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THE SITUATION.

It is not perhaps surprising that Mr. Norquay should have failed, in New York, to raise the money necessary for the Red River Valley railway. The legal authority to build the road was at best doubtful; it is a subject of legal contestation, and unless a charter, valid beyond question, could be produced, capitalists, whether of New York or elsewhere, were not likely to embark in the venture. It is difficult to believe that any other result could have been looked for. A previous attempt to raise capital on bonds in England was made. We are told, indeed, that the want of financial success will make no difference; but surely no Canadian bank will venture its money under the circumstances, and it is difficult to see what other resource remains. The Northern Pacific, if it had money to sport with, might take a throw of the dice; but it is not flush enough to be able to stake against the odds it would have to take. But money or no money, the road is said to be nearly built. We must, however, take all such statements with considerable allowance; for it is not possible to forget that the announcement was first made that the money had been raised in England, then that it had been secured in New York. Now it is admitted that it is not obtained at all. And if the law-suit should go against Manitoba, the raising of the money would do her no good, while she would have to pay interest on an unproductive loan.

There is one thing that will tell greatly in favor of the prosperity of Manitoba, and that is a fine wheatcrop. People talk somewhat vaguely, indeed, about a yield of six or seven millions of bushels. Mr. George Hague, who has been in the Prairie Province, seems to accept this statement as an approximation to the truth. Such a result of the harvest will put the farmers into good spirits and make them view the future with greater hope and confidence. A good harvest will prove to be the best immigration agent; and Manitoba wants nothing so much as population and capital. Mixed farming is being pursued in the Province; and cattle ranching as an exclusive occupation is yet on its trial in the North-West ter-

ritories. The attempt to keep cattle over winter, among the foot-hills of the Rocky Mountains, without shelter, was at best a perilous one. It has resulted in large losses from deaths; and we think the practice may fairly be classed among the forms of cruelty to animals, and if practiced in this region would be put down by force. Mr. Hague, interviewed by a Montreal journal, expressed the opinion that though the business outlook in Manitoba is good, several full crops will be required to make the financial position of the province what it ought to be.

The Chicago Board of Trade has been victorious in its contest with the bucket-shops, by preventing their obtaining quotations. But the end is not yet. The Open Board of Trade is to contest the matter in the courts. There are no merits in the case of the Board of Trade, so far as we can see. If the object of the war on bucket-shops was to prevent forms of speculation deemed to be immoral, there might be reason to rejoice over the victory. But all the speculators closed out from the Open Board of Trade have to do is to go to the regular Board of Trade, where they can do what they are forbidden to do at the bucket-shops. Does the regular Board of Trade wish to have a monopoly of gambling? This, so far as we can see, appears to be about the only question involved; and it will be strange if the courts should uphold such a pretension.

Direct shipment from the West to the European market of consumption is simply a process for getting rid of middlemen on this side, and the profit which would have accrued to them, if they had been allowed to intervene, is left to be divided between producer and consumer. There is no saying to what extent this process may be carried. The profit must, in all cases, either go to the producer or the consumer, or be divided between them, in proportions determined by circumstances. Apart from any question of discrimination, this much is clear. If there were no discrimination, direct shipments would be to the advantage of both producer and consumer. This fact has dawned upon one or both of them, and it is difficult to see how the practice can be put a stop to or be prevented from spreading. Whether it is destined to become general, about which there may reasonably be a doubt, is really the only question.

The American Forestry Congress, which recently held its session at Springfield, Illinois, sounds a note of alarm on the subject of the destruction of timber, insists on the necessity of forest reserves and withholding timbered lands from entry by settlers. With this view it calls on the government to create a Commissioner of Forests in the department of the interior. To check abuse in timber regions, the Congress calls for an organized force of inspectors and an appropriation of \$500,000. If anything is to be done, it should be done quickly; for the hand of the spoiler is making swift destruction.

Under a law which will come into force October 1, the production of brandy in Germany is a privilege confined to those who were producing it prior to April, 1887. They are protected by duties ranging from 50 to 70 marks per hectolitre. This restriction of competition has produced the natural result, and brandy has gone up from 44 marks to 72. The increase is partly brought about by speculation. A company proposes to buy the whole product, and it can only do this by entering into contracts in advance. The quantity to be sold in the home market will be limited, and the balance exported. The profit will be made out of the home market, for the brandy exported must encounter competition in the world's market, and on it a loss is expected to be realised. A more unnatural arrangement it would be difficult to conceive.

A bad condition of things is that which now exists in the United States, in which speculators in stocks can get what they want in the way of loans, in preference to men pursuing legitimate commercial business. The lock up of gold in the Washington Treasury is a cause of more or less uneasiness to the banks, and they must keep constantly prepared for what may happen. That preparedness suggests loans on stocks; but if a panic came stocks might not be readily convertible. The banks are obliged strictly to observe reserve limits, and this imposes caution on them as a duty. All eyes are turned to the President and Secretary of the Treasury, in whom a certain discretion with regard to the purchase of bonds rests; but meanwhile what they will do is uncertain.

According to the Boston *Post* the total clearings last week in thirty-six of the principal cities in the United States aggregated \$956,665,136, against \$889,848,759 in 1886, an increase of 7.3 per cent., against an increase of 9.9 per cent. the previous week. Clearings of thirty-five cities outside of New York show a gain of 9.5 per cent., against a gain of 13.5 per cent. the previous week. The total is \$325,031,829, against \$299,482,722 last year. The exhibit was a favorable one, both when compared with last week and with the corresponding week of last year. The gains are also quite evenly distributed throughout the country, and when there are losses, as at Philadelphia, they can be attributed to special causes.

A conference of Irish landlords calls on the government to settle the land question. When landlords and tenants alike invoke the intervention of the legislature, exceptional legislation may be expected. But what the landlords ask is complementary legislation, to redress the inequality of former interference with their rights. They ask to be compensated for the loss of exclusive ownership, and to be relieved from the police charge on land. Why land should be exempt from police charges it is difficult to see. Compensation for rights forcibly taken away is a good claim. The landlords allege that rents were not raised in Ireland, between 1840 and 1880, though they rose in England, Scotland and Ireland between