

ESTABLISHED 1866.

THE MONETARY TIMES

AND TRADE REVIEW,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal, the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION—POST PAID.

CANADIAN SUBSCRIBERS, - \$2.00 PER YEAR.
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TORONTO, CAN., FRIDAY, NOV. 2, 1888

THE SITUATION.

Senator Morgan, who professes to be cognizant of the views of the President, says Mr. Cleveland will abrogate the bonding privilege enjoyed by Canada if he gets authority from Congress. He is reported to have come to the conclusion that American duties ought, irrespective of retaliation, to be charged on all goods passing through the Republic, and that the failure to charge them is a simple gratuity to Canada. He thinks Congress will abolish the bonding privilege. Transit of British and Canadian goods through the United States to and from Canada is merely a question of carriage. Certain goods take that route because they can be conveyed in bond. Abolish the bonding privilege and put a toll on the passage of these goods, for that is what it would be, equal to the American duty, and the only effect would be to give a new direction to the traffic. No goods could afford to pay two duties, the American and the Canadian. And the assumption that the effect would be that Canadians would purchase American instead of British goods is a pure delusion, which it is difficult to believe can have taken possession of the mind of the President. If he desires to injure the American carrying trade by transferring this traffic to Canada, he will do his best, should he be re-elected, to induce Congress to abolish the bonding privilege. Senator Morgan rather encourages the belief that the President may issue a proclamation under the Retaliation Act passed two years ago.

In the case of the Manitoba railway crossing, Mr. Justice Killam has extended the injunction until the hearing. It may prove that the letter of the law is in favor of the C. P. R., but that would not alter the moral aspect of the question. The C. P. R. is undeniably trying to continue a monopoly which it has been paid to relinquish. The inevitable inference is that, since the resignation of Sir George Stephen of the presidency, the management of the company has fallen into less scrupulous hands. The obstruction is imposed on technical grounds, and the moral obligations of the company to the Dominion of Canada

are ignored. The worst possible policy is being pursued for the company's own interest. It will turn against it the public which has business to give, and which, the moment it is free to do so, will prefer its rival. Should it ever again come before Parliament for favors, it need not expect to receive any; certainly it will not deserve them. It cannot be argued that the company has a moral right to make these extreme legal claims; its duty is to surrender the monopoly for which it has received a handsome equivalent. Not to do so is an act of bad faith, of which any respectable man ought to be ashamed, and for which the company deserves the public execration which is being visited upon it. The Ottawa government would do well to let it be understood that whatever the decision on the question before the courts, Manitoba will be allowed the full benefit of the abolition of the monopoly at the earliest possible moment.

An U. S. Senator who professes to be able to foreshadow the intentions of the President, says Mr. Cleveland's intention is to vindicate all the rights won by the revolution. The meaning of this is not clear; but it probably has reference to the fisheries. By the treaty of peace, securing the independence of the United States, the Republic obtained the privilege of access to the shore fisheries on our coasts. This privilege was lost by the war of 1812, when Great Britain, on its part, lost the right of navigating the Mississippi which had been secured to it "forever" by the treaty of 1783. When the treaty of Ghent was being negotiated, the British diplomatists offered to renew to the Americans the privilege of the shore fishery, on condition of the right of navigating the Mississippi being continued to Great Britain. This condition the Americans refused to grant. The one was set off against the other: Great Britain losing the right to navigate the Mississippi, and the United States losing a part of its fishing liberties on our coasts. It will not do to talk of rights conquered by the revolution, without bearing in mind the privileges which were eventually lost by the war of 1712, which abrogated such parts of the treaty of 1783 as were not in their nature permanent, such as the independence of the United States.

The annexation of Parkdale to the city of Toronto, by removing the tension of a feverish contest, must be a relief to both parties, antis as well as annexationists. Parkdale had made a respectable figure as a separate corporation. It had solved for the time the questions of water supply and drainage; though we cannot doubt that the electors judged rightly in concluding that, in future, connection with the city would be a mutual advantage. The antis fought the annexationists bravely, and were fairly beaten; and they will doubtless now be loyal to the city with which their lot has been cast. It is the fate of villages and towns to be swallowed up by the cities of which in all but name they form part. The necessity of annexation to Parkdale was not nearly so great as it is to most towns similarly situated; but in deciding

that annexation was desirable, few will be inclined to contend that a mistake was made.

In establishing its credit on the high plane of English cities, Montreal is in the van of Canadian municipal corporations. It has just secured a 8 % loan of £1,053,000 at an average of something over 88. The minimum price was 82½. Some bids went up to 85½. The total bids were £213,000 in excess of the amount required. All offers above the minimum rate were of course accepted, leaving 46 per cent. to go at the minimum. This is the first 3 per cent. loan issued by a Canadian municipality; and the average bids accepted are equal to a 3½ per cent. loan at 97, and a 4 per cent. loan at 110. These facts contain a valuable suggestion to Toronto, whose credit ought to stand on about the same level as that of Montreal.

The recent shipments of Canadian ranche cattle to Great Britain have not been a pecuniary success, the loss being stated at not less than £5 per head. This untoward result is due to the depressed state of the British cattle market. If the decline be due to the competition of distant ranches, which have recently begun to compete in the British market, it would prepare us for what we may expect in future. But in any case, present prices are abnormally low, and must tend to decrease competition, for no one will set to work with his eyes open to produce cattle at a loss. Should prices continue for some time at a non-paying level, the tendency would be to cause scarcity and high prices in future. But the present depression is most likely to prove temporary, in which case the production of cattle for export will receive no appreciable check.

The treasurers of Ontario and Quebec have had a conference with the Ottawa Government on the unsettled accounts between the Dominion and those two provinces. They failed to agree on a question of interest on the amount due by the Dominion, the provinces claiming compound interest and the Dominion being willing to pay only simple interest. The demand made by the provinces is said to be based upon what they understood as an engagement of the Dominion to pay compound interest. The question may possibly come before the courts for adjudication.

The English Salt Trust is a distinct copy of the Trusts which have over-run the United States. Its promoters add false pretences when they allege that they are acting in the public interest. A short time has been sufficient to explode the pretended philanthropic nature of the enterprise. The price of salt has been raised enormously by the combination; this is the way the Trust goes to work to benefit the public. But it reckoned without its host. Salt can be got from Germany at a much lower figure than the English Salt Trust seeks to extort, by means of its local monopoly, and its plans must fail, unless it can give its organization an international character. If there were a heavy duty on salt the Trust