

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. Sterling Per Year.
AMERICAN " "	\$2.00 United States Currency
SINGLE COPIES	10 Cents.

Book and Job Printing a Specialty.

PUBLISHED BY THE

MONETARY TIMES PRINTING COMPANY OF CANADA, Limited.

EDW. TROUT, President.

ALFRED W. LAW, Sec'y-Treas.

Office: 62 Church St., cor. Court

TELEPHONES { BUSINESS AND EDITORIAL OFFICES, 1892
PRINTING DEPARTMENT, 1485

1) RONTO, FRIDAY, OCTOBER 11, 1895.

THE SITUATION.

Ratifications having, after unusual delay, been exchanged, the Franco-Canada treaty will now go into effect. Though ostensibly affecting the trade between France and Canada only, it will be extended to other countries having reserved rights under the most-favored-nation clause of other treaties. The question whether this extension would operate was the chief cause of the delay in exchanging ratifications. The extension will be especially felt in the case of light wines of the strength admitted to the privilege of the treaty. As the United States neither concedes nor exacts anything under a most-favored-nation stipulation, American wines will not get the benefit of this treaty. If it had been otherwise, it would be difficult to tell what would have become of producers of Canadian wine. No less than 6,000,000 gallons of California wine changed hands last winter at seven cents a gallon, though it is not probable that such a low price will prevail in future, some form of monopoly having been organized to control the distribution of the wine product of that State. The real danger, under the treaty, will be the introduction of false wine from France, where we now know large quantities are fabricated. In other countries spurious wines are made, notably Spain. Neither the wines of the Cape of Good Hope, which are good if not palatable, nor those of Australia, which may one day produce the best wine of any country, will get the benefit of the treaty.

South Africa offers a market for some things that Canada can produce, notably lumber and wood in various forms. At Johannesburg the market was all summer bare of the lighter building materials, including flooring and material for ceiling in wooden buildings. United States dealers in lumber have got a footing in the market, and they even send there ready-made houses, such as suit well for mining prospectors. American carriages and agricultural implements, as well as spirits, oils, cotton, baking powder, which go there, are all of a kind which Canada produces. This market, as we have repeatedly suggested, is worth looking after. Cape Colony, Bechuanaland, Basutoland, Natal, the Orange Free State and the Transvaal have together, it is true, a white population of only 660,000, but they are large consumers of imported goods, and the 2,000,000 blacks among whom the whites are dispersed also consume

several things which other countries produce. The principal trade is in the hands of the English, and the French have the next largest share. The presence of white miners gives employment to numbers of natives, the estimate being made that a single mine, in a rapid state of development, will before long employ 1,000 "boys," as they are called on the spot.

Combinations among manufacturers have not hitherto very often partaken of an international character, and any tendency looking in that direction deserves special attention. Of this character is the combination just announced of the nail-makers of Canada and the United States. The nail-makers of each country, according to one account, wish a monopoly of the home market. To secure this, it would be necessary to stipulate that the manufacturers of one country should not send its products to the other. In this way a local monopoly might be created, provided the tariff of each country was high enough to keep out third parties. In a case like this nothing is saved in administration by consolidating a number of rival concerns. Prices might and doubtless would be raised, to the disadvantage of the consumer in both countries. The agreement reported to have been made is not an ordinary combination, but the object is the same: to prevent competition and to raise prices. An agreement to prevent importation and exportation is clearly in restraint of trade, and is against public policy. The question whether the arrangement comes under purview of the criminal code ought to be brought to a serious test. In the United States, combinations have been repeatedly declared void by the courts; here, somehow or other, the managers continue to keep clear of the courts, although we have a law against combination.

Improvements in the processes of gold mining are telling, as they did in silver mining, on the world's product of the yellow metal. Ores which yield but half an ounce per ton, can now be profitably worked, and in rare cases some ores which yield an ounce enable the mine owners to declare 25 and 35 per cent. dividends. The principal countries producing gold are: Russia, the United States, Australia and South Africa, and to these Canada is now being added. So far as can be seen at present, the greatest production is likely to be in South Africa, where sober estimates put the product of the current year at \$50,000,000. Sir Edward Vincent, an English engineer of high standing, estimates that the Transvaal alone, which according to his estimate contains \$5,000,000,000 of gold, may within twenty years be producing \$100,000,000 a year. If the world's production of gold goes on increasing at a ratio which actual developments make probable, a steady rise of prices during the next twenty years may be looked for.

Whether, when the United States have their stipulated complement of three gun boats on the great lakes, more can be built there, even if intended for use on the ocean, has more than once assumed a practical shape. The Detroit Dry Dock Company has made a bid to build such boats required by the United States Navy, and so the question comes up again. Five years ago, when a similar bid was made by a West Bay firm, Secretary Tracy decided that, under the Rush-Bagot treaty of 1817, the department "could not award a contract for the construction of a vessel of war upon the great lakes." Only three small gun boats can be built there. The Detroit company now suggests that the treaty may be got round by building the hulls at Seattle, and the machines and other parts at Detroit, and send them after the hull. The occasion gives opportunity to American jingoes to clamor for the denunciation of the treaty.