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THE SITUATION.

With one condition, M. Tarte has adopted a sound rule in the disposal of contracts in the Department of Public Works. The rule is that all contracts are to go to the lowest tender; but the necessary condition, if not now attached, as it does not appear to be, might be added with advantage hereafter. The condition is that no tender should be accepted unless the experts of the department find that the work can be done for the sum named. Experience shows that when contracts have been given to the lowest tender, without any check whatever, the rule has worked injuriously, and the ultimate cost has often been much greater than it need have been, if proper precautions had been taken to secure the fulfilment of the contract. In the early days of the Erie Canal contracts were given to the lowest bidder, as an invariable rule; and we know from special reports of the experiment that work so let often cost, in the end, nearly twice as much as the original bids, and much more than, if proper precautions had been taken, it could have been done for. To give contracts to the lowest tender is an excellent rule, if properly guarded; it is a dangerous practice when pursued indiscriminately and without checks, which departmental experts know how to apply.

The practice of a Government department permitting the member for the county or the defeated candidate, as the case may be, to decide between two tenders of equal amount, is one of which most people now hear for the first time, though M. Tarte says it is of long standing; it has, in a special instance, proved, as it was sure to prove, unsafe. One of these dispensers of patronage, in the Province of Quebec, was notified that a case of equal bids had arisen, and the Department of Public Works asked him to decide to which of the bidders the contract should be given. The defeated member wrote to one of the persons tendering, asking what "you intend to do for me in this matter," and adding, "business is business, as you know." M. Tarte, putting the case hypothetically, but not disputing the facts, says that such a letter, if written, "I emphatically disapprove and condemn it." The rule on which the Department acted, in this case, in appealing to an outsider, having been found to be capable of abuse, ought to stand for reconsideration or meet instant abrogation.

In view of the prospect of extensive development of gold mining in Canada, a somewhat premature suggestion for the establishment of a Canadian mint is heard. The time may not be far distant when the suggestion will ripen into a demand. In that case, the Imperial Government would have to be consulted, though no difficulty there, which could not be overcome, need be feared. Australia, being a gold-producing country, has a mint of its own. The ultimate refining process, which South Africa, to a considerable extent, has intrusted to England, would have to be done here, if we had a mint of our own. A mint would cut off some intermediate profits and add to those of the miner. Practically we have no gold coin in circulation in this country, unless it is through the proxy of Government and corporation notes, which promise to pay gold. For international purposes, gold bars are just as good as coined gold; within a few weeks the Bank of England has been selling American eagles on easier terms than it was willing to part with gold bars. Except for the purpose of adding to the gains of miners, a Canadian gold coinage is not especially needed. In time, British Columbia might, as California now does, put a good deal of gold coin into local circulation; but as a gold coin is a costly currency for daily use between buyer and seller, it is not probable that it would to a large extent supersede the mixed currency now in general use.

Some difference of opinion as to the cause of the heavy flow of gold, aggregating over \$36,000,000, from England to the United States, has been expressed in the two countries. In its origin, bank drafts were drawn, not against produce afloat ready to ship, but in anticipation of shipments of produce, soon to begin and to extend over a considerable time. This anticipation was a form of credit which caused gold to cross the Atlantic sooner than it would otherwise have done. The artificiality of the process adhered to its first phase, but by the time the bills became due, if produce enough to cover them was shipped, the liquidation was made thereby. If this anticipation was repeated, part of the artificiality of the process was continued in essence, though the degree of it should vary. England is buying more produce from the United States than she is sending manufactures to liquidate, and the flow of gold from the Bank of England and the Bank of France to the Republic is the natural process of adjustment. No doubt, if the buying long continued one-sided, produce would be obtained from other countries which would make reciprocal purchases. American banks had only to sell exchange, artificially created—not drawn specifically against produce—at a figure to cause the dealers in it an extra profit, in order to turn the gold current from its normal course, for the time, though it might by a natural process have taken that course a month or two later.

In Committee of Supply, Mr. Davin moved an amendment declaring that, when the tariff is revised, the Government is bound to place agricultural implements, binder twine and coal oil on the free list. Perhaps it is, if former allegations looking to such a change be binding in conscience; but whatever may be done must be divulged when the time for action comes. M. Laurier pointed out that it would never do to give six months notice of particular tariff changes. The general rule is that silence on coming changes is necessary to prevent individuals taking advantage of them to the injury of the public revenue. Some duties, including those on spirits, have, before now, been increased in a single night and put into force next morning. When duties are to be abolished, the public revenue does not