

intention of the University of Toronto. The specific objection is, in this case, a very strong one, and the Minister should lose no time in answering it. It is to the effect that the Government is guilty of grave inconsistency and injustice in that, after chartering several medical colleges, and receiving some of them into affiliation with the Provincial University, it actually erects one of those colleges into the Medical Department of that University, thereby not only exhibiting unbecoming and unfair partiality to one of the several competing colleges in respect to which it was bound to observe the strictest impartiality, but itself entering into competition, at the public expense, with all the voluntary colleges, some of which were in affiliation with its own University. The objection seems well taken, and it surely behoves the Minister to show that a course, seemingly so unfair and inconsistent, and so well adapted to discourage, instead of encouraging, private liberality, was justified by some urgent public necessity.

UNHAPPY Newfoundland is once more in a ferment of excitement. The renewal of the obnoxious *modus vivendi* between England and France, and the rumour that the British Government has pledged itself to settle the difficulty without reference to the views and wishes of the Colonists, have driven the Islanders once more into a state of excitement bordering on frenzy, if we may judge by some of the utterances of their press. The latter of the two rumours is, as stated, in the highest degree unlikely, but it is by no means improbable that such a hint may have been given for the benefit of the Newfoundland Government and people. It is—shall we say, one of the unreasonable traits of colonists, or one of the grave burdens of imperialism?—it is at least one of the inconveniences of the Colonial relation that the Mother Country is expected to be ready at any and every moment, if necessary, to take up arms, devote the national resources and imperil national existence, in the defence of colonial rights. No doubt Lord Salisbury and his fellow diplomatists are doing their best to effect some settlement with France, by which her claims on the Newfoundland shores may be surrendered, in return for some territorial concession elsewhere. It is to be hoped, in the interests of all concerned, that this effort may succeed. But France is undoubtedly obstinate and exacting. Should the effort fail, it almost appears as if the Colonial system would be on its trial. Rightly or wrongly, and we believe that the British Government holds that it is rightly, the Newfoundlanders complain that the French have usurped territorial and other rights on their shores to which the Treaty gives them no claim. The moment the Mother Country fails to uphold, by force and arms if need be, the territorial rights of a colony, that moment colonial confidence will begin to falter and colonial bonds to be loosened, the world over. But what can the Newfoundlanders do in that event? Their threats of violence are futile. What could a few thousands of poor islanders, however brave, effect against the naval power of France, without the aid of Great Britain? Probably the mysteriously significant threats which are freely made refer to the possibility of throwing themselves into the arms of the United States. But is there the least probability that the United States would accept a quarrel with France, not to say with England, for the sake of acquiring Newfoundland? We think not. We are sorry for our fellow-Colonists, but we fear there is no help for them if England fails to help them. We anticipate, however, an early settlement between France and England, without serious sacrifice of Colonial rights. Circumstances seem now to demand such a settlement and where there's a will there is usually a way.

AN ancient poetic seer of high reputation ranks among those deserving of the highest rewards of virtue the man who "swaereth to his own hurt and changeth not." Applying an equally rigid test of honour in the case of a nation, or its representatives, as in that of an individual, those who read carefully Senator Howlan's letters in THE WEEK of December 5, and in this number, will be forced to admit that, however it may succeed in the future, our Dominion Government has not yet, in its dealings with Prince Edward Island, proved its right to a place among the worthies on the "Holy Hill." The case is a very serious one for both parties. The Dominion Government, on behalf of the Provinces then composing the Confederation, made with the representatives of Prince Edward Island in 1873 a solemn covenant to establish and maintain efficient steam service for the conveyance of mails and passengers "between the Island and the Dominion, winter

and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion." No one, we suppose, will venture to claim that the compact has been fulfilled in the letter. It is, we believe, an admitted ethical principle that a promise is binding in the sense in which the party who made it understood it to be understood by the party to whom it was made. It may as well be admitted at once that the steam-service has not been "efficient," nor has the communication been "continuous" in the sense in which both the contracting parties understood and accepted those terms. Probably we may, after the experience of seventeen years and the expenditure of a very large amount of money, go a step further and admit that it is now proved to be impossible to maintain efficient steam-service and continuous communication between the Island and the mainland during the winter months by means of water. What, then, is to be done? Does this demonstrated impossibility free the Dominion from the moral obligation of the contract, so long as the Government does its utmost under the circumstances to carry out the contract by that means? All undertakings, we are not unreasonably taught, however absolute the terms in which they may be drawn, are subject to the tacit proviso, that no insuperable obstacle be interposed by the great forces of nature, or by some event over which the contracting party has no control. It is beyond question, we presume, that neither the Dominion Government nor the Island representatives had in mind, at the time of making the agreement, any other means of communication than that which has thus far been tried. Neither bridge, nor subway, nor balloon was thought of. Notwithstanding, most persons will agree, and we can hardly conceive of the Dominion Government as wishing to deny that if, in the interim, while the impossibility of carrying out the agreement by the method originally contemplated is being proved, the progress of science shall have brought within reach some new means of accomplishing the end without ruinous expenditure, the contracting party will be under moral, if not legal, obligation to make use of such means. And this is, we suppose, exactly the point which Senator Howlan, and the Island Government and Legislature wish to insist upon. The figures submitted by Senator Howlan show that the matter is a very serious one for the Islanders from the financial as well as from every other point of view. The Dominion is obviously also a loser by the failure of regular and easy communication. What ought the Government to do in view of all these circumstances? If Senator Howlan's calculations can be shown, on scientific authority, to be approximately correct, or anything like it; if, in other words, it can be made clear that the annual interest on the capital required for the construction of a subway would amount to little more than the annual expense involved in the cost and maintenance of the present unsatisfactory steamboat service, there is no room for doubt or hesitation. The Dominion is bound to maintain and, if possible, improve the present system, however unsatisfactory, in the absence of a better, at any cost. Clearly the matter should be investigated without delay. All provinces and all parties in the Dominion are interested in doing the best possible for Prince Edward Island. All are in honour bound to fulfil to the letter, if possible, the terms of Confederation with her. All should unite in urging the appointment of a competent commission to enquire into the feasibility and cost of the subway scheme.

