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THE SITUATION.

On a motion made by Senator Power for papers connected with the Atlantic mail service, the Premier explained the turn taken by the negotiations for a new contract, consequent on the second call for tenders. The tenderers objected to sailing direct from a French port, and to get over the difficulty the option of connecting with a French port by means of a small steamer was given. Among English ports, a preference for Liverpool was shown by those tendering, this question having been left open for the expression of opinion upon. Previous to these second tenders being asked for, a difference had occurred between the Messrs. Allan and the Government. Last year the Allans claimed an increased subsidy, which the Government declined to give, owing to the comparative slowness of the steamers, which Mr. Abbott rates at only thirteen knots an hour, though Senator Power essayed to elevate them to sixteen knot vessels. Finally, the Allans resumed the service at the old rate, no better terms being procurable.

A bad showing is made by the receipts and expenditure for the Intercolonial Railway. In the fiscal year 1890-91 the deficit rose to the large figure of \$684,946. The average annual loss in working the road, since the beginning in 1875-76, has been \$80,607. Mr. Haggart has set resolutely to work to cut down expenses. Out of 4,181 employes, he proposes to dispense with 210, and to make a reduction in train service of 787,000 miles a year. In this way he hopes to effect a saving of \$513,000, though he despairs of being able to make both ends meet, for when all is done that is proposed he fears the recurrence of the average deficit. The treatment is heroic, if the malady be too deep for the remedy to compass. More than commercial considerations were taken into account in the inception of this road, and in its operation it has not reached and does

not promise to reach a commercial basis. Interested people may think that the road ought to be run at a loss, but their policy is defensible only if no better be within reach. Mr. Haggart does well in recognizing the fact that it is his duty to get as near a commercial basis in the working of the road as possible.

Canal navigation is finding new friends in these latter days. The Committee on Railways and Canals of the United States House of Representatives recommends an appropriation to defray the expenses of a survey intended to ascertain the most practicable route by which a canal can be built wholly within the limits of the Republic, from the great lakes to the ocean. The notion that the days of canals are past is combatted, and the fact is cited that canals are gaining on the railways. They can do this, of course, when the traffic pays no tolls and the State gets no direct return on its canal expenditure; but if put on a commercial basis, there might be a different result to report. Some alarm appears to have been caused by the diversion of traffic to Montreal; but it must be remembered that though canals may be built a second St. Lawrence River cannot be called into being. The use of the proposed canal for military purposes is dwelt upon. Some rough estimates of the cost of a deep canal around the Falls of Niagara and from Lake Ontario to the Hudson are made: \$110,000,000 is named by an officer of the United States Engineer Corps. Judging by what American canals have cost in the past, there is reason to believe that this sum would go but a small way towards achieving the object proposed.

Correspondence on the question of admitting Newfoundland into the Canadian confederation has been laid before Parliament at Ottawa. Being four years old, it has no value which is not historic. The proposal to discuss the question, which came from Canada, was at first apparently entertained by Newfoundland, the Government having promised to appoint delegates for the purpose. This was on the 6th April, 1888, and the delegates were to have started for Canada on the 10th. A postponement was made to September 12th, and on the 20th of that month there was a further postponement, this time indefinite. What influence intervened to change the intentions of Newfoundland does not appear. Looking to the position of the island we should expect that the Imperial Government would not readily consent to its union with the Dominion. Canada, the British official mind may have conceived, might in some event become independent; and Great Britain would not be likely to consent that Newfoundland, which is important to her as a coaling station, should be liable to share the same fate. We can learn nothing certain from the bald facts of the proposed negotiation. But the proposal came from Canada, and the Colonial office was only advised of the fact on the same day that the despatch was sent to Newfoundland: that is, the two despatches of Lord Landsdowne bore the same date. Did the Imperial Government intervene with its influ-

ence to prevent the negotiations? This query points to the only possible vital fact in connection with the proposed communications; but here the possible is by no means the certain.

Advices which come via San Francisco state that Messrs. Gleadow and Roos, the British commissioners, who are taking evidence in Victoria, B. C., on the sealing claims, had already cut down the aggregate amount from \$500,000 to \$350,000. The claims were made on the basis of tonnage and the number of canoes and hunters employed. In all such cases exaggerated claims are to be expected, but they are pretty safe to be cut down to a reasonable figure before they are done with. The despatch has a strong American flavor about it, and the pretence that land hunting may have been resorted to by these sealers looks as if its paternity were traceable to the Alaska Fur Company. Of course if land hunting were to be proved, a real case of poaching would be established, but even that, bad as it would be, would fall short of that universal "piracy" which some keen-sighted people see even in pelagic sealing.

The bill to admit to American registry two vessels of the Inman line, the "City of Paris" and the "City of New York," has passed both houses of Congress. The American Minister of War has explained, to an interviewer, that Great Britain will have the option of buying these vessels, under her agreement with the owners, which he thinks she will not exercise; but if she were to do so, it would of course prevent the measure contemplated by Congress taking effect. The change of registry is intended to be effected on condition that two similar vessels will be built in the United States; but how this would lead to a boom in American ship-building is not very clear. The revival of the American naval marine depends upon economic conditions which the legislation of Congress of late years has antagonized. So long as these conditions are non-existent, no great revival in American ship-building need be looked for. At what extra cost could two such vessels as the "City of Paris" and the "City of New York" be built in the United States? American ship-builders might get some hints in the process; but if the process were too costly, there would be small encouragement to repeat it.

A strike at the Chaudiere lumber mills of Buell, Orr and Hurdman took place on Monday morning. The men had been notified that they would be expected to begin work at six instead of seven o'clock, making a day of eleven hours. This they were not willing to do, unless they got extra pay. The question of wages now took another form, a reduction from \$7.50 to \$6.50 a week being threatened, for a ten hours day. Wages must follow the fluctuations of demand, but it will be difficult, we imagine, in these days, to increase the hours of labor in an exhausting occupation to eleven. Is the attempt to do so wise or reasonable? Many people who have no sympathy with the eight hour day