

ESTABLISHED 1886.

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.

CANADIAN SUBSCRIBERS, - \$2.00 PER YEAR.
BRITISH " - 10s. 6d. STER. PER YEAR
AMERICAN " - \$2.00 U.S. CURRENCY.
SINGLE COPIES, - 10 CENTS.

Book & Job Printing a Specialty.

OFFICE: No. 72 CHURCH STREET.
TELEPHONE No. 1485.

EDW. TROUT,
Manager.

TORONTO, CAN FRIDAY, FEB. 14, 1890

THE SITUATION.

Tariff legislation is again promised or threatened at Ottawa. Objecting to piecemeal attacks on the trade policy of the Government, when a proposal was made for a rebate of duty on Indian corn used by farmers, the First Minister announced that "the Government intends to bring down a tariff measure, during the present session, of considerable importance, affecting considerable interests." Such a statement was likely to create some alarm, and in answer to objections to perpetual tinkering of the tariff, the Minister of Finance found it necessary to moderate the effect of the broad but vague announcement of the Premier by denying that it was intended to make "sweeping and radical changes;" those to be made are warranted not to create alarm. Changes may be in either direction may either raise or lower duties or remove some wholly or in part, but as the Premier said the policy of the Government is well known, that is it is protectionist, the chances of reduction or abolition are poor. At the same time, it is not impossible that the farmer may be allowed a rebate on the Indian corn which he imports for seed or feed. This was the question that had been started, and Sir John objected to its being discussed alone. The political view is likely to prevail. At the last general election, the anti-tariff phalanx broke front and went back on its record, thus confirming the Government in the course it had taken. The chances are that the changes will cover some articles not now under the special protection of exceptional duties.

Alderman Hallam has addressed a letter to Mr. Mowat suggesting that personal property and income cease to be made liable for municipal taxes. Confined to municipal taxes, the proposal is one in favor of which much can be said, but the Henry George cranks by asking that all taxes be raised from land have probably made the change advocated by Mr. Hallam impossible. Between his proposal and theirs the widest distinction exists. It must be remembered that the farmers would regard the abolition of income and property taxes as throwing the whole weight of municipal

burthens on themselves in the rural districts, and they are not likely to declare their readiness to accept the load. The change could only be made, if at all, by confining it to cities and towns; and there is no conclusive evidence that even they are in favor of it. Mr. Hallam says that the assessment of personal property in Toronto "is notoriously below its real value." No doubt; the mistake is in assuming as many do that the assessment is a measure of the value. The reason why it is not a measure of the value is that it represents only one side of the account, call it the credit side, and that on the debtor side a large deduction is made from the total value. There are no doubt evasions of the law, but we cannot be sure that they exceed in amount the debts which citizens are permitted to deduct from the amount their income and total value of their personal property. Alderman Hallam thinks that a tax on land would "bear on all classes equally." On the contrary, it would be confined entirely to a single class, the owners of real estate. All the great political economists, he will remember, English and French, hold the view that no part of the tax paid on land rent could be recovered.

If it be true that Mr. Foster wants to increase the amount of legal tenders which the banks are obliged to hold, we trust the demand will not be insisted on. Considered as a means of making the general public a sharer in the profits of the note circulation, it is one of the most objectionable means of doing so that could be devised. The legal tenders which the banks are obliged to hold are put on the footing of gold, though they are only promises to pay gold. The promise of the Government, it is often said, pledges all the property of every individual in the country for payment; and the form of promise in question has a strange fascination for some minds. Nevertheless the instances are numerous in which government paper money, when excessive in amount, has fallen far below par, and has in some cases become worthless. The great thing is to guard against excess in this particular. If the blunder of an excessive issue should be committed, that would be no reason for compelling the banks to take inordinate responsibility in connection with it. It would be far better that the banks should be allowed even to commute the present disability which the requirements to hold Government notes puts them under than that it should be continued. To extend it by adding to the amount would be, from every point of view, unjustifiable.

The young German Emperor has startled the world by proposing an international arrangement of a socialistic character. Possibly he intends the suggested International as a counterpoise to the old International. But whatever his motive, he has set Europe to asking whether minimum wages and diminished hours of labor can be guaranteed to workmen. The German workman's hours are much longer than those of the English, and his pay is less. Any change in this respect would place Germany at a relative disadvantage com-

pared with her present position as a competitor for foreign trade. It is uncertain whether other European nations would respond to the invitation of Germany for an international conference if it were made. The general opinion is that the Emperor's suggestion will come to nothing. The Bourbons in France toyed with the democracy before their fall; it remains to be seen what will be the outcome of the German Emperor's coquetting with Socialism. The Socialists will take whatever he offers them, complaining meanwhile that they are not allowed to help themselves. When a young sovereign without experience rejects the advice of the wise head of Bismarck, and enters on an adverse course of his own, he makes a perilous venture, the end of which cannot be foreseen.

At the time of the expiry of the *modus vivendi*, by which United States fishermen obtained access to our eastern fisheries, efforts are said to be making for a similar arrangement as a temporary expedient for tiding over the Behring Sea seal fishery. Secretary Blaine and the British Minister are reported to be hopeful of success. A treaty is not at once looked for, but only some means of accommodation for a season or two, to give time for a permanent settlement. Perhaps the two fishery questions may be bracketed together and dealt with at the same time. It is always difficult to learn what the New England fishermen really desire, the wants, wishes, and opinions attributed to them often taking a political tinge, which prevents the real truth being got at. But we know, as a matter of fact, that many of them saw their interest in taking out licenses, and it is certain that they would do so again if the opportunity offered. Public opinion in the Republic does not sustain the pretension that the Behring Sea is a closed sea. That extreme view is confined chiefly to the Alaska Fur Company, and to a few individuals here and there. It is liable to be put forward for political reasons on emergency. Under the late Administration the Treasury and the State Departments held different views; and if Mr. Blaine is favorable to some mode of accommodation, there is no certainty that the Treasury Department will concur with him.

An important decision has been given by the Privy Council on the sawdust nuisance. Antoine Ratte, a boat-builder, sued some lumbermen for damages done to his property by sawdust thrown into the Ottawa River. The case was carried through the courts here and to the Privy Council in England, and the decision means nothing less than that those who throw sawdust into our rivers are liable to private individuals for all the injury they thereby do. Unless this view had been sustained there would have been a wrong without a remedy. Before this decision was known the Government had resolved to procure legislation to abate the nuisance. At present, under executive regulations sawdust may be thrown into certain streams, but it is pretty clear, in view of the present decision, that this could be done only on the responsibility of the mill