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THE BOUNDARIES DECISION FAVORABLE TO ONTARIO.

On Tuesday Mr. Mowat was able to send the following general statement of the conclusion of the contest on the boundaries question before the judicial committee of the Privy Council. "Judgment, when delivered, will be in favor of Ontario." To what extent it will be favorable the details, when given, can alone show. The *Globe's* cablegram of Wednesday says the Court intimated that it "would recommend a boundary practically the same as that awarded by the Canadian arbitrators." The *Mail's* version reads: "The decision is that the south-western boundary of Ontario is at the north-west angle of the Lake of the Woods. The committee have made no announcement as to how the line will run from that point; but it will probably run as far north as the northern boundary of Manitoba." We have, then, one point in the western boundary settled; and this point will, of course, be reached by following the international boundary line, as drawn from the north shore of Lake Superior. If the line above the north-west corner of the Lake of the Woods should go as far north as the northern limit of the Province of Manitoba, it would strike English River, which the arbitrators made part of the northern boundary. If there be reasons for going so far north, we can well conceive that the northern line of the arbitrators may be confirmed.

In the west, where the most valuable part of the disputed territory lies, Ontario has gained her point; so much is certain. This decision has been arrived at by the court taking all the facts into account and refusing to be bound down by narrow rules of construction. It is the only satisfactory decision that could have been arrived at. If the line of boundary which the court will recommend, on the north, has not been specifically stated, there is an indication of what it may do. The pregnant fact that the Height of Land is passed very far before the north-west corner of the Lake of the Woods is reached, negatives the contention that the Height of Land is the northern boundary. On the west, Ontario has obtained a great and important victory; it remains to be seen whether the victory will be made complete by the Court giving

her all the territory embraced in the award of the arbitrators on the north.

BLAINE ON THE TARIFF.

In his letter accepting the nomination as candidate of the Republican party for the presidency, Mr. Blaine tries to force the fight on the tariff issue: a clear indication that, in his opinion, protection is a winning card. He asserts a fundamental difference of opinion, which scarcely exists, on the tariff policy, between the two parties, and he announces that "the Republican party has maintained and will maintain the policy of protection to American industry, while our opponents insist on a revision which practically destroys that policy." If the aim attributed to the Democrats was pursued by them as a united party, tariff revision would have been accomplished, last session. The issue is not so distinct and well defined as Mr. Blaine asserts; of which the tariff plank of the Democratic platform is proof. Mr. Blaine has his eye on the workingman's vote, when he asserts that the maintenance of the existing rate of wages depends upon the continuance of the high tariff.

Mr. Blaine's method of proving the beneficial influence of the tariff comes no nearer a demonstration than it is possible to get by showing that the wealth of the country has rapidly increased, and that its foreign commerce is extensive, even under a highly restrictive system. But the extended foreign commerce is certainly not the result of restriction; large as that commerce is, it would have been a great deal larger under a more liberal and less restrictive tariff. It would be difficult to prove that the wealth of the country has been increased by coaxing capital and forcing labor into employments, in themselves so unproductive that they could not be maintained without the high wall of the present tariff.

While Mr. Blaine may square himself with the manufacturers, it may not be so easy for him to convince the farmer that the high taxes do not make high prices. But this he has the courage to attempt. He quotes from the report of Alexander Hamilton, of 1790, to prove that "the internal competition which takes place does away with everything like monopoly, and by degrees reduces the prices of articles to the minimum of a reasonable profit on the capital employed." The theory which Secretary Hamilton held, ninety-six years ago, does not square with the facts to-day. The present is the age of revived monopoly, in the United States. There are monopolies in oil, monopolies in coal, monopolies in lucifer matches, monopolies in innumerable things. Colonial and royal monopolies have given place to combination monopolies, under shelter of the tariff. The men who beseege Congress to enact in their favor a high tariff, carry into the internal trade the restrictive principles which they impose upon the Legislature. The organization which makes its first successful campaign, in the lobby, makes its second in the coal pit, in the storehouses of petroleum, in the match factory. It does not leave its work half done. There would be no object in restriction, at the frontier custom house, if the price of the domestic product could not be raised. The object of restricting foreign

competition is artificially to raise the price of the domestic product, and the price is often raised to a monopoly pitch. It is not pertinent to the question to show that some things have become cheaper, under the tariff; for this happens not as a result of the tariff but in spite of it.

But the dust of Hamilton is too sacred a thing to be thrown in peoples' eyes to prevent their seeing things as they are in the year of grace 1884. In this very report, of which so many speak and which so few study, there is much that would be accepted by the free trader.

Why did Hamilton seek to establish domestic manufactures, by means of government aid, in order to create a market for agricultural produce; Because there was, in the year 1790, no foreign market on which the American farmer could rely as an outlet for his produce. If Europe had been willing to take American wheat and corn and cattle, as she takes them to-day, in exchange for manufactured goods, Hamilton, as he distinctly stated, would have been willing to let the exchange go on, without tariff interference. It was because the Europe of that day wished to sell everything and buy nothing that he was willing to resort to artificial means to create a home market for agricultural produce; the home market appeared to him to be, at that time, the only possible market. If the States had been able to find a market in Europe, and remained an agricultural country, Hamilton thought her progress in wealth might have been somewhat slower, but that she would have found a compensation in the extended improvement of the soil; and that advantages being nearly balanced, it would have been best not to interfere with the natural course of trade. Hamilton did not think protection justifiable, except as a temporary expedient; and if the protected manufactures were not able to stand alone, after a reasonable time, he was willing to accept the fact that there was in the circumstances of the country something which made their success impossible. A perpetual struggle against nature or facts he never dreamed of encouraging.

And what were the rates of duties which, in the report quoted, Hamilton proposed? Seven and a half, ten, in one instance fifteen per cent.—and this he considered prohibitory—with one exception, formed his scale of duties. And yet this statesman is quoted as authority in support of a tariff, two, three, four, and five times as high as the one he drafted. It would be a good joke if the free traders were to reprint and distribute Hamilton's tariff report of 1790, to which Mr. Blaine makes so confident an appeal.

BANK INSPECTION.

For official inspection of banks by a Government officer, the banks themselves have not specially called. This is not unnatural; but it is not improbable that the shareholders would gain much by a supervision of this kind. If it were known that every act done was liable to be scrutinized by an independent officer, many things now done, liable to lead to evil consequences, would not be done. If the managers of the late Metropolitan Bank, of Montreal, had been aware that everything they did was liable