

# The Monetary Times

## AND TRADE REVIEW,

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### THE DEFICIT.

The deficit in the Dominion finances for the year ending June 30, 1880, is in exact figures, \$1,693,123.47. The statement that on goods consumed during the fiscal year 1879-80 and entered in anticipation of the tariff, may be an explanation of the deficit; but the deficit itself is not the less an ugly fact. But the explanation refers to a state of things which is partly extraordinary and partly not so. Every year duties are paid on goods that do not go into consumption till the next year, and some, if only a small quantity of those actually released would have been taken out of bond before the beginning of the fiscal year 1879-80, if there had been no change in the tariff. Unless allowance has been made for this, there is room for some error in the estimate that \$1,300,000 was received in anticipation of the new tariff and in consequence of its being impending. That a rush was made to get off by paying the old duties, instead of being obliged to pay the higher new duties, is matter of notoriety.

Still, as we have said, the deficit remains. And it is a deficit for the year which the new tariff was intended to cover, and did cover. It is of course true that the anticipation of revenue abnormally lessened the deficit of the year 1878-9. If all the facts, as they have occurred, were foreseen, then the Minister of Finance was making his arrangements for a deficit. But this does not seem to have been the case, for he thought he had taken measures that would give him all the revenue required. Yet, if the tariff had been raised high enough to produce all the revenue required, over and above the extraordinary anticipation that was foreseen, it would have been open to two grave objections: it would have been oppressively high and would, one year with another, have produced too much extravagance. This is on the supposition that we are still, on the whole, well within the limits of a revenue tariff; and the experi-

ence of the United State seems to show that it would be possible to realize more revenue from higher customs and excise duties.

What the Minister of Finance really required, under the exceptional circumstances, was some temporary aid that would have filled the gap of the deficit which anticipation of revenue would produce, for a single year. For this he failed to provide; that is his mistake.

A more important question than any that connects itself with the actual deficit, is whether the tariff, with the amendments of last session, will, in conjunction with other sources of income, produce a revenue equal to the expenditure. This, of course, partly depends on other circumstances. If the burthen of the Pacific Railway can be got rid of, it may be possible to make both ends meet. The ministers who are now in England negotiating for the transfer of the work, or a part of it as the fact may be, to a private company, are to start on the return voyage on the second of next month. A conclusion of some kind must have been within reach before it was possible to fix a day for the return. Should the tariff as it now stands, prove sufficient for revenue purposes, the occurrence of a single deficit under its operation, in the circumstances described, will be a matter of comparatively minor importance.

### DIVISION COURT EXTENSION.

When it was proposed, during the last session of the Ontario Local Legislature, to confer a more extended jurisdiction upon the Division courts of this province, considerable opposition to the change was manifested by different classes of the community. True, the most energetic protests came from interested quarters. The officials of the higher courts, who were to be shorn of a large proportion of their emoluments by the suggested changes, and the members of the legal profession whose fees were to be reduced, could scarcely be expected to view with favor the contemplated innovation. Quite apart, however, from those who had a direct pecuniary interest in the continuance of the law as it was, there were many who entertained grave doubts of the wisdom of widening the sphere of tribunals which had not always merited public confidence. Abuses—some of them serious ones—had undoubtedly existed in the administration of justice in what have been called the "people's courts;" but these had grown out of misconduct on the part of officials and a want of proper supervision over them, rather than from any defect in the system.

The change was made—we have had a few months experience under the new order of things, and are now better able to judge of

the merits of the policy inaugurated. Granted that the time since the enactment of the measure is short, and that difficulties and defects now unforeseen may yet come to light, it must be admitted that our experience of the new law, brief as it is, favors a more intelligent judgment than could have been expected six months ago. The result thus far appears to be generally satisfactory. The inconveniences complained of as having followed the change, are worthy of mention. One complaint made of the change takes this shape:—Under the former regime, a merchant in Hamilton or Toronto who held a note against a retailer, say in Goderich, for \$175, upon which default was made, could sue the claim in the city. But now, if a defence is entered, he has to go to the Division Court in Goderich to prove his claim. This, it is contended, entails trouble and loss of time, which would have been saved under the law as it previously existed. Granting that wholesale dealers find this troublesome, still the great reduction in the expense of collecting debts affected by it has been a boon to creditor and debtor alike. The expense in contested cases was formerly out of all proportion to the interests involved. Cases were constantly occurring in the County Courts where, over claims of a little more than one hundred dollars, the costs of both parties before a decision was obtained amounted to one hundred and fifty or two hundred dollars. An appeal nearly doubled this expense. A system under which it not unfrequently happened that it cost three or four hundred dollars to decide the question of a man's liability to pay one hundred, appeared to call for some amendment.

One disadvantage of the former law was that creditors were in many instances prevented from taking action where they entertained doubts of being able to collect their debts by a consideration of the expense needful to be incurred, and which would fall upon themselves in the event of failure to collect. We have known many cases where debtors entirely escaped payment of claims because their creditors did not care to incur the risk that making the attempt to collect must have necessitated. Since the enactment of the new law we have known cases where claims between one and two hundred dollars in amount have been sued and recovered, where if proceedings had to be taken in the County Court the plaintiffs would have hesitated to sue at all. This consideration of itself is, we think, sufficient to warrant the change which has been made.

The most serious objection to the change probably was the incompetence, or worse, of many of the Division Court clerks and bailiffs. This objection was appreciated by the Government which has attempted to