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TRADE POLICY OF CANADA AND THE UNITED STATES.

When the United States debt is paid, the duties on imports must be lowered. This is the theory of many. It is doubtful, however, whether those who jump at this conclusion have considered the whole situation with their mental vision. This is not the first nor the second time that the United States has gone through the process of paying off the public debt. It is the third time; and the experience of the past is now being repeated. The protectionists, as the debt has been reduced, have invariably sought out new objects of expenditure. Formerly internal improvements played a large part; coast defences and the building up of a navy were also pressed into the service of the party, which sought to profit indirectly by an increase of public expenditure.

History is, in this particular, repeating itself. Internal improvements, it is true, now count for little. Private enterprise does much that the Government was formerly call upon to do. But the president calls for expenditures on coast defences and the creation of a new navy. Here are two objects of expenditure, on which indefinite amounts might be applied. President Arthur talks like a man who is, perhaps unconsciously, being pushed forward by the protectionists to serve their cause.

If we go back fifty years in the history of the United States, we shall find that the forces which counted for free trade were far stronger than any in operation to-day. The tariff policy strained the relations of the North and the South so severely that a rupture of the Union was admitted by both parties to be possible. The South was a producer of raw produce; the North which did not yet include the West, was the manufacturer. As a farming country New England was poor; its interest as a raiser of raw produce was feeble compared with that of the South. The North desired to manufacture for the whole Union; the South wanted liberty to exchange its raw produce, on the freest terms, with foreign countries. The South carried its objection to the tariff to the point of threatening a break-up of the Union. The South was a determined advocate of free trade.

But all this has now been changed. The South, since the abolition of slavery, has been attracting manufacturers to itself. The attempt to establish cotton manufactures, in the South is not new; what is new is

the success which has followed the attempt. Fifty years ago, the experiment was a failure; now it is a decided success. There are to-day no less than 313 cotton mills, in the South. We now see no Southern opposition to the tariff, threatening the stability of the Union. The Democratic party is not the distinctively free trade party that it once was.

When the public debt approaches extinction, a struggle will come between free trade and protection. The policy of the protectionists will be to find new objects of expenditure; and it remains to be seen whether a special interest—the manufacturers'—or that of the great body of the people will make their views prevail. The protectionists are organized and powerful, and they will show no scruple in carrying their point.

Canada pursues a different policy. She never thinks of paying off the public debt. The fact that the first United States public debt was the price of national independence was probably a strong motive to pay it off. The war of 1812 was looked upon by a part of the Union at least, as almost equivalent to a re-affirmation of the independence of 1783. And that debt, too, was paid. When the debt was approaching extinction, one of the schemes for getting rid of the surplus revenue was to make a division among the States. Canada is always making a division of the general revenues among the Provinces; she gave up, in advance, when confederation was agreed upon, this means of reducing the public debt. No one can name the time when Canada will not require a considerable revenue to enable her to pay her way. Our trade policy so far as it is controlled by fiscal necessities, is controlled in a direction opposite to that of the American tariff of the future. The province which objects to a high tariff is not at all backward in calling for expenditures, in its own interest, which make a high tariff necessary.

In both countries, powerful forces are at work which make against Free Trade. They are different in kind and vary in degrees of potency, but it has yet to be demonstrated that they will not for many years be strong enough to control, in each country, the tariff policy of the future.

THE COMMERCE OF MONTREAL.

The extent of the business of Montreal, which is always a subject of interest, in so far as it is a gauge of the business of the country, is especially so in the year 1883, which witnessed a poor wheat harvest and also a diminution of demand in lumber. Notwithstanding these drawbacks however, affecting business last year in two of our great staples, the business of our chief city was the largest in five years, leaving out of comparison the exceptional year which immediately preceded it. The aggregate trade of the port, according to approximations made by the council of the Board of Trade, amounted to \$70,995,708, or within a fraction of seventy-one millions of dollars; the exports being \$27,277,159 in value (larger by nearly a million than in '82) while the imports amounted to \$43,718,549.

The shipments of cereals showing no increase, we must look elsewhere for the

items which go to make up this increase. Live stock exports, for one thing, went to swell the total of outwards trade; the number of cattle shipped was 50,345 and of sheep 102,347, these numbers of cattle being 21,854 greater and of sheep 37,408 greater than in 1882. Mineral phosphate, or apatite, was another considerable item of export, of which the quantity shipped last year showed an increase. The shipments of this article are placed at 17,607 tons, as compared with 15,500 tons the year before, and might have been much larger had the production at the mines kept pace with the demand. The export trade in deals from Montreal, too, showed an increase over last year, 23,094 St. Petersburg standard having gone forward against 22,408; but the shipments of lumber to South America, though the largest since 1873 (18,778,000 feet) were five and a half million feet less. "This," says the Board of Trade Report, "is almost, if not entirely due to the diminished number of sailing vessels that formerly visited this port; and this fact is mainly owing to the excessive cost of towage and pilotage." It appears, further, that although higher rates of freight are frequently offered from the St. Lawrence to the La Plata, with the advantage of good coal freights from Nova Scotia to Montreal, the heavy costs incurred, as before stated, outweigh these advantages in the estimation of vessel owners. Tonnage was lacking for 2,000,000 feet of lumber piled on Montreal wharves the past season, so it was sent to Portland to find ships; and it is said that lumber from Ottawa goes to Portland by rail which would go via the rivers Ottawa and St. Lawrence if sailing vessels could be depended on at Montreal. These are drawbacks for the Board of Trade and the Harbor Commission to ponder. The *Gazette* makes the suggestion that the Harbor Commission should procure a line of tugs of its own and so reduce the cost of tonnage and pilotage.

The subjoined statements show the import and export trade of the Port of Montreal during 1850 and the four most recent years.

Year.	Value of merchandise imported.	Value of merchandise exported.
1850.....	\$ 7,174,780	\$ 1,744,772
1880.....	37,103,869	30,224,904
1881.....	43,546,821	26,461,188
1882.....	49,749,461	26,334,12
1883.....	43,718,549	27,277,159

The tonnage of the port, which in 1850 consisted of 211 craft of 46,000 tons, had grown by 1880 to 710 sea-going vessels of 628,000 tons and last year to 660 vessels whose tonnage was 664,263 tons. The smaller number of craft giving a larger aggregate of tonnage in 1883 shows the steady increase, the world over, in the size of the average sea-going craft.

The imports, in the opinion of the Montreal Board, "have not exceeded the legitimate requirements of the people." We observe that the importation of sugar from the West Indies, Brazil, Java, and other places of growth, has been larger during the last two seasons. The aggregate amount of tonnage thus employed was 18,960 tons this year, and 21,636 tons in 1882. We quote the views of the Council upon the subject of our cotton manufacture. Referring to the disturbance in this trade and the temporary