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TORONTO, CAN. FRIDAY, JULY 12, 1889

### THE SITUATION.

From the 1st October the rate of interest to be allowed in the post-office and Government savings banks will be reduced from four to three and a half per cent. As the Government can borrow, as proved by the last loan contracted, at about three and a quarter per cent., the policy of paying for deposits a quarter of one per cent. more than the market rate is political, certainly not commercial. As the depositors had to their credit at the end of June over \$41,000,000, the Government naturally does not wish to do anything that would cause a transfer of a considerable portion of this amount; but that consideration scarcely justifies the payment of more than the market rate for money. It remains to be seen what will be the effect of the present reduction. Persons who were attracted by the high rate of interest previously paid may transfer their accounts, if they can do better. But the chances are that the large majority of the depositors were actuated by mixed motives, in which the security of the Government played its part. It is very improbable that the reduction in the rate will greatly reduce the amount of the deposits in these institutions. Should this prove to be the case, there would be encouragement to reduce the rate a quarter of one per cent. more, bringing it into harmony with the market rate.

At the end of the financial year, June 30, the Ottawa Government, figures up a surplus of from \$1,500,000 to \$1,750,000. The precise result will not be known for two or three weeks, though probable report says it is likely to be somewhere between these two amounts. Still, Mr. Foster's estimate that the surplus would be \$1,900,000 will not be quite reached. The miscellaneous revenue has yielded something less than he expected. His estimate was that the total revenue would reach \$38,500,000, and at most it will not fall more than \$500,000 short of this amount. A surplus of a million and a half is quite enough to justify the Government in its refusal, in the last two sessions, to make material additions to the Customs duties. And if the consideration of revenue is to guide, as it should be allowed to do, no increase of duties will be made

next session. No doubt it has required some courage on the part of the Government to say "No" to the demands for still higher protection; but there is pressure from one direction as well as the other—the pressure of public opinion on one side and that of personal interest on the other. The former may appear less exigent, but in the last resort it is the determining force.

What is known as the District Magistrates' Act, re-enacted by the Legislature of Quebec, has been once more disallowed by the Dominion Government. This Act is held to be *ultra vires* of the Provincial Legislature, and its re-enactment is a straining of Provincial authority after the fashion of the extreme State-rights theory, which in the United States led to civil war. The veto power is one that should be prudently used. Sir John Thompson is the first Minister of Justice who has appeared to take the ground that no Provincial law which is within the competence of the Legislature enacting it ought to be vetoed. In his speech on the Jesuit Estates Act he almost affirmed this as a rule, though he probably did not intend to commit the indiscretion of allowing himself no means of escape. At the same time, he would now find it not easy to discover grounds of disallowance outside of legislative incompetence. In this particular he seems to have been willing to gain a desired end at the expense of future embarrassment to himself or his successors. The trick consecrated by the District Magistrates' bill is a mere play upon words; the contention being that if you give judges the name of magistrates, the local authority can appoint them, though they could not do so if they were called by their right name. M. Mercier is said to be desirous of submitting the question of the validity of the Act to the Privy Council; a procedure which it might not be unreasonable to grant. But a decision by this tribunal would not touch the question of state policy.

The Clan-na-Gael having fallen into dispute through the murder of Dr. Cronin and others, the professional patriots of Irish-American persuasion find it advisable to put on a new garb. From Chicago, the scene of the Cronin murder, comes a new scheme said to be promoted by "influential and wealthy" Irishmen, who are to form a land syndicate somewhere this side of the moon on which to set up the Irish Republic. To carry out this nice little speculation, "representatives" are to be sent to Canada, Chili, Peru, and Mexico to spy out the land and feel the way. The proposal is to buy on credit land on which to found the Irish Republic, in some of these countries. The syndicate will set its face against the no-rent theory, for it proposes to exact payment of the land "in small annual instalments the same as rent." With the proceeds an army and navy are to be equipped, and a Republic set afloat. Canada may be fortunate enough to get the preference; and if so, a million of Irishmen and Irish-Americans joining the French are to rule the roost. Should this magnificent scheme fail to extract dollars from the pockets of patriotic and credulous servant

girls this last stroke of genius will have been exerted in vain, and the professional patriots will have to try their hands at something else. Whatever it be, we may be sure it will not be honest labor.

For several years there have been persons who foresaw that if the motive power of Niagara Falls were made use of to generate electricity, it could be made of immense service at a considerable distance. A scientific Englishman some years ago went so far as to say that railways could be run by this means as far as Brockville, in the east, and to an equal distance in the west. There seems now to be a prospect that this immense water power will before long be used for the generation of electricity. An American company is said to be in treaty with the Ontario Government, through the Queen Victoria Niagara Falls Park Commission, to secure the concession of a privilege on the Canadian side. A handsome annual rental is expected to be secured. It is said that the company negotiating does not expect to transmit the power to be obtained farther east than Toronto, in which city the chief demand for it would arise. The working out of the problem would of course be a costly undertaking, involving the use of a large capital.

Unusual mortality among the cattle shipped by the Canadian steamer "Carthaginian" is reported. It does not appear to be due to any epidemic, but is set down to the great heat. The number lost is put by some accounts at between 200 and 300. These casualties are probably due to defective ventilation, and if so an improvement in that particular will doubtless be attempted.

Two fishing items are of a welcome kind. An arrangement has been made between the Governments of Great Britain and the United States in virtue of which the danger of collision in Behring Sea is for the season removed. And there are good accounts from the Greenland fishery. Whaling vessels which have returned to Dundee report that both whaling and fishing in Greenland waters have been unusually good this season. The fact that whales have been plentiful is probably due to their not having been hotly pursued in recent years. When closely followed they take refuge in the ice, where they become inaccessible. This was the experience of the Dutch, who annually sent hundreds of small vessels into these waters 200 years ago. In Greenland sealing Newfoundland fishermen take part, and as the catch there was good we may expect to hear that they have done well. An item on the other side: from the Lower Provinces accounts come of a decline in the river salmon fisheries, but this is not of supreme importance, though the price of salmon has gone up. Once as low as ten cents a pound it is now sixteen, not an extravagant figure. The Dominion Government has appointed a fishery commission to gather information in Europe. There used to be some secrets in fish-curing, whether they have survived or not. The Dutch herrings were famous on account of the mode of curing, which was not prac-