

SPRING TRADE 1872.

Bryce, McMurrich & Co.

We have now received the bulk of our SPRING IMPORTS.

All Departments Fully Assorted.

A large portion of our purchases having been made in October and November last, we are able to shew

Many Lines under Present Value.

BRYCE, McMURRICH & CO.

34 Yonge Street.

Toronto, 1st March, 1872.

THE MONETARY TIMES, AND TRADE REVIEW.

TORONTO, CAN. FRIDAY, MARCH 22, 1872

CHEAP MONEY—DEVELOPEMENT OF MANUFACTURES.

A statement made by Mr. King at a meeting of the Bank of Montreal in January last to the effect that he had little hope of being able to profitably employ the \$2,000,000 of new capital, which it was then resolved to raise, without using it out of the Dominion, implies a good deal, and coming from such a source is very suggestive. If the Bank of Montreal finds it necessary to use its funds in New York in order to make fair banking profits, the natural inference is that Canada has a plethora of banking capital—that the banks find their available funds to be in excess of the legitimate demand upon them—that, in a word, a country as young and as poor as this Dominion is commonly assumed to be, has more realized wealth than can be safely employed in carrying on its trade and developing its resources. Either this is true or we must admit a sad lack of enterprise amongst us, and a general disposition on the part of our capitalists to hand over their accumulations to be manipulated by monied corporations instead of using their own brains and energies in rendering them productive, and that our resources are not being developed as rapidly as they ought to be. Whichever of these explanations of the abundance of money be assumed as the true one, the fact is undeniable; and in consequence we have low rates of interest now ruling. The complaint is general that good investments are scarce; that bank stocks and other sound

securities are too high and will return the purchaser but five to six per cent.; that desirable mortgages are scarce, and that real estate has advanced too much to invite investment, speculative or permanent.

It is at this point that some investors look in the direction of manufactures. But it is admitted that the general experience in this line has not been entirely satisfactory. Various reasons are assigned for the want of success which has attended a great many most worthy enterprises. Much of the failure and disappointment experienced in the past has doubtless been owing to the efforts of weak but enterprising men to achieve that which was beyond their means. In many such cases the banks have usually rendered but a hesitating support and sometimes came out considerable losers. Without the active co-operation of these institutions we have little hope of seeing such a development of manufacturing enterprise amongst us as we have a right to look for. The best way to surmount this obstacle, it appears to us, is by adopting the plan so successfully tried in the case of an extensive cotton manufacturing project, the stock of which was taken up in Montreal the other day with the utmost promptitude. So keen is the competition in every class of goods that to enter upon their manufacture without ample means and the best and most extensive facilities, is to run great risk of failure. When a considerable amount of capital has been raised and substantial men come to the support of a joint stock enterprise a banker feels no hesitation in dealing with it and is in a position to render it most valuable aid. The work of handling the raw material and the manufactured article can be chiefly done with the funds of a bank, and to the advantage of all parties concerned. There are various classes of manufactures in which there is much room for extension, and ample scope for the profitable employment of a large portion of the surplus funds now seeking investment; and we would very much prefer to see some useful projects of this class receiving the support now being so freely extended to money lending societies of which there is already a superabundance.

Many facts might be cited to show the increasing interest that is taken in the growth of manufacturing industry, and the importance to this country of its rapid development. The handsome bonuses offered by many towns in Ontario and Quebec accompanied with exemption from the payment of taxes for long periods of time afford the most unmistakeable evidence of the public interest taken in the subject within these localities. The same

feeling has doubtless inspired the demand being made by a considerable section of the press for the enactment of a protective tariff on imports. Several of the daily journals in the principal cities have taken strong ground in favor of protection, and it cannot be denied that there is a tendency to look on the views of this school with favor.

It is not wise even to attempt to disguise the fact that an advance in the rates of duty means an increase of taxation. For ourselves, we hold the doctrine that the proper and legitimate object of taxation is to raise the necessary public revenue, and this applies to taxes on imports, as well as to those levied upon any other object. To levy taxes for the sole purpose of building up manufactures is in a measure analogous to giving a direct subvention from the public chest in aid of these works. This primary fact should be clearly understood. But while that is true it is possible, as every one knows, to lend great encouragement to manufactures by adjusting the duties so as to effect that object. Such is the basis, and the policy of our present tariff. The contention now is that this policy should be so extended as to give manufactures the benefit of 20 per cent. duties, instead of 15 per cent. on all those articles embraced within what is known as the fifteen per cent list; and that this change would but give a "moderate degree of protection to home industry."

In view of the public works already in progress, and of those to which the Dominion is committed our public burthens must be much increased within the next few years. Building the Pacific railway will involve an additional annual charge on the revenue of about three millions of dollars or 17 per cent of the total duties on imports collected in the fiscal year 1869-70. The canals are also to be enlarged at an early day, it is presumed, and other important expenditures are in prospect which need not be enumerated. The commercial and political necessities of our situation are such as to give promise that the fertility of our resources will be tried to the utmost to meet our obligations during the next decade. There is therefore, little reason to suppose that any possible advantages expected to arise from an increase in the tariff will be wanting; the necessities of the revenue promise to give all the protection that is asked for without any agitation for the change. We are convinced that the public mind is prepared to meet cheerfully the obligations involved in the arrangement by which Confederation has been so far consummated; and if these obligations include the necessity of an in-