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THE SITUATION.

It would now seem, notwithstanding protests to the contrary, that the recent changes in the management of the Federal Bank were but a concerted prelude to a wind-up. There was nothing in the changes of president and vice-president that could materially affect the fortunes of the bank, one way or the other. The diminution of public confidence, evinced by the withdrawal of deposits, was closely connected with the sins of the old regime, notably the puffing by the bank of its own stock, till it reached the figure of about 172, at a time when it could not have been worth half that. For this sin, the bank now dies. But it will pay everything it owes to the public, and it will pay without stoppage; an arrangement having been made with other banks that will enable it to do so.

Some tariff changes are likely to be proposed at Washington, during the present session of Congress. The chairman of the committee of Ways and Means is quoted as saying that the proposed reduction will amount to \$25,000,000, and that it will be accompanied by a decrease of internal revenue of twice this sum. In that case, the protectionists will fight hard against the measure, and perhaps succeed in defeating it. Not that some such proportionate reductions would not be justifiable; no doubt they would. The game of the extreme protectionists has been to claim to have internal revenue duties compensated by an increase of customs' duties; and in the adjustment, under pretence of striking a balance, they have managed to get far more than an equivalent. The impending proposal would restore the balance. As a means of placating the protectionists, apparently one half the reduction in customs' duties will be confined to a few articles. Woollens are put down for \$26,000,000, in compensation for which \$50,000,000 will be taken off wool, which would become free; from cottons and other articles in general use, \$15,000,000 will be taken. To the free list, besides wool, will go coal, iron ore, salt and lumber. Fish is to remain dutiable. But when all this is done, if it ever be, there will remain \$25,000,000 to come off

miscellaneous articles; and this will insure the opposition of a miscellaneous and large crowd of interested persons.

Communication between Prince Edward Island and the mainland is again in an unsatisfactory condition; the boats are not able to cross in bad weather, and a great deal of freight has accumulated. The block is being reduced, however, and opposition boats are aiding in the work. Hints of overloading are thrown out; and if this be so, there must be some means of correction.

The Fishery Commission, it is now said, is not likely to conclude its labors for two or three weeks yet. Some unnecessary obstacles have been thrown in its way; in the United States, Blaine, Frye, Butterworth and others, having been working against it. In Canada, too, obstructionists have been at work. Mr. Chamberlain was at first abused, from the most transparent of party motives. Later, he was described as willing to sacrifice Canadian interests, while Sir Charles Topper was represented as obstinate. The American Commissioners were told that Canada was waiting ready to accord Commercial Union, and that they would be fools if they took anything less. In this way, it is said, and it seems reasonable to believe, the Canadian case was damaged. Some of the advocates of Commercial Union, doubtless, believe in its popularity; but they do so, it seems to us, on insufficient evidence; and as Commercial Union certainly cannot be got now, the putting of it forward, at this critical juncture, can do no good, and is likely to do harm. If Canada had stood as a unit, confining itself to the practicable, the chances of success of the Fishery Commission would have been considerably improved.

If the Chnook winds have a moderating effect on the winter temperature, they sometimes have a rough way of doing it. They are now held accountable for the displacement of a large quantity of snow in the mountains, west of Palliser, which has had the unpleasant effect of burying several section men alive. It is proper to say that one account refers the accident to snow slides, not to drifting. However it came about, no contradiction of the statement that the snow acted very injuriously has come. The Canadian Pacific has done much, by the erection of snow slides; but it seems only too evident that there is yet more to be done, in the same direction.

Toll gates, in the county of York, are to remain as ornaments of an antique civilization. So the county council of York, in its wisdom, has decided. The real difficulty seems to be to find a substitute for the tolls; in other words, to master the problem of keeping up the roads. One suggestion was that the townships through which the roads run should assume their continuance; but as other townships use them, that would scarcely be fair; though almost anything would be better than the maintenance of a system which the progress of the country has outgrown. One

thing is certain: the roads cost more to keep up by means of toll gates, which necessitate the maintenance of half a dozen keepers, than in any other way. Abolition would be economical; the only question remaining to be settled is, how can it be made equitable; and surely this should not be difficult, if only the County Council will seriously make the attempt. In spite of the present large vote in favor of retaining the tolls, we have no doubt that before long, they will have to go. Meanwhile, the farmers will continue to enjoy the luxury of paying market fees in Toronto; so that, by the present decision, they are required to pay about twice as much as would suffice to keep up the roads without tolls. It is very difficult to see on what grounds rational men could make so irrational a choice.

The condition of the New York associated banks continues favorable, according to last Saturday's statement. There was a large gain in surplus reserve, due to the continued flow of currency to that centre from the interior as well as to Treasury operations. As compared with the previous week the changes have been an expansion of loans to the extent of \$1,800,200, an increase of \$3,198,700 in specie, a decrease of \$54,500 in legal tenders, and an increase of \$1,199,400 in deposits.

The rapid accumulation of money in the bank reserves of the great Eastern cities like Boston and New York is accompanied, says the *Shipping List*, by a state of extreme dullness in the stock market, at a corresponding shrinkage in the volume of speculative transactions, which of course lessened the volume of clearing house exchanges. The total bank clearances last week in thirty-six cities aggregated \$862,743,408, against \$999,819,207 in 1887, a decrease of 13.8 per cent. But the clearings of thirty-five cities outside of New York show an increase of 4.9 per cent. as compared with last year. The total is \$312,114,894, against \$297,859,326 last year. Some of the "booming real estate towns of the West St. Paul and Kansas City among the number, show clearings hardly up to their average. The oldest manufacturing and trade centres of the Middle and Western States, however, very generally show handsome gains as compared with last year; this, too, in the face of as inclement weather as those sections of the country have ever witnessed, which certainly is indicative of a healthy condition of legitimate trade.

An important judgment, given by Mr. Justice Church of the Court of Appeals, at Montreal, makes a hole in the strong citadel of municipal exemptions. The Seminary of Montreal objected to pay an assessment for a drain, in front of their property, claiming exemption, on the ground that the Seminary is a religious and an educational institution. The municipal law exempts institutions of this character. The Superior Court, in the person of Mr. Justice Loranger, decided in favor of the Seminary. This decision is now reversed, one judge only dissenting, on the ground that the exemption does not extend