

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. STER. PER YEAR.
AMERICAN	-	\$2.00 U.S. CURRENCY.
SINGLE COPIES,	-	10 CENTS.

BOOK & JOB PRINTING A SPECIALTY.

PUBLISHED BY THE

MONETARY TIMES PRINTING COMPANY OF CANADA,  
LIMITED.

EDW. TROUT,	J. K. CAMERON,
President.	Secy.-Treas.

OFFICE 70 & 72 CHURCH STREET.  
TELEPHONE 1485

TORONTO, CAN., FRIDAY, MAY 15, 1891

## THE SITUATION.

During the week the discount rate of the Bank of England was raised to  $4\frac{1}{2}$ , but practically five per cent. is said to have been charged, with the understanding that, under pressure,  $5\frac{1}{2}$  might become the rule for a while. An inset of gold from the continent was visible in the distance. There has been serious financial perturbation in Portugal, and heavy sales of Spanish securities have affected the markets both of London and Paris. In Madrid the financial disturbance approached towards a panic. According to one account, an attempt of Emperor William to block the Russian loan was one of the causes of the nervous state of the Paris bourse.

At last it looks as if the Legislature of Newfoundland would pass an Act sanctioning the *modus vivendi* agreed to by Great Britain and France. When the delegates to England cabled the desire that this should be done, the local house hesitated and suggestions of impossible conditions were offered; but on sober, second thought, the inevitable seems likely to take a legal form. In the present state of the relations between Canada and Newfoundland, the mutual recognition of licenses issued to American vessels by the two governments ceases, and such licenses will have to be taken on the understanding that a Canadian license gives no rights in Newfoundland waters, and a Newfoundland license gives no rights in Canadian waters.

The threatened action against the late directors of the Central Bank, by the shareholders or liquidators, as the case may be, for \$1,954,602.63, has about it a touch of the serio-comic. The long delay that has been suffered to elapse before taking action, and the fact that the liquidators did not initiate the proceedings stamp the movement as extraordinary. The Master has refused to permit the bank to be made a co-plaintiff, though the suit

is allowed to go on. It is quite possible that some of the directors did not know what was going on in the bank, in which things were managed so strangely and mysteriously. There may be different degrees of culpability, if any, among them, or some may be culpable and others innocent. The suit, should it go on, will disclose the facts, and show where the blame lies. There are many details of the management of a bank or other large corporation of which the directors must necessarily be unaware; all they can be expected to know is the general principle of management and the movement of the exceptionally large accounts. Where there is fraud on the part of officers there will be concealment, and some or all the directors may be unaware of what is going on. It is well for the reputation of the Central Bank directors as a whole, that the responsibility of wrong-doing should be put on the right shoulders, and if the suit should have this result it will not be in vain.

M. Mercier has prophetically informed his admirers in Europe that in fifty years the French population of Canada will outnumber the British. In the Province of Quebec the birth-rate is higher than among the British population of the Dominion, but this is made of no avail by the greater death-rate. French Canadians who emigrate to New England do not keep up the high birth-rate any more than the Irish. Diminished births become the rule. The same thing may happen in the parishes of Quebec, and in that event the sole guarantee for a large increase of the French population will be gone. In the North-West, the French population will be unable to keep pace with the British, which will receive large accessions from immigration. The land there will not remain vacant till the French will be able to increase enough to take up any considerable portion of it. French emigration from Europe to our North-West to any considerable extent need not be looked for. A large territory in Quebec the French Canadians are likely to keep practically to themselves, and there their chief expansion is likely to be; but whatever their increase in the next half century, it is morally certain that that of the English-speaking people will be several times as great. M. Mercier's enthusiasm runs away with his judgment, and he is trying to raise expectations which no one on examination will be able to accept as probable.

In the Chilean insurrection, the Government of the United States seems to be doing its best to enforce the neutrality law, by treating as piratical vessels of the insurgents which seek aid and comfort in United States ports. For a like purpose the neutrality law of 1818 was passed, when the New Spain was struggling to throw off the dominion of the old. This is necessary in order to prevent a bill for damages. As the "Georgian" was fitted out in Canada for piratical purposes, during the Civil War of the United States, so the "Robert and Minnie," of San Francisco, has been engaged in the service of the Chilean insur-

gents; and this latter vessel the American authorities have given orders to capture anywhere in the open sea, and she was secured after a long chase; pursuit is being made after a vessel to which she delivered arms. An agent of the revolutionary party has been arrested in San Francisco. During the whole of the war of independence waged by New Spain, the United States acted on strict principles of neutrality; and if Newfoundlanders imagine that in any trouble they bring themselves into, the United States would come to their rescue, they are woefully deceiving themselves. There have been occasions on which the neutrality of the Republic was not enforced as well as it might have been, as in the exploits of General Walker in Central America, whose fate was to be hanged to the yard arm of a British vessel of war, but these occasions have been rare and exceptional.

Whiskey smuggling into Canada goes on, as is evidenced by a recent sale of confiscated liquor by the Government. The smuggling is not likely to be confined to whiskey, but may embrace coal oil and sugar, all of which are much cheaper on the American side of the line than on ours. The illicit trade is the offspring of high duties, in which the smuggler finds his temptation and his profit. A cruiser was some time ago sent into the Gulf of St. Lawrence to intercept smugglers; but on a frontier of three thousand miles there must be many points which offer easy means of access with only a remote chance of detection. In the early history of Ontario, when the East India Company had a monopoly of the tea trade of Canada, Chippewa sprang into vigorous existence as the spawn of the smuggler, and as late as 1842, the collector of Toronto declared his belief that ten thousand chests of tea were yearly smuggled into this port. With the decrease of the tea duties, smuggling ceased. So long as the duties on whiskey, sugar and coal oil stand at their present level, smuggling in these articles may be expected to continue, in spite of cruisers and all other preventive appliances. The French Board of Trade of Montreal recommends the free admission of raw sugar, because it is free in the United States, and as a means of preventing smuggling; but it is forgotten that raw sugar is free in the United States as the result of a system of commercial treaties, and Canada has not yet found out whether she can make similar arrangements with the sugar colonies of the West Indies, though Mr. Adam Brown admits that the public men in these islands are not willing to discuss the subject.

A charge of systematic corruption in connection with public works has been made by Mr. Tarte in his place in the House of Commons. He contends that the secrets of the Public Works Department have been revealed by some one, for the benefit of contractors. The papers on which he bases his charges he handed over to the Premier last year, and the latter, on returning them, said he had been assured that there was no truth in the charges. Frauds are alleged to have taken place in