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THE SITUATION.

It is significant that the first legislature of an American State, and the first Board of Trade in Canada, which have been asked to pronounce upon a Custom's union between the two countries, have decided in the negative. It would have been well, we think, if the vote of the Toronto Board of Trade had been postponed, as a minority desired; opposition to discrimination against the trade of Great Britain has nothing to lose by discussion, and anything like cutting short debate on the subject must be held to be a mistake. The resolution in favor of limited reciprocity with the United States, expresses the prevailing opinion, both of merchants and manufacturers, though there is a respectable minority on the other side; what the farmers' opinions may be is less certain, and we shall not know until we hear more from them. The discussion will, of course, go on, and other Boards of Trade will join in it. La Chambre de Commerce, of Montreal, is considering the projected union.

Disallowance, in the North-West, would be continued in vain if the Government of Manitoba were to build, as it threatened to do, a railway from Winnipeg to the southern frontier of the province. It is a little puzzling to know what authority the province has to do itself what it has no power to charter a company to do; but Premier Norquay is acting on the assumption that authority exists. Sir George Stephen, on behalf of the Canadian Pacific, protests, and backs his protest by a threat to move the company's principal workshops to Fort William. Mr. Norquay replies that, whether the removal takes place or not, the road will be built. He professes not to understand Sir George Stephens' complaint that the building of the road would be a breach of faith towards the holders of Pacific Railway securities. Sir George distinctly charges that the object of the proposed construction is to give the Northern Pacific a connection with Winnipeg. He is reported to have said to a press interviewer, that his company may practically cut Winnipeg off, by building the line to Selkirk, as originally intended by Mr. Mackenzie's government.

It is reasonable to suppose that, in such a contest, the legal rights of the two parties will be exhausted before much else is done. There can be no real necessity for a second railway to do the business of Manitoba for some time to come; but promoters are difficult to control, and not over scrupulous, caring for little except the chance for making money.

The Farmers' Alliance of Manitoba is a political machine of a novel kind. At Brandon, the other day, it called upon the Provincial Government to present a memorial to the Imperial Parliament, calling for an "amendment or repeal of the confederation." The alleged object is to redress the "grievous injustice" from which the province is said to be suffering; but as we have no bill of particulars we are left in the dark about the character of the grievances. The Farmers' Alliance, judged by its past conduct, is a machine moved by politicians in the interests of American railways. One resolution calls on British capitalists to invest in the Hudson Bay railway, on the distinct understanding "that the manufactures of Great Britain be admitted at as low a duty as the exigencies of the province will allow." This is refreshing, seeing that the province has nothing to do with the duties or the rate that may be levied beyond the influence of her representatives in the Federal Parliament. Nothing is to be gained by preposterous assumptions of this kind.

According to the Ontario Bureau of Industries, winter wheat is not as promising as before the winter set in. There has been some partial smothering from snow and injury from ice sheets formed after thaws; but the worst enemy was unfavorable weather in March and April. After the ground became bare, dry days and frosty nights killed many weak plants. Still, the extent of wheat ploughed up is less than last year. In the western parts of the province the drought has been severe. There is less rye than formerly under crop, but what there is may give an average return. Of the fruit crop the indications are hopeful. The outlook for live stock is encouraging. The quantity of wheat held by farmers is reported to be barely sufficient for home consumption.

Unless on the assumption that its object was to create bad blood, O'Brien's visit to Canada must be pronounced a failure. But the best way to deal with a demagogue like this is not to stone him but to let him severely alone. Any importance which he can derive from his visit was given to him by attacks to which he was subjected. His statements were deplorably out of harmony with the established facts; his chief weapon was bravado, and scarcely could anything have been more ludicrous than the exhibition of Mr. Kilbride, as an ill-used tenant, the victim of landlord tyranny.

Sir Charles Tupper being interviewed, in New York, on his way to Washington, is reported by the N. Y. Times, to have said: "A complete Customs Union is simply impracticable. It would be quite impossible

for Canada to adopt a tariff so hostile to the mother country." How Canadian discrimination against Great Britain would be received there is well indicated by the protests that have been made against the iron duties. The British government at once gave it to be understood that if such duties were put on, there would be little chance of the House of Commons voting a postal subsidy to the Canadian Pacific route; and a deputation interested in the iron trade, which waited on the government made the most of the connection of these two questions, indicating their intention to try to influence members of the Imperial Parliament to vote against the postal subsidy, if the iron duties went into effect.

A live stock and land company is proposed to be formed in the Western States, with a capital sufficient to control \$15,000,000 worth of cattle and grazing lands. Some small cattle companies have already united, and this union has given rise to the idea of the larger combination proposed. The Wyoming Stock Association has the project in hand. Could a company on such a colossal scale do a profitable business? As a landowner, it would sooner or later be liable to be attacked, as a monopoly, and would perhaps be subject to hostile legislation. It would, before long, be contended by hostile critics, that the land kept in pasture could be made more profitable under the plough, as well as capable of supporting a larger number of people. It would be strange if one of the greatest monopolies on the continent should invade pastoral life.

Again the Province of Quebec is in the market as a borrower to the amount of three millions. The Treasurer, Mr. Shehyn, has gone to New York on business connected with the negotiations. The last loan made by the province was obtained in France, or rather through Paris agents, for we believe the money came from England. When a loan of this amount is necessary, it must be confessed that the finances of the Province are not in the best condition. The necessity for the loan arises in part from the change of the form of railway subventions from land to money grants.

The increased iron duties are likely to lead to the re-opening of the London, Ont., Steel Works. But the Americans who have the project in hand want something more than the increased duties to come and go upon: they want the corporation of London to insure them freedom from taxes and free water, for ten years. And they modestly make a merit of asking no other bonus! What about the great majority of industrious citizens who pay their taxes and their water rates?

The New York Bank statement shows an improvement of their condition, though the Treasury continues to absorb more cash than it disburses. Call loans and banker's balances, the *Shipping List* reports, have been available at 4 to 5 per cent., and the bulk of the business has been within these figures, although on Monday the rate was