

All parties at Washington now admit that there will be no tariff legislation this session. The tariff men rely upon an extra session to give them legislation; but this they cannot get without the aid of the Sound Money Democrats. Thus the Sound Money Democrats hold a position which gives them a decisive word on tariff legislation. There is a general conviction that the old McKinley tariff cannot be restored. At the same time, some extravagant demands are being made, especially by the iron interest. Iron has been protected for a century, and if ever an industry was able to stand alone, the American iron interest ought to be. It can now apparently compete on equal terms with almost any country in the world, but this does not still the cry for more protection. Alabama exports of iron are reported to be limited only to the capacity of vessels available for the purpose. If the demand of the iron interest for more protection be an indication of what other interests will do, there will be ample scope for the moderating power of the Sound Money men to exert itself before the contemplated tariff adjustment is achieved.

LUMBER AND TIMBER.

The attitude of Canadian lumber operators just now seems to be, as a rule, that of men who have done a fair but not large trade for the season, and who look forward confidently to a more active business in 1897. The result of the United States elections did not come in time to make a stir in our lumber markets before winter came on, but in the spring we shall almost certainly find a more active American demand. Then, we are told, practically the whole deal cut of the Ottawa for 1897 is already engaged for the English market at prices equal to those of 1896, which were very satisfactory. Liverpool advices of first week December say that prices for Canadian pine timber and deals are firmly maintained, and stocks range from light to moderate, which are favorable features for us.

From time to time, as settlement progresses and railway construction penetrates new fields, the conditions of our lumber trade must alter. For example, there are Canadian firms now sawing up pine and other woods and shipping to England in the shape of dimension stuff and thin box woods for a variety of purposes, what used to go forward in the shape of deals or square timber. Then, again, one immediate result of the completion of the Ottawa & Parry Sound Railway is the transport of all the product of at least one limit from a point near Algonquin Park over that road and the Canada Atlantic, while for the future the prospect is that the road will have much more similar carrying to do. If our lumber dealing with the States suffered a dull year in 1896, our trade with Britain was active and prosperous. That market took, we believe, almost half the Ottawa cut in 1896.

Some American lumber operators are agitating for repeal of the United States Tariff Act of 1894, which reduced the duty on rough lumber. And they urge the re-enactment of the McKinley tariff of \$2 per 1,000 feet on lumber, which will average, say, 15 per cent. The present tariff law, it is claimed, has resulted in the importation of large quantities of Canadian lumber of both high and low grades, which has come into active competition with American lumber with disastrous results—to the lumbermen of Michigan especially. Southern lumbermen have also been sufferers, as well as those of the Pacific coast. A convention of United States lumber firms and companies has been held at Cincinnati this week, at which advice has been given to the Administration at Washington to take action in a protective direction. If, in response to a clamor about Canadian lumber, the American duty should be raised,

it will be open to the Dominion Government to re-impose the export duty on logs, and thus compel Americans owning timber limits in Canada to manufacture their lumber within our borders, instead of rafting the logs across the lakes.

MONTREAL FINANCES.

Montreal has by law a borrowing power of \$25,000,000; this limit has been reached in the bonded debt, and there is besides a floating debt of \$2,000,000. Authority to extend the bonded debt, for the purpose of funding the floating debt, has been refused by the Private Bills Committee of the Provincial Legislature. The question was treated as if it were one of extending the debt; what was wanted really was to alter the form of \$2,000,000 of the debt. The \$2,000,000 owing to the banks bears a higher rate of interest than is paid on the bonded debt; and a refusal of the power to convert, for that is what it was, throws an additional burden on the city. The truth is there is a want of confidence in the city council, which is not unnatural, when the mayor admitted before the Legislative Committee that the corporation had often acted illegally, and that it was necessary to bring it back under the restraints of legality. It is in vain that the front door of indebtedness, under the name of bonds, is closed, if the back door of floating debt is left open. The proposal to sell a part of Mount Royal Park is a desperate suggestion, and, if carried out, would be a cause of lasting regret. Many European cities, during the past generation, have half ruined themselves by buying land for public parks. A refusal to permit the conversion of the floating debt brings us within measurable distance of a dead lock. The way out of the trouble has yet to be found.

CANADIAN WOOLEN GOODS.

Not more than sixty years ago, the first woolen factory was established in Canada. Custom mills, which carded wool and fulled cloth for the farmers, had been in existence since the beginning of the century, but the woolen factories equipped with the machinery necessary to carry the process of cloth making from the first stage to the last, were not established until about the year 1835. Since this time rapid progress has been made in spite of circumstances adverse to the profitable manufacture of woolen goods.

The small woolen mills have lingered longer in Canada than in other countries producing woolen goods. Encouraged and supported, in a number of instances, by bonuses from ambitious villages and towns, they have been attracted to undesirable situations. The owner of the small mill has not been in a position to keep pace with the altered conditions of the modern woolen industry; the expenses of putting in new and improved plant and adopting new methods of manufacture, have placed these desirable objects beyond the reach of the small mills. As the protection given to Canadian manufacturers is not prohibitory and large quantities of goods are each year imported from abroad, the trade has developed into a contest between domestic and imported woolen goods.

There are mills in Canada having all the plant necessary to make the best descriptions of woolen goods, but because the majority of the mills in Canada do not produce them, the wholesale trade are accustomed to look abroad for these goods. The most profitable part of the Canadian trade is thus diverted to foreign channels, and the Canadian manufacturers are too often asked to take the refuse.

There are about 4,000,000 sheep in Canada, which, with an average clip of five pounds of wool for each sheep, means an annual production of 20,000,000 pounds of wool.