

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

TORONTO, FRIDAY, JANUARY 28, 1898.

THE SITUATION.

A suggestion has been brought before the city council of Toronto to appoint a committee of citizens to consider the best means of carrying a railway to Hudson's Bay. Five citizens are named for this purpose: Messrs. George Gooderham, W. R. Brock, Robert Davies, Lyman Jones and J. Herbert Mason, all good men. The city council may suggest, but it has no power to appoint a committee of citizens. Part of the plan is that it should place \$5,000 at the credit of the committee, and it is not certain that it has power to do this; probably it has not. The money it is proposed to employ as a means of obtaining information, which, if of the right kind, would be useful; the commissioners to give their services free. For its money the city would get the records of any surveys made, including plans and maps. There could be no great objection to such an expenditure provided it were certain that the city has power to make it. The idea of the proposed enterprise is that a Hudson Bay railway should be "largely controlled by the city of Toronto." The expression is somewhat dubious; if it means that individual citizens are to have the privilege of subscribing the capital, that is a liberty that might well be accorded to them; if it means that the city in its corporate capacity should undertake the work, the answer is that the project is too speculative to warrant the corporation entering on the undertaking.

In the session of the Quebec Legislature just closed, it is notable that no railway subsidies were granted. It does not follow that such subsidies will not be revived in future, the omission to grant any this session being due to the fact that the state of the provincial finances did not admit of such gratuities being made. The previous Government had agreed to guarantee \$8,000,000 of the bonds of the Atlantic and Lake Superior Railway, from Levis to Sorel, but the obligation not being complete or irrevocable was disallowed, after the change of Government took place. The Marchand Government has determined, so it is announced, that no more railway subsidies will be granted till the public treasury is able to show a surplus. This means, if taken literally, that railway subsidies are not henceforth to take a foremost place in the budget of Quebec. Authority to obtain a permanent loan of \$1,500,000 was obtained by the Government; and meanwhile a

temporary loan was made to restore grants which had been previously diverted from their designated purpose. The Montreal loan bill was, in its progress through the Legislature, divested of some objectionable features, including a large expenditure for the alleged benefit of commerce, which commerce did not want, but on the contrary objected to. A bill was passed requiring from outside benefit societies a deposit of \$5,000 each. This Act has been spoken of as a retaliation against Ontario, but it is probably rather directed against American associations, and in any case is only a reasonable precaution. A bill was passed giving effect to an agreement with the Federal Government by which the singular claim is made that 67,499,950 acres of territory has been added to Quebec by an agreement made between the province and the Dominion.

If this vast area, half as large as France, had been acquired by the province, by the agreement the Dominion must have lost what the province gained. The real fact, much more modest, is that the boundary line between the province and the Dominion has been settled.

From Brandon comes a protest against the proposal to put a duty, once more, on binder twine. This is the voice of the West, which finds an echo in the furthestmost territories where wheat is grown. The payer of this duty believes, perhaps truly, that he cannot get it back, the price of his grain being fixed by the world's competition. The binder twine industry has reached the stage in which the artificial aid that it formerly received redounds to its injury. The duty unduly stimulated the production of twine; then followed the usual combination, which weighted the amalgamated company with useless properties. Its capital was so far sunk in fixtures that the company had to rely upon the banks for advances, to move its machinery. There is an undue nominal capital on which to earn dividends, and they cannot be earned without the artificial aid of duty. So the heads of the concern tell the Government, and the tale is probably true. The Western farmers object to pay a duty on twine, which they say they have no means of recovering from the purchasers of their grain. If they would agree to pay it, the binder twine manufacturers tell us they could pay, in wages, \$350,000 a year; for oil, \$60,000; \$52,000 a year for packages; \$10,000 for paper, and \$36,000 for interest; in all \$638,000. All this could be done probably, as alleged, if the users of binder twine would agree to pay 20 or 25 per cent. more than they buy their twine for in the absence of a duty; but, unless the users of the twine could recoup themselves by an increased price for their grain, all this would be done at their expense, and the country would not be the richer for the operation. Should the duty not be reimposed, it is probable that most of the capital put into the binder twine industry will be lost. If there must be a loss, whichever course is taken, on whom ought it to fall; on the farmer, who is not responsible for the threatened enterprise, or on those who took upon themselves the responsibility of the venture? That is the problem which awaits solution.

It looks as if the attempts made by three different countries to obtain exclusive trading privileges in China would lead to the opening of more Chinese ports to the whole world. A fortnight ago Secretary Sherman, at Washington, expressed the opinion that the possession by Germany of the port of Kiao-Chau would prove to be the opening of one more Chinese port to the whole world; what was then a faint and uncertain prediction has now been translated into fact: Germany announces that Kiao-Chau is