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THE SITUATION.

Direct and continuous navigation between Europe and Chicago, by the aid of the Canadian canals, is now possible, with a chance of a fair return. The Norwegian steamship, "Wergeland," has passed through our canals on her return passage, on her way to Christiana. Captain Weise reports that the financial result of the venture is fairly profitable. Owing to the incompletion of the enlargement of the St. Lawrence canals, his steamer had to lighten part of her cargo at Kingston; it is expected that in 1894 the enlargement will be finished, and an expense of this kind will no longer have to be incurred. Part of the loss was in the delay which the lightening occasioned. The possibility of direct trade in future will depend upon the cost relative to that of other modes of conveyance. The enlargement of our canals alters the conditions of the problem. Already there is a call for still further enlargement, beyond the capacity to which our canals are now being carried. Before going any further in this direction it will be desirable to see our way clear, and whether there would be any profit in the enterprise for the country, which would have to pay the cost. No rival to the St. Lawrence route is possible; what nature has here done on a grand scale it is not in the power of art to imitate.

So far as the discussion on the canal question was carried at Washington, there did not seem to be any prospect of agreement between the Canadian and the American representatives, the Americans contending that their commerce is discriminated against, and the Canadians replying that, in the rebate on Welland Canal tolls, the same rule applies to both countries. The discrimination is in favor of the Canadian route, and this the Canadians contended is legitimate and no breach of the Treaty of Washington. It was pointed out that when the American Government abrogated the trade provisions of that treaty, Canada was

thrown back on her own resources and had to make a policy for herself. Whether a compromise will be reached is uncertain, but it is apparently expected that further discussion with a view to accommodation will take place. If we are to believe certain organs of the American press, what is threatened is that persistence in our present canal policy may lead to the imposition of tolls on the Canadian commerce which passes the Sault Ste. Marie Canal. Hints are thrown out from Ottawa, as if by way of feeler, that if this be done, the Canadian Government will indemnify the parties paying the tolls till such time as our own Sault Canal is completed.

Great irregularities on the Intercolonial Railway were exposed before the Civil Service Commission. From the evidence of Mr. Schrieber, it appeared that unauthorized passes, in irregular form, are made use of with such secrecy that the authorities of the road seldom hear of them. Small bits of paper, issued by district superintendents, are made to do duty for passes, and the conductors, who know them to be irregular, are afraid to incur the hostility of the superintendents by refusing to recognize them. Of regular passes, Mr. Schrieber thinks fewer are issued than on roads under control of companies. These irregularities are frauds on the public revenue and should be promptly dealt with as such. People in league with these district superintendents, and who profit by their irregularities, will be ready to use political influence to shield them from punishment. But the exposure must lead to a reform, more or less complete. Why should not the chief officer of the Intercolonial Railway resort to the same means of detection and prevention that the railway companies generally, find it necessary to use? Stringent rules to put a stop to the fraud should be made, and if necessary, forcible legislation resorted to to meet the case. Politics, which lie at the root of the evil, must be put aside, and the public revenue protected against the marauders.

Eminently successful is the phrase that best describes the new Canadian loan of £2,250,000, which has been put on the English market. The amount which the public was willing to take, on better terms than had been prescribed, was £7,000,000. A three per cent. loan, it was offered at a minimum of 91, and something over 92 was secured. In the allotment the best bids were of course accepted. The money is wanted chiefly to pay off temporary loans obtained to cancel former debt, at a time which was not deemed favorable to appeal to the English money market, and to meet withdrawals from the Government savings banks. There will be something left to go on with the canal enlargement. The repayment of the temporary loans will place a large sum at the disposal of the Canadian banks, part of which will probably find its way to New York.

In its new scheme of local taxes, the Province of Quebec is likely to arrange a duty on successions and a tax on the transfer of property. The former is credit-

able, under the circumstances; the latter is a novelty in this country, at least under that name, though something of the same kind is collected in the registry offices of Ontario for municipal uses, and next year, through the same machinery, something will go to the Government. A succession duty may be necessary, for revenue purposes, though it has been recently defended on grounds that will not bear examination. It has been said that it is a proper means of compelling people of means to contribute to charities which they would not otherwise assist. If the duty spared those who do contribute to charitable objects during their life time, this plea of equalization would have some meaning; but as the duty strikes all alike, it is no equalizer. And besides, charity may be and often is abused by being carried to injurious excess and in wrong directions, an evil from which Canada cannot assure herself prospective or even actual immunity.

"A boom in cattle" is coincident with the monopolization of vessel space by parties at Montreal, who are seeking to make a profit by re-selling. Like all monopolies of a thing limited in quantity, this one is injurious to the public. Freight on cattle is liable to be dearer at our ports than at American; this difference is a bar to shipment, and tends to offset the advantage which Canadian cattle enjoy in the British market owing to their freedom from disease. Why do shippers of cattle not take time by the forelock and secure vessel space, instead of allowing it to become a monopoly in the hands of forestallers? If they have unequal chances in the competition, they are denied something to which they are entitled; if they are denied equal chances, there is an abuse which requires to be corrected. Judge Lawrence, of the Supreme Court, New York, has just decided that the Quebec Steamship Company is obliged to carry goods from New York to Barbadoes at equal rates for different shippers, and that discrimination cannot be permitted to a common carrier "in violation of its common law obligation to equal terms, facilities and accommodation to all." This common law is the common law of England, and is surely not less applicable in Canada.

Canadian shipping has to bear its share in the maintenance of British lighthouses, while this country is at the sole expense of maintaining a system of lighting on its own extensive coasts. Canadian shippers complain of the burthen of the British tax, and think they ought to be relieved of it. In this sense they propose to present a memorial to the Imperial Conference of Boards of Trade this month. The United States imposed a retaliatory light duty, and this also falls upon Canadians as well as British. Truly Canada gets the worst of it, on two sides, while she maintains her own lighting system without taxing outsiders. The memorial will at least bring the question prominently forward, and may, perhaps, be the means of getting the relief sought.

A story comes from Uganda that "the Protestant forces" have fallen foul of the