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TORONTO, FRIDAY, JULY 8, 1898.

THE SITUATION.

To-morrow, a general election will take place in British Columbia. Financial questions occupy a large space in the reported speeches of the candidates of the two parties. No very marked lines of policy divide the two parties. The Government naturally asks credit for its financial management, which the Opposition inexorably denies. The latter take exception to what they call a mortgage tax, but which is in fact a part of the general personal property tax. The Opposition toys a little with the hair-brained scheme of a single tax, which would throw all the burthens of the State on a single class, most of them cultivators of the soil, and put everybody else in the exemption list. To a tax of one per cent. on the product of metaliferous mines the chief objection is of exactly the opposite kind; that coal is exempt. The Chinese labor question is scarcely an issue, as the binding effect of a British treaty with China is now before the courts and will be settled by the Privy Council. Of the validity, or the contrary, of the treaty, to bind British Columbia, we shall learn in due time. On the railway question the Opposition leans to State ownership, without going the length of decided advocacy; both parties refrain from adopting that plank merely because the state of the province is not at present favorable to it. The tax on free miners, which the Opposition condemns, the Government defends as the only means of reaching wandering miners, mostly aliens, who do not make the province their home. The Government is making much of its railway policy, and in a country of such magnificent distances it can do something in this way with the large loan for which it has taken authority. A weak point in the Premier's position is his avowed connection, as director, with certain mines operating within the limits of the provinces. This he defends by the precedent of a North-West as well as of a British Columbia governor, as if three wrongs could make one right. He says he was induced by leading financiers in England to make these connections; but he ought to know that for a public man brokers are the worst of all advisers. In other respects Mr. Turner's speeches seem to bespeak a fair-minded man whose policy is not conspicuously open to assault.

In his election manifesto, Mr. Turner, Premier of British Columbia, returns to the question of "better terms." With the spirit in which he approaches the subject there is no reason to complain, but he fails to make out a case. He points out that if the province had a separate existence she would have the customs' revenue, and that as it is she contributes more to the revenue of the Dominion than she receives therefrom. Apply these remarks to the State of New York, where sometimes more than half the customs' revenue of the Union is collected, and its full absurdity will appear. The customs' revenue goes to sustain the central Government, which performs functions quite as important as those of a province. The Federal Government of the United States returns no revenue to the several States; that of Canada returns a stipulated portion. If there were not more revenue collected in a province than it receives the Federal Government would be without resource. The argument which aims at this result, however mild in tone, is destructive in effect. British Columbia has much to do with its revenue and finds it difficult to provide the means of doing all that she desires; but this is not an exceptional experience, it is true of most countries and most individuals. The fact of the existence of this state of things is no reason for disturbing settled arrangements between the provinces and the Dominion.

On the question of joint railway policy between the province and the Dominion, the Premier of British Columbia makes a suggestion. It would be convenient to the province if, when railroads to traverse it are to be constructed, the Dominion would undertake to pay towards the cost two dollars for one paid by the province. He would like to have that made a rule of policy. He probably had in his mind's eye some such work as the Coast-Teslin road. But it is clear that if the Dominion permitted the provinces to make a financial policy for it that would suit themselves the end would be bankruptcy. It may be desirable, as he suggests, to come to some mutual arrangement, not necessarily financial, about railways which the Dominion authority has the power to declare of general utility. When this is done the act is political, not financial, and unless it can be shown that the effect is financially injurious to the road no ground of compensation exists. This mine has already been worked for more than it is worth, with no very marked result. The general railway policy of British Columbia has been one of development. It began by grants-in-aid of land, then proceeded to a guaranty of interest on bonds, next came a fixed subsidy; so far, under these several phases, no fixed return being looked for; lastly, a specific portion of the gross revenue is stipulated for. The Premier seems to regard the march as on the road to State railways, which the conditions of the province have not hitherto, and do not now, he believes, warrant, though he has no theoretical objection to them.

Newfoundland is pressing her claim on the British Government to representation on the International Commission. To virtual or actual representation she is entitled. So far as she has interests in common with Canada, with which the commission will deal, that is the place where she has a right to be heard. The only question is whether direct or indirect representation is the better and more convenient method. The commission must consist of equal numbers on each side, one British, the other American, and the limitation of the number five does not allow of much latitude in the apportionment of representatives. But if it