

# THE MONETARY TIMES

## AND TRADE REVIEW,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal, the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION—POST PAID.

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11 Bothwell St., Central Buildings,  
Glasgow, Scotland.

Book & Job Printing a Specialty.

OFFICE: Nos. 64 & 66 CHURCH ST.

EDWD. TROUT, MANAGER.

TORONTO, CAN., FRIDAY, APRIL 23, 1886

### THE SITUATION.

After the decision on the Ontario boundaries had been made, there remained a question of the ownership of the soil within the limits of the award to Ontario. The Dominion had acquired the title of the Indians and claimed the lands; the Province claimed them under the Act of Confederation. The question came before the courts, where it has got to the end of two stages. In the first instance, the chancellor decided in favor of the Province, and now the Court of Appeal has unanimously confirmed his judgment. In such cases there is no stopping place short of the Privy Council. Should the final decision be in favor of the Province, as is probable, there may possibly be another question for settlement still left: has the Dominion Government an equitable claim to be reimbursed the amount which it paid to extinguish the Indian title? If it should be decided that it has, the same claim could be made in respect to many other payments. In the whole matter the position of the Province is strong.

The Government of Quebec has begun to make careful explorations of the extent of its timber wealth. In Gaspé, Rimouski and Temiscouata good results have already been obtained, and it is intended to extend the work until complete information of the forest resources of the Province is got. This stock-taking cannot be said to be unnecessary. It will be useful in many ways. The Government will learn what its timber resources are, and it can husband them accordingly; the periodic panics over an alleged exhausting supply will lose their force unless they be found to rest on a substantial basis; in any case, uncertainty will be removed. A system of protection of the forests from fire can be better carried out when it is ascertained what there is to protect, and the nature of the country in which the protection is required.

Mr. Gladstone has let drop some words from which it is clear that he contemplates a reform in the British and Irish currency. "Ireland," he said on the Irish Government bill, "might think fit to pass a law providing for extinction of private issues in

Ireland, and that no bank notes should be issued in Ireland except under the authority and for the advantage of the state." And he added significantly: "I own it as my opinion that Ireland would do an extremely sensible thing if she passed such a law." He went further and favored a like measure for England also: "It is my most strong and decided opinion that we ought to have the same law ourselves, but the block of business has prevented that, and many other good things towards the attainment of which I hope we are now going to open the door." The announcement was received with cheers, and the *Economist* remarks: "This clearly points to the substitution for our present diverse and absurdly complicated system of note issues of one uniform issue, in the profits upon which the State would participate. And like Mr. Gladstone, we are of opinion that this would be an extremely sensible and beneficial reform, especially as it would, of course, carry with it the abrogation of the prohibition against the issue of £1 notes in England."

The long expected war on the Mackay-Bennett cables by the old cable lines has begun. Hitherto new opposition cables have been absorbed, after a ruinous fight by the old lines. But one serious inconvenience attends the result: the victor, after each success, finds the loading of capital more onerous, and the payment of a dividend on the increased amount requires the maintenance of high rates. The attack on the Mackay-Bennett cables is part of the policy which has always hitherto been pursued; but the difficulty with which it is entered on this time may be judged by the fact that the new lines are weighted with only one fourth the capital of the old, and that Mackay is wealthy and has an ambition to preserve his independence. A complete conquest over him is improbable. Some compromise may come out of the fight. Meanwhile the public reaps the advantage of low rates.

The city of Montreal is certainly in ill luck. After the small pox came the Riel agitation, and lastly the floods. The damage to property by water must be very great, but it is gratifying to know that the trouble is over. This trinity of evils has inflicted deep injury on Montreal. Small pox is controllable, political frenzies are luckily infrequent, but the waters of great St. Lawrence are not easily controllable. However, to their control the future must steadily look; and under proper guidance success need not be despaired of.

In the greatest strike on which the Knights of Labor have yet entered, defeat has been the result. With Jay Gould for an opponent, the Knights had one great advantage in their favor: Gould's name did not strike any chord of popular sympathy; as between him and the Knights in a contest which the public could have supported, the advantage would have been all on their side. But the origin of the strike even Powderly himself was obliged to condemn. Violence and outrage on the side of the Knights turned the public feeling

against them. When non-union men were taken on in place of the striking Knights, the necessity of protecting them in their rights was generally acknowledged, and Gould saw the advantage by assuming to champion their cause. Industrial inaction is easily transformed into fraternal insurrection, and a war directed against a railway company to-day can easily be turned against the central governing body of the order to-morrow; in this way the strength of the organization becomes measurable by that of its weakest part. With a strong central authority, able to command obedience, the Knights could do much; without it Mr. Powderly has to deplore a series of ill considered strikes, directed with violence, and ending in disaster.

The New York *Shipping List* gives us a reason why Americans will not enter into the carrying of their own grain trade across the ocean, "the large number of foreign vessels engaged therein, and which have, through active competition, lowered the carrying rate to a point considerably below the cost of actual transportation." We are asked to believe that the 1098 steamers and the 93 sailing vessels which last year took grain from the port of New York, all worked at a loss. This is extremely improbable. We can well believe that Americans could not succeed, with their hands self-tied, in the competition. But if they had not weighted themselves by the cost of protection, they might have done so. Their vessels cost much more than do those to which the trade falls. The true view of the case is to see in it a survival of the fittest: dear vessels cannot compete against cheap ones, and if the Americans would succeed in the competition they must find out the secret of this cheapness. Produce is occasionally carried below cost, but this is the exception not the rule. The Americans have for years been virtually excluded from this trade, and it cannot be that foreigners have all this time been carrying American produce at a loss, for the mere fun of the thing.

The advocates of arbitration for the settlement of labor troubles have to establish the right of interference by arbitration between two parties who are severally capable of making their own bargain. In cases of expropriation arbitration is eminently suitable. If for public purposes, private property is required, arbitration is the best means of settling the price; but in the case of labor, there is no question of expropriation; there is no desire to take the labor in opposition to the will of the owner. But parties are free to make their own bargain, and why there should be any arbitrary interference between them it is difficult to see.

J. S.; Charlottetown.—The table of Canadian exports was our own arranging, you cannot find the same information, in the same concentrated form, any where else so far as we know. The figures used are the Ottawa official figures. Another page table on the same subject was in last week's issue.

W. S. H.—A simple plan is to put an advertisement in an evening paper. You will be sure to have applicants.