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THE SITUATION

In Montreal the new Provincial taxes of Quebec are unpopular. But, for that matter, what tax was ever welcome to those who had to pay it? At a meeting of citizens, held in the Mechanics' Hall, a resolution was come to, to obtain the opinion of counsel "on the constitutionality of the Act imposing this tax." No particular tax is specifically mentioned; but much had been said about the business tax, and that appears to have been the one intended. An undue share of the new taxes falls upon Montreal; but, at the time of their enactment, the Montreal Board of Trade acknowledged the necessity of their creation. The present agitation, it will be noticed, is carried on outside the Board, and it may be concluded that the business men of the city are divided on the subject. Instances were pointed out at the meeting of the gross irregularity of the tax, which appears to be most felt by the smaller retailers; but the suggestion to resist payment, made by one or two of the speakers, was unwise and can bring no relief. Hints that some of the people who put on the tax ought to be killed are simply diabolical, and if acted on, would earn for somebody a halter. Let the opposition be conducted rationally and constitutionally.

It looks as if the Republican party in the United States, in the hey-day of its power, had taken securities against the sudden remission of a large amount of taxes. Coming in with a surplus of \$100,000,000 in the Treasury, it is reported that it will bequeath to its successors a deficiency. If so, the pension list, which contains a million of names, may have to be overhauled before it will be possible to try experiments that might lessen the revenue. Total abolition of a tax, however desirable abolition may be in the case of raw materials, would have that effect; though an 80 per cent.

tax could probably be cut down one-half with benefit to the revenue. It is not impossible that in assuming enormous obligations, the Republicans had in view the placing of obstacles in the way of a reduction of taxes. Beyond all doubt, they had that object in view in making away with the surplus. But they overdid their part. An abnormal surplus is pretty sure to lead to abnormal action to get rid of it. Free Trade will come slowly at Washington, but it is bound to come. In Canada some manufacturers are looking to a reduction in the tariff as inevitable. Mr. Frost, of Frost & Wood, agricultural implement manufacturers, is reported to have said to an interviewer: "What we want is tariff reform, concurrent with reductions in American tariff." Mr. Frost was formerly a candidate for parliament on the unrestricted reciprocity platform; but he says he abandoned it when he discovered from a visit to the Republic that Americans regarded it as a prelude to annexation, his own view being that Canada has a destiny to fulfil on this continent.

A leisurely beginning of the Monetary Conference has been made, and the proceedings are expected to continue till after Christmas, with, perhaps, a recess for the holidays. Apparently, the Bi-metalists muster strong, and the *Times* casually expresses the opinion that in voting power they are in a majority. But authority to bind the nations represented by votes appears, in most cases, to be wanting. All that the delegates have authority to do is to vote and to talk; but they are expected to avoid committing themselves on the main issue between mono-metalism and bi-metalism. There may be references to the governments, or some of them, for instructing how to deal with side issues that may be raised, for on the main question, no doubt, all the governments know what they intend to do in advance. As the conference is the child of the United States, it rests with its representatives to make definite propositions for discussion. Between the calling of the conference and its meeting, the silver men of the United States received a decided check, and any proposals made by their delegates, at the conference, may lag in rear of the opinion of the Republic. The main question will, it may be expected, be threshed out. They will not find it easy to say anything new upon it, but all that can be said we may expect to hear for our enlightenment. It is possible that some sort of an agreement may result; but the free coinage of silver, or its general use on a par with gold, is not likely to receive the assent of the nations represented.

A threat of prosecution by the Imperial Government hangs over the heads of the British Columbia sealers, who, with full knowledge of the facts, violated the provisions of the Behring Sea convention and the Imperial statute passed to give it effect. A despatch on the subject has been sent from Downing street to the Canadian Government. In such prosecutions there will be a temptation for the defence to set up the plea that the convention and the law were not knowingly set at defiance.

Where such a defence can be made in good faith and on reliable evidence, prosecutions could not be successful and will not be entered. But the law must be vindicated; in the observance of an international agreement good faith is the first requisite. The time of the departure of the vessels, in connection with the notoriety of the convention, will form a crucial point in the trials. Persons engaged in this business will not have been the last to hear of the proceedings which might license or forbid the exercise of their calling. This presumption will naturally occupy a prominent place in the trials. Whether a fact of general notoriety was known to a particular individual may be difficult of proof; but the notoriety will undoubtedly create a presumption against the defence. There are cases, not perhaps strictly legal, but of decisions reached by executive action, where notoriety was regarded as a sufficient ground of condemnation.

American pork packers, it is alleged, sometimes brand their products as Canadian; and the French Government, puzzled by the fraud, is determined to find out the truth. For this purpose, Canadian pork entering France will have to be officially branded as such. When our pork was admitted into France and American excluded, a strong motive for the counterfeit brand existed; but at present the motive is not so strong; it may be based on relative quality, or intended to meet a preference for Canadian pork. But whatever it is, it has been strong enough to cause the fraud to be perpetrated.

Much anxiety is expressed by the cattlemen of the Canadian North-West that the Canadian Government should go on reiterating; within hearing of the British Board of Agriculture, that there is no pleuropneumonia in the North-West. What good is expected to be obtained from repeating this statement it is difficult to see. The British Board of Trade is acting upon the reports of its own experts on Canadian cattle killed in Scotland; and though these reports are unaccountable, it is not to be supposed that any verbal negative will be taken as a refutation of the experts. These cattlemen have another request to make of the Canadian Government: they ask that it should refuse to admit American cattle, even for the purpose of being slaughtered. In doing so, they are in fact furnishing weapons against themselves in England, where their own argument will come very handy. If Canada should not permit cattle to be imported for the purpose of being slaughtered, why should England? If England deems it safe to admit cattle for that purpose, why should not Canada? The object of the North-West cattlemen is to get artificial protection for themselves, while they ask free admission for their live cattle into Great Britain. Probably no more profitable industry could be set up in Canada than the slaughter of American in connection with Canadian cattle for export. Why should obstacles be thrown in the way of such an enterprise? The reason that was urged, and was valid a year ago, was the fear of having cattle