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THE SITUATION.

Application is to be made to Parliament to consolidate the Northern and North-western railways. It came out in a discussion before the Hamilton Board of Trade that the amalgamated companies find it necessary to raise capital, and the proposed consolidation is intended to precede the negotiations of a loan. It also appears that the absorption by a larger company of the roads, after they are consolidated is in the wind. Mr. Gillard said the road must either belong to the Grand Trunk or the C. P. R., and that the intention was that it should go to the latter. An obstacle to consolidation exists in the great disparity of the capitals of the two roads; but this could perhaps be got over by arrangement. The policy of consolidation, with a view to a further step being taken, will scarcely avoid being challenged on public grounds. There has, for some time, been an impression on the public mind that the condition of the roads was being allowed to deteriorate with a view to their being handed over to a larger company. Whether there was any truth in this view of the matter, the discussion which must take place on the proposed consolidation will probably disclose.

The liability of bank directors for overdrafts, followed by loss to the bank, has been before the Superior Court at Montreal. Thomas Craig, general manager of the Exchange Bank, overdraw \$105,000, which he never repaid; and an attempt was made to make the directors liable, Mr. M. H. Gault, President of the bank, being made defendant in the suit. Judge Taschereau decided that the negligence imputed to Mr. Gault did not exist, as the manager's account was not kept in the ordinary books of the bank, but in a book which the directors were supposed not to see. The inference is that directors of banks are required to examine the books in which accounts are kept, and to see, among other things, whether there be overdrafts on which losses may occur. With the bulk of bank directors, the fulfilment of this requirement is practically impossible; and yet it cannot be said that theoretically it ought not to

exist. It is well that in becoming bank directors, people should know the extent of the responsibility they are assuming, and that the position entails liabilities against which many men, whose hands are full of other business, have no adequate means of protecting themselves. No doubt Thomas Craig should not have been allowed to borrow for himself sums out of all proportion to his means. It is never seemly for trustees and trusted servants to borrow from the banks, with which they are connected, sums so large as to create a doubt whether they could have obtained them from independent directors with whom they had no direct connection.

The commercial treaty with Spain, now before the Senate of the United States, is believed by good judges to have no chance of ratification. It is thought that the Senate, as now constituted, would refuse to ratify any reciprocity treaty which the present government may negotiate. As a general rule, it is probably true that the President and Mr. Bayard are opposed to reciprocity treaties, desiring first to see a statutory reduction of taxes, which produce an excess of revenue over requirements. In the case of Canada the President would, on account of the fisheries, evidently have made an exception, if Congress had shared his views; but with a hostile Senate nothing could be done last year, and it remains to be seen whether the present year will see a more favorable result. General statements to the effect that the fishery question is in a fair way of settlement tell us nothing. The American fishermen suffered greatly from being partially confined to their treaty privileges last year; but the attempt to put down the diminished catch to false causes, and to encourage a hope that they will get damages against Canada for interfering with their action, puts them on a false scent and buoys them up with delusive hopes.

The work of straightening the Don, in this city, is divided into three sections, two of which are to be done by contract, and the other under the Board of Works. Though the experiment of the city doing work of this kind directly will scarcely get a fair trial, it will be interesting to note the result. The labor organizations are beginning to ask for the abolition of the contractor, in the hope, of course, that his profits will be added to their wages. The city has a number of men more or less dependent upon it, and their employment, on public works, would scarcely solve any question in which the exclusion of the middleman is aimed at, since the older and the feeblers they are, the more likely are they to seek employment from the corporation. But as they must be supported, in one way or another, it is important that they should be assigned any work which they are able to do. Further than this, the experiment can scarcely form a precedent for general adoption.

Dynamite is not exclusively the weapon of the Fenians. It was used in Chicago, last May, with fatal results; and it has just been twice used, in the Street railway

strike, at San Francisco, without loss of life. A letter has been published under the signature of August Howlitz, claiming that these outrages are the work of an organization with a regular programme, which they intend to execute, and that it has no connection with the carmen's union. These fiendish avengers had need to show the nobleness and unselfish disinterestedness of their motives; for assuredly these are qualities which the world would never have suspected them of possessing. No country knows better how to deal with dynamiters than the United States, when they appear on the soil of the Republic, though there is an element of the population which loves to encourage them when they operate in another country.

The *Manitoba Liberal*, properly we think, opposes the guarantee of ordinary municipal debts by the local government. But the reasons which it gives are scarcely such as can prevail. The municipal taxpayers, we are told, would fail to pay, and then the guarantor would step in and compel them, with the result of scrimping the schools and making the taxes intolerable. We have no doubt that the effect of a guarantee would be to make some taxpayers relax in their efforts to pay; but the difference between voluntary payment and payment under compulsion of the guarantor would be only the cost of collection, and to that extent only would the municipal burthen be increased; and even then the defaulting ratepayers would themselves be the cause of the increase. But it is not desirable to give them, in the guarantee of the government, a vague hope that they may escape payment. We agree with the *Manitoba Journal* that if the town failed to meet its compromise payment, the full claim of the creditors should revive. This is on the supposition that a compromise is made. But we are still of opinion that it is not in the interest of the town to ask or accept any other relief than that of an abatement of interest, for some years, to be made good hereafter.

A circular has been issued by the special Agent's Branch of the Canadian Customs' department, the object of which is to learn from importers whether they would object to such an examination of their books as would supply a test of the accuracy of the invoices presented for the payment of duties. Certain importers, who are themselves acting honestly in the matter of duties, and have nothing to conceal in connection therewith, are suspicious that some of their rivals in business are getting an advantage over them in paying less than the proper amount. A check of the kind proposed they are anxious to have applied. The proposed inquisition is in itself abhorrent to commerce; but as a means of preventing undue competition by fraudulent means, we have no doubt there are upright merchants who would voluntarily submit to it. The honest importer has nothing to fear from such an examination; but he might, nevertheless, in some cases, object to the scrutiny. If he suspects foul play from unworthy competitors, he may be ready to sanction a mode of procedure