

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—POSTAGE PREPAID.

Canadian Subscribers.....\$2 a year.
British ".....10s. sterling a year.
American ".....\$2.50 U.S. Currency

BOOK AND JOB PRINTING A SPECIALITY

Office—Nos. 64 & 66 Church St., Toronto, Ont.
EDWD. TROUT, MANAGER.

TORONTO, CAN.. FRIDAY, AUG. 26. 1881

THE ANGLO-FRENCH NEGOTIATIONS.

The chance of a new commercial treaty between England and France being concluded, always remote, is now less than ever. The negotiations have been interrupted, and there is no great probability of their successful resumption. If England gets no treaty, there is none for Canada to participate in; nor are there, in our case, the same reasons that once existed for desiring treaty relations with France. The Cobden treaty left our shipping interests out in the cold. Imperial apologists tell us that England did well not to complicate the negotiations with France, on that occasion, with the question of including colonies, which had not asked her intervention. But England often embraces the colonies in treaties with foreign powers, without being requested by them to do so; though it be only when she has something to gain by their inclusion; as when a foreign nation insists on obtaining certain privileges in all parts of the British Empire. If it was wise in England not to complicate, unasked, the negotiations with France, in 1860, with questions of colonial interest, the wisdom of the act would have been the same whether she had been solicited or not.

This logic would compel the imperial apologist to argue that Canada might, in the interest of England, be excluded from the present negotiations. And if England would not, in this matter, help Canada, we are told that Canada could not be allowed to help herself. Is this fair, reasonable, or consonant with natural right?

Canada has nothing to thank the Cobden treaty for; and we think she might fairly complain that her ships were not included. Since that treaty was concluded, the ship-building interest in Canada has suffered great decline; and though something like this unfortunate result would have come about in time, through the preference of iron to wooden vessels, there can be no doubt that the evil day was hastened by the difference of the terms on which the vessels

of the two countries were received in France under the Cobden treaty. To the difficulty of wooden vessels competing on equal terms with iron vessels, the impediment of discriminating duties was added. English shipbuilders flourished, while those of Canada suffered heavy losses, often entailing complete ruin.

Now, however, this discrimination has been voluntarily removed by France, in her own interest, and Canada has nothing to hope for under this head. This fact diminishes the interest of Canada in the negotiations for a new treaty; but it does not lessen the effect which Imperial treaties may have on the interests of a county with a foreign trade as large as ours. Let us suppose a case. There is a foreign country with which it is our interest to have certain definite commercial relations. Great Britain makes her own arrangements, leaving us out in the cold. What remains? The right of legislation, with the sole condition that we do not discriminate against Great Britain, remains to Canada. When the right of legislation exists, what is to prevent its being reciprocally exercised? Canada, we are told, cannot approach a foreign government, except through the British Government. Is it, then, treason for a Canadian representative to discuss with a foreign government, a matter of trade in which the two countries concerned are interested? Two countries have admitted rights of legislation; what is to prevent their coming to an understanding that they will, on the principle of reciprocity, do certain things, as equivalents of one another; that A will lower a duty on a given commodity, and B will lower a duty on another, for example? Here is a treaty in substance, but without the form; what has either party done in arriving at this informal treaty, which it had not a right to do? We go farther; if Canada has not this right, legally speaking, she ought not to rest satisfied till she has obtained it.

MULTIPLICATION OF JOINT STOCK COMPANIES IN FRANCE.

The latest venture of French capitalists, in Canada, is the purchase and working of phosphate mines. There is probably a good chance here to make money. The venture is opportune; it is made just at a time when the value of these mines is ascertained, and when some of them have become accessible so as to make their practical working possible. The necessity of having the phosphates treated in the country, is curiously illustrated by the action of the Quebec government. Instead of money to be distributed in prizes, at agricultural exhibitions, that government gives phosphates, to obtain which in a pre-

pared state, though the country contains rich phosphate mines, it has to send to France.

But what we wish particularly to attract attention to is the immense multiplication of joint stock companies, in France, often with a view to operations in distant places, a movement which had its origin in 1873. From that date to April, 1881, the new companies organized in France, had a subscribed capital of 2,664,500,000 francs, of which 1,206,000,000 was paid up. In the last four months, the amount has been largely increased, the company for working phosphate mines in Canada being one of the additions. Of the companies thus formed some are French, some foreign; the subscribed capital in the former was 2,134,500,000 francs, and in the latter 530,000,000.

The formation of these companies is largely due to the influence of speculative promoters of great influence on the *Bourse*. The indisposition of individuals to make ventures, on their own account, favors the operations of promoters. Individualism, in matters of business, is not a marked feature in France, at present. Some attribute this change to the neglect of individuals to acquire the necessary knowledge successfully to carry on a large business, as it must now be carried on. The French habits of thrift cause an accumulation of capital to go constantly on; and it is evident that a large part of the annual savings of the people are going into joint stock companies. Whether this will prove to be for the good of the subscribers has yet to be seen. The most alluring promises are held out in prospectuses, and the hope of large dividends brings subscribers. It is at least doubtful whether the modes of financing now in vogue in France are always honest. The issuing of shares at large premiums, as was recently noticed in the case of a French company formed to do business in Canada, is becoming a suspicious feature. It is out of these premiums that the promoters make money. This mode of finance is specially noticeable in the *Union generale*, a company which does different kinds of business, in different places. It carries on the Bank of the Austrian States, the National Bank of Servia, the Bank Verein, of London, railway and other business. Each bank is made independent, on the ground that branches have no inherent strength. But the pre-existing banks help to form others. The Bank of the Austrian States and the Bank Verein, of London, gave their aid in the formation of the Bank of the Hungarian countries. Of the 50,000,000 of francs which formed the capital of this new bank, of which the Union reserved 2,500,000, the shares, of 250 francs each, were issued at a