

ESTABLISHED 1866

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### THE SITUATION.

When the bill to confirm the bargain made between the Government and the Drummond County Railway Company was thrown out by the Senate, the Ministry promptly decided upon its policy. An item to cover one year's lease of the property was put into the Supply bill. It was now the turn of the opponents of the deal in the Senate to take a second step, and the new move took the form of a resolution to enquire into the expenditure of the subsidies granted by the Parliament of Canada to the railway company, and everything generally connected with its affairs. Senator Mills hinted a constitutional objection; Senator Scott mildly objected to go on a fishing expedition; Senator Mowat declined to oppose the motion, which was permitted to be carried without a vote in opposition. This was no doubt the wisest course. The charges which led to the motion for enquiry appeared in a Montreal newspaper, and the movers of the motion must be regarded as having practically adopted them, or at least becoming responsible for the enquiry. In the end, Sir Oliver Mowat, in the Senate, and Mr. Blair, in the House, having promised full investigation next session, Sir Mackenzie Bowell agreed to the postponement of the enquiry. The promise of the Government not to do anything in connection with the Drummond County Railway during the recess, that will not leave complete freedom of action as to the mode of bringing the Intercolonial to Montreal, is positive. In the meantime, a nine months' experiment will be made with the Drummond County Road.

The merits of the original deal with the Drummond County Railway Company rest upon contingencies in the shape of estimated results. It is alleged on behalf of the bargain, that not only would the rent be recouped by the operation of the road, but that a gain of \$300,000 a year in addition would be made. The nature of the bargain, considered in its financial aspect, depends entirely upon the reliability of the estimate. Apart from any alleged wrongdoing in connection with the deal, this is the point to be considered. If there were any means of demonstrating that the alleged profit would be realized, the operation is one that any business man would be willing to embark in. Any member of either House is at liberty to doubt on this point, and that honest doubt is not possible cannot fairly be

alleged, even if the probability seems to look the other way. It is hinted that some other railway company or companies have fanned the opposition.

Senator Mills' point was that the investigation into the Drummond County Railway deal ought to be made by the House of Commons. This is a question of majorities, which lean to one political party or the other. A committee to which either House would agree would bear a party complexion; but in the Commons it would be of one color, in the Senate of another. In the British Parliament, the rule is to draw committees as nearly as possible in equal numbers from the two great parties, consistent with the Government having a majority of one. This practice has been said to account for the fact that the evidence taken before Parliamentary committees, in England, is generally of more value than the report founded on it. Here the Government is to be tried by a committee which is on the whole adverse. Mr. Mills, whose appointment to this chamber, along with that of Sir Oliver Mowat, gave consideration to the Senate, will, as a member of the committee, count for much in some respects. Fair treatment of the questions to come before the committee will be expected, and the expectation ought to be realized.

As was foreseen at the time when the Premier took his departure for England, several of the Government bills were dropped. The principal measure passed was the Tariff bill; after it in importance came the railway subsidies, notably that for the Crow's Nest Pass. The expenditure of the session is uncommonly, some might say amazingly large, all things considered. The result will probably be a popular demand that a rein be put on the expenditure in future. Demands of this kind are always made, often compliance with them is promised, but they are seldom satisfied in practice. What the future has in store for us, in this particular, the future alone can tell.

It is now plain that Canada attempted to carry the burthen of too many protected industries at once. And she had not the excuse for doing so that the United States alleged: the necessity of buttressing the national independence by being able to produce whatever was necessary to the nation's existence. This was putting a political motive above the economical. The experience of two wars gave at least some countenance to this resolution. It was this that led to the extravagant duty of \$28 a ton being put on iron. Canada, without any such political necessity, is trying to make iron under conditions which are the reverse of promising, regard being had to the natural advantages which other countries, none of them greater than those of the United States, have for succeeding in this industry. These advantages have come to the latter country in recent discoveries of rich iron ore easily obtained, in near connection with coal. If the experiment had not been entered on, it would be folly for Canada to try to balance these natural advantages by bounties and customs duties; and the question is whether the effort we are now making in this direction gives reasonable promise of success.

At last the tariff discussion in Parliament is brought to an end by the passage of the tariff bill. The opposers of reduction of duties acted in accordance with what they believed to be their interests, but in a way different from the promises which were made years ago, that protection would only be required for a few years and might then be