WHO pays the duty, the buyer or the seller? This is the very practical question whose discussion is just now drawing heavily upon the logical resources of the party organs. The difficulty experienced in demonstrating either of the contradictory answers is equalled only by the absurdity of assuming that either the one answer or the other can be of general application, or hold good under all circumstances. Surely no great depth of penetration is necessary to enable an unprejudiced thinker to see that the effect of the duty in this respect depends upon circumstances. If the article on which an import duty is placed is one which the buyer must have and can obtain only from the seller, it is clear that nothing but the generosity or stupidity of the seller can save the buyer from having to pay the duty in addition to the original price. If, on the other hand, the buyer has a choice of markets, some of them not affected by the tariff in which the article is procurable at the original price, and the seller has no such choice of markets in which to sell, it is equally clear that, in the ordinary course of events, the seller's returns will be diminished by the amount of the duty. As nine cases out

of ten will fall under neither of these categories but will fluctuate all along the line between the two extremes, it follows that the buyer and the seller must share the loss between them in proportions varying with the circumstances of each particular case. If it be insisted that this, like all other theories in economic science, must be tested by facts, no objection can be made; but care must be had that all the circumstances be taken into account in determining the facts. It is evident, for instance, that to show that Canadian barley, which brought 50 cents in 1889, is selling for the same price in 1890, would not prove that the American buyer is paying the increased duty; nor would the fact that some other article which Canadians sell largely to Americans, and the duty on which was increased by the McKinley Bill, brings less than a year ago prove that the Canadian seller is paying the duty. The fallacy of such arguments is shown by some of the quotations of the very journals which use them, as when, *e. g.*, the price of potatoes is quoted at 55 cents in 1889, and 80 to 85 cents in 1890; or apples at \$3 to \$3.50 in 1889, and \$4 to \$4.50, in 1890, to prove that the American buyer pays the increased tariff; it being clear that these instances would be equally valid to prove that the tariff has actually increased the price of these products for Canadians. Of course the only reliable test is that afforded by comparison of the actual selling price of a given product in the United States market, less the cost of carriage, with the selling price of an article, of the same kind and quality, at the same time, in the Canadian market. Nothing can be gained by deceiving ourselves with unsound reasoning. The McKinley tariff is, for the present at least, a fixed fact. It is impossible to doubt that its effect must be on the whole to diminish prices of Canadian goods in American markets, though in those cases in which the Canadian article is a necessity to our neighbours, while its price is regulated by other markets, the increased cost will undoubtedly fall upon the consumer. Happily there are a good many products in regard to which this rule applies, and the Canadian Government, by dint of energetic enquiry and action, will, it may be hoped, still further increase the number. The injury to our producers is thus being reduced to the minimum, while experience is teaching our neighbours that they themselves are the greater losers by their selfish but short-sighted policy. But it is the part of wise men to look difficulties fairly in the face and no good end can be gained by trying to delude ourselves into the belief that the Chinese policy of the United States is not injurious to us as well as to themselves.

ANTICIPATING the submission to Congress of the further correspondence touching the Behring Sea difficulty which was promised in President Harrison's Message, Washington correspondents are busying themselves with sensational forecasts of the contents of the despatches said to be in course of preparation both by Mr. Blaine and by the President. It is not improbable that the President may transmit with the correspondence a special message explaining and defending the course of his Government in the matter. But we deem it quite unlikely that Mr. Blaine is engaged on any such document as that on which he is said to be now at work, simply for the reason that he has not, probably, any unanswered proposals before him. Some of the special correspondents dwelt at length, a few weeks ago, on Sir Julian Pauncefote's proposals in regard to arbitration, as if the proposals had been at that time freshly made, and the conjectures in regard to Mr. Blaine's being just now engaged in preparing a reply are probably based upon those representations. The facts are, we believe, that the British Minister's proposals were formally submitted so long ago as April last, and were printed early in August in a Congressional paper, and afterwards in a Parliamentary blue-book. These proposals were long since rejected by Mr. Blaine, it is said, in a somewhat unusual and discourteous fashion. It is, therefore, in the highest degree unlikely that they have since been renewed in any form. It is possible, we suppose, that Mr. Blaine may take occasion to lay before Congress a more elaborate explanation and defence of his course in the matter, but it seems unlikely that the promised papers will contain any correspondence of more recent date than that above indicated. The statement in the President's Message, that "the offer to submit the question to arbitration, as proposed by Her Majesty's Government, had not been accepted for the reason that the form of submission proposed was not thought to be calculated to assure a conclusion satisfactory to either party," implied pretty clearly that that offer had been