

ESTABLISHED 1866

THE MONETARY TIMES, TRADE REVIEW

And Insurance Chronicle,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal (in 1869), 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.
BRITISH "	10s. 6d. Sterling Per Year.
AMERICAN "	\$2.00 United States Currency
SINGLE COPIES	10 Cents.

Book and Job Printing a Specialty.

PUBLISHED BY THE

MONETARY TIMES PRINTING COMPANY OF CANADA, Limited.

EDW. TROUT, President. ALFRED W. LAW, Sec'y-Treas.

Office: 62 Church St., cor. Court

TELEPHONES { BUSINESS AND EDITORIAL OFFICES, 1892
PRINTING DEPARTMENT, 1485

TORONTO, FRIDAY, FEBRUARY 1, 1895.

THE SITUATION.

In his Galt speech, Mr. Foster's reply to Mr. Laurier on the tariff question took the form of a synthesis, in which were marshalled an array of figures showing the increase of the trade, external and internal, of the Dominion, since the adoption of the National Policy. This form of proof is good when it is direct: here it has taken a little too much of an uncertain side-wind. All must allow that the figures are, in many respects, quite formidable. The object of contrasting the trade figures of 1879 with those of to-day is presumably to show that the increases noted are due to the tariff policy. It is this which gives them point and significance. In view of the use made of the figures, it is necessary to be certain that the increase of foreign and domestic trade was due to the cause assumed. This, however, is evidently not the fact in all branches of the expansion. If the foreign trade has increased, it is too much to ask us to believe that the increase is due to the policy of restriction: it must have taken place in spite of restriction. The increase in the imports is due to something else than the discouragement of increased duties. The increase of the cheese exported between the two periods is noted; but if we sold \$18,000,000 worth of cheese last year in foreign markets, we had to meet the competition of the world when we got there, and duties on imported cheese could in no way affect this industry. Protection has, to some extent, increased the quantity of farmers' produce consumed in Canada; but if we would arrive at the exact truth, we must take only the increased number of consumers caused by the tariff, and not the whole domestic consumption. The quantity of beef and bread which a farmer eat in 1879 and in 1894 would be about the same.

President Cleveland asks Congress to authorize an issue of \$500,000,000 3 per cent. bonds to enable the Executive to sustain the credit of the Government. Should Congress refuse, the authority under which the late loan of \$50,000,000 of five per cent. bonds were issued will be acted upon again. This the President makes plain. So long as bonds are made the basis of the issue of National bank notes, 3 per cents are preferable to bonds bearing a higher rate of interest. Gold continues to flow out of the Treasury at an accelerated pace, no less than \$7,000,000 having been withdrawn last week. The stock of gold has

run so low that it must be replenished, whatever means are taken to do it. A very little thing sometimes flutters the onlookers of the financial world, and this loss of gold has caused some foolish people to sell their United States' bonds. There is in the state of the national Treasury no cause for alarm. The President is bound to issue a new loan for whatever amount may be required, and it will not fail to find takers, if not on as good terms as the November loan, at a moderate rate. If the public credit depended upon Congress authorizing a new loan, difficulty might arise before the authority was given; if Congress were to act promptly now, it could do something to put affairs in a better shape, but hesitation, delay, or even refusal on its part to act, would not be fatal. The resources of the country are great, and the revenue in the past has been so ample that the trouble has been to invent wasteful schemes, such as an unheard-of addition to the pension list, for its absorption. If at last a temporary pinch has come, it can easily be got over. It is unfortunate that the depreciation of silver has rendered that metal unsuitable for money. If anything could restore it to its former place, it would be the coining of a gold dollar which would contain a dollar's worth of silver measured by its market price. But the trouble is that the market price is variable.

A petition for the appointment of a Royal Commission to enquire into the state of Newfoundland has been signed by 15,000 of the islanders. The giving or refusing to give effect to this petition will depend upon whether the local legislature will endorse it or not. Without such endorsement, no commission is likely to be appointed. The Colonial Secretary has required this action as a warrant for issuing a commission. But it is conceivable that, if the petition were signed by a majority of the population entitled to vote, that fact might go far toward justifying the granting of its prayer. In his Listowel speech, on Wednesday, Mr. Foster expressed the hope that Newfoundland would soon become a part of the Dominion. When he gave expression to this hope, he must be presumed to have expressed the opinion of the Government. This simply means that the Government policy with regard to the acquisition of Newfoundland has not changed.

A bill respecting the Nicaragua Canal has passed the Senate of the United States. The company is called the Maritime Canal Company of Nicaragua; the capital is to be \$100,000,000 in \$100 shares. Five per cent. bonds to the amount of \$70,000,000 may be issued, and as a consideration for endorsing them the United States Government is to receive \$70,000,000 of the stock, which, in point of value, could scarcely represent anything, so speculative is the whole thing. In point of success, much would depend upon the completion or non-completion of the Panama rival. \$6,000,000 of the stock is to go to the Government of Nicaragua, which grants a lease of the right of way for ninety-nine years, and \$1,500,000 to the Government of Costa Rica. The remaining \$22,500,000 is to be substituted for former issues, and to go for construction. The commerce of Nicaragua and Costa Rica is to be carried at half rates. The House has a separate bill of its own; the promoters of the Senate bill hope that theirs will, at an early date, be substituted for its rival. The fact that it is necessary to get the endorsement of the Government of the United States to float the bonds is a confession that the scheme has no independent financial basis.

At the meeting addressed by members of the Dominion Government at St. Mary's, on Tuesday, special stress was laid on the fact that the home market is the best market,