

The Chronicle

Insurance & Finance.

R. WILSON-SMITH,
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A Warning Lesson Re Deposits:

Some years ago a farmer in Western Ontario came into the office of a Toronto millionaire who had lent him \$1,200 secured by a mortgage on his farm. The old man carried a bundle tied in a red pocket-handkerchief. Unfolding this he stated that, hearing money was very scarce in Toronto he had brought the \$1,200 he owed on the mortgage, all which was in \$1 notes. As the mortgage had a year to run the cash was declined, and he was strongly urged to deposit his money for safety in one of the Toronto banks. No! he knew better, he decided to take it to a town near his home and place it with C., the private banker. He did so, next week the banker failed and the old man lost the greater part of his \$1,200. The same kind of folly is perpetrated by property owners who put their insurance interests in charge of some wild-cat, unauthorized company, so, when a fire occurs they lose their premiums and what indemnity they had paid to secure.

A Threatened Industry:

A pamphlet has been issued giving the names of 10 companies that manufacture binder twine in Canada, of which it is said:—

"These companies have sufficient machinery to manufacture more than twice the amount of binder twine consumed in this country. At the present time about seventy-five per cent. of the twine used in Canada is imported from the United States. Unless some protection is given the Canadian manufacturer, this will increase from year to year until all the Canadian mills will be closed."

The excess of productive capacity will we trust be remedied by the demand enlarging through development in the Northwest. But in the meantime it is not a matter for grave consideration how far it is desirable for this country to be made the "slaughter market" of the binder twine manufacturers in the

United States? Binder twine is manufactured principally from Manila fibre, and there is an export duty of about three-eighths of a cent per pound imposed by the U. S. Government on all hemp imported to this country from the Philippine Islands, but Manila hemp imported into the United States is free. There is no duty on twine coming into Canada, but there is a duty of forty-five per cent. on twine entering the United States. The characteristic fiscal policy of the United States is to kill off foreign competition in American markets, while at the same time pushing American goods into foreign markets on such terms as will kill off native industries. Were our binder twine factories to be closed by this policy, as is now threatened, the result would be to give the American producers a monopoly which would cause prices to be raised far beyond what the native made twine could be sold for under proper fiscal conditions.

Mexico to Adopt Good Standard.

Mexico being a silver producing country on a large scale, it is a remarkable event for that State to have decided to adopt the gold standard, for which change, that involves the abandonment of the silver standard, arrangements are being made. As a first step the Mexican Congress has ordained that Customs duties be all paid in gold. The low price to which silver has fallen has caused a serious disturbance in the commercial and financial relations of Mexico with other countries. The Mexican Mints coin on an average \$25,000,000 yearly, most of which has hitherto been sent to China, Japan, the Philippines and other eastern lands. Since Japan adopted the gold standard, and China and the Philippines are following suit, the demand for silver coins has been much reduced, hence a fall in market value of silver and in its purchasing power of foreign exchange. The change to a gold standard was