

ESTABLISHED 1886.

THE MONETARY TIMES

AND TRADE REVIEW,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal, 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.

OFFICE: Nos. 64 & 66 CHURCH ST.
TELEPHONE No. 1485.

EDW. TROUT,
Manager.

TORONTO, CAN., FRIDAY, AUG. 17, 1888

THE SITUATION.

The French Minister of Agriculture, M. Viette, blames the United States for the absence of commercial reciprocity between the two countries. America, he says, by raising her tariff had forced France to do likewise. If the United States would now reduce her tariff, France would probably do so too. These declarations arose out of the practical question of importing American meat into France. The statements of the French Minister of Agriculture afford another testimony to the sacrifice of American agriculture to an exaggerated system of protecting manufactures. When the farmer wakes up to this fact, there will be a change, but not till then.

In our first essays towards building a Canadian Pacific Railway, the exclusion of American capital to an extent that would prevent Americans getting a predominant influence in the road was insisted on. The object was to maintain the national character of the undertaking. When the road was begun in earnest, American aid was not rejected. It is interesting now, on the resignation of the presidency by Sir George Stephen, to learn where the stock is held. Of a total of 650,000 shares, only 68,677 are held in the United States, while 580,323 are held by Europeans and Canadians. The future distribution of the stock may readily alter these proportions. The late president retains his holding, from which we may infer his confidence in the road. If he had intended to part with his stock, it is reasonable to suppose that he would have done so before he resigned; and if he were to do so now, it is more likely that purchasers would be found in Europe, where so many American railway securities are held, than in the United States.

The Bank of England has raised the rate of discount to three per cent. As a regulator of the rate of interest, the bank becomes less potential than formerly. When it puts on the brakes to prevent an outflow of gold, its action is wholly artificial; and there are those who think that the movement of gold should be left to regulate

itself, since gold cannot leave the country without netting a profit on the transaction. Behind this presentation of the matter, it must not be forgotten that there lies a practical banking question. Divergencies between the bank's rate and the market rate of discount tend to increase. The difference is necessarily emphasized whenever the bank acts on artificial grounds; the market rate continues to obey the natural law, and is, on such occasions, always lower.

At a meeting of the Montreal Corn Exchange, to consider the policy of the Government in supplying water to manufacturers on the Cornwall Canal, some doubtless unconscious exaggeration appears to have been indulged in. It was alleged that the transportation service of the St. Lawrence is made subservient to manufacturing purposes, and that the trade of the country is in danger of suffering irreparable injury. The complaint was sent to Ottawa, and it will doubtless be investigated by the Government. A little moderation of statement would have the same effect, without bringing the persons protesting under suspicion of laying the colors on too thickly.

The cotton manufacturers, at a meeting held at Montreal, have decided that, in grey and colored cottons, there shall be no increase of prices. The Chambly mill was not represented, which would seem to show that it was standing out on its own account. It is evident, too, that efforts are being made to bring it into harmony with the others; and partly in the hope of succeeding an adjournment was agreed to for ten days, at the end of which time the Chambly mill is expected to have a representative at the adjourned meeting. In view of the parliamentary action against combinations, organizations of this kind will do well to act with caution; for that some legislation will follow the enquiry of the committee is admitted on all hands, and those who have most sins to answer for will be likely to suffer most.

The accounts for the last fiscal year had not yet been closed on 31st July. At that date, the receipts are given at \$86,143,996, and the expenditure at \$85,589,191. Of receipts we probably have the total amount; but there are payments still to make which will reduce or eat up the present surplus of \$604,800. Nothing can be learned from the receipts and expenditure of a single month, otherwise we might congratulate ourselves on the opening month of the present year, when the revenue was \$2,807,847 and the expenditure \$2,589,727, leaving a surplus of \$267,610.

Investigation into the fur-seal fisheries of Alaska has been begun by the U. S. House of Representatives Committee on Merchant Marine. American citizens, outside the Alaska company, do not relish being excluded from that fishery; but their grounds of complaint are not so strong as ours against exclusion outside of the three-mile limit. The shore fishery is the property of the American nation, and it is a question of legislative jurisdiction whether Congress

has the power to sell the exclusive right to a company. When this is done the nation at large gets the money paid for the lease, and the nation has no ground of complaint. If individual vessel owners have a right of complaint, they are only a fractional part of the nation, and must submit to the rule of the majority. So it goes in Democracies. But the deep-sea fishery, outside the three-mile limit, is not the private property of the United States; it is the appanage of the commercial nations of the world, and cannot be sold or leased by any one nation, or in any way be subjected to exclusive dealing. It behoves the committee to examine the international aspect of this fishery; and if this be done we do not see how it will be possible to avoid the conclusion that British subjects have had much greater cause of complaint on Alaskan waters than American have on the eastern coast of British America.

No sooner has the Quebec Government taken the right to refund the public debt of the province, than the *Economist*, the great English commercial organ, gives this piece of advice: "Persons wishing to invest money in Canada should avoid the Province of Quebec, for there the capitalist appears to be the object of special aversion to the legislature." This strong recommendation is called forth by the amended Act for taxing commercial corporations; a measure highly objectionable, indeed, but scarcely warranting the advice of the *Economist* to British capitalists. It is not quite apparent what necessary connection there can be between lending money in Quebec and a tax on commercial operations, except the element of retaliation be taken into account. In these days the borrower is often as necessary to the lender as the lender is to the borrower. As for British loans, the Government of Quebec has of late somewhat ostentatiously avoided them, and sought the satisfaction of its needs in France. Still, taken as an admonition, the advice of the *Economist* may be useful. When that journal comes to deal with the assumption of the Quebec Legislature of a right to pay off at par securities selling in the market at a premium, it will be able to speak with much more force, should it repeat the advice which, on somewhat inadequate grounds, it has now given.

Forcible conversion, as proposed by the Quebec Government, has aroused a feeling of indignation in monetary circles in London, and a call for the exercise of the veto is voiced by the *Canadian Gazette*. The menace of forcible conversion is likely to make conversion difficult, if not impossible, in England. And should an attempt be made to float the new loan in France, the presentation of the Act which authorizes it will tell the story and tend to block the way. Our impression is that the best thing that could happen to the Quebec Government would be the exercise of the veto: it would save it from the humiliation that must follow a rejection of its proposal. And it would be the best thing for Canada; for if Quebec shows a disposition to play a dishonest part, people in Europe will not make