A careful perusal of Mr. Sutherland's utterances upon the success of the scheme in England does not tend to the belief that the scheme has as yet been floated. Being closely pressed for a direct statement as to the floating of the entire scheme, he says that he has the assurance of the necessary capital, upon certain conditions of local aid, by way, we presume of bonus. This certainly does not warrant the statement that the scheme is successfully launched. The syndicate giving those assurances are at liberty next year, and after the commencement of construction of a portion of the road, to alter their opinion of the project and withdraw their promised aid. Had the Hudson's Bay railway been placed upon the English market in the ordinary way, by issue of bonds and listing them, the value of the result of negotiations for capital would have been readily ascertainable. As it is, we can simply say that we are assured that forty miles of road, beginning no place and ending nowhere, are to be constructed during the year. To a people who look toward this project with the interest and anxiety with which Manitobans view it, the information obtained, and the entire result, are of a most unsatisfactory character."

For some time past, both political parties, in England, have favored Imperial Federation, without, however, any definition that would give a distinct idea of what is intended. Every one has been left to attach his own meaning to the words, and it is certain that different persons will attach a different meaning to them. The forming of a definite plan has been deprecated by the foremost advocates of Imperial Federation. And now the Conservative party, in England, is reported as having adopted Imperial Federation, as part of its programme. If this be so, it will be in order to call for a definite plan; to ask what distinct idea is attached to Imperial Federation by those who proclaim themselves its advocates. The moral cowardice that shrank from a definition, was born of a fear that the announcement of any specific plan would open the way to criticism, and reveal differences of opinion where none were suspected, so long as the whole thing was covered with a shroud of mystery. But whatever these differences may be, there can be no reason why they should not be made known; for it is only by a discussion of them that it will be possible to ascertain whether they be insuperable, or can be overcome.