

Ownership of Precious Metals.

Although it is long, long ago since gold and silver taken from the earth belonged to the Crown, the present war has exposed such general ignorance on the subject of ownership of the soil and its contents that some journals have actually deemed it necessary to explain the difference between ownership and sovereignty. Although Englishmen, Americans and Frenchmen own the greater part of the Transvaal mines, a foreign statesman found it easy to spread a report that Great Britain is fighting the Boers for possession of their gold mines. This fabrication of enemies of perfidious Albion found so many believers that Lord Salisbury took the trouble, in a light and humorous allusion to the matter at the Lord Mayor's banquet, to disclaim for himself and his colleagues, having received even a farthing from the gold fields. He added:—

England, as a whole, would have had no advantage from the possession of gold mines, except as her Government conferred the blessings of good administration upon those engaged in the industry.

An American journalist, after pointing to the survival of this curious idea—that the British Crown still owns all precious metals, as evidence of the general ignorance about the rights of sovereignty, incidentally pays the following pretty compliment to the prosperity and progress of countries floating the British flag:

Industry produces commerce and England profits by commerce. But the interest of England as a whole is simply the interest in good administration and prosperity and the advance of civilization. The interests of the United States are the same, and our commerce extends with the limits of the British Empire, for we can sell more to a civilized people under a firm government than we can to savages, to people who overthrow their government every two or three years, and to people whose trade is reserved for the benefit of the nation acquiring sovereignty over them.

Those who ascribe the present war to greed for gold on the part of Great Britain ought to be told that sovereignty over the territory and the ownership of the mineral resources are two separate and distinct things. To quote again from our American friend and admirer:—

If private ownership is not affected by the question of sovereignty, and if taxation is a secondary matter, the protection of life and property and good governmental administration are of vast importance. The Transvaal Government was probably not a good government. There is not much doubt that if it had been liberal and well-administered the Boers might have maintained their peace and independence for a good while.

RAISING FUNDS FOR THE WAR.

The suddenness with which Great Britain was plunged into war with the two Republics in South Africa which border on British colonies necessitated the raising of an enormous fund suddenly to provide for war expenses. A supplementary estimate was promptly laid before the House of Commons for ten

millions sterling, in round figures \$50,000,000, which was promptly and almost unanimously passed. The method adopted for securing such an enormous amount of money became at once a question of the gravest concern, directly to financial interests, and to the country generally, but remotely. The Chancellor of the Exchequer announced that the war funds to be raised would not be in the way of an extension of the national debt, that is, not by an issue of Consols. The alternative was an issue of Exchequer Bills. He also intimated that, the government hoped to retire these bills to some extent from the revenue to be derived from the Transvaal, at the conclusion of the war. The latter announcement distinctly affirms the intention of the British Government to be that the South African Republic, which is the aggressor in this conflict, shall pay a war indemnity to cover the cost Great Britain has been put to, as France had to pay Germany for the expenses of that Empire in the war which closed at Sedan. Here then the two financial questions were answered, the war funds would be raised by temporary loans and redeemed without increasing the taxes, as both principal and interest would ultimately be paid by the power with which the British Empire is at war. This anticipated arrangement avoids the problem on which economists have differed. The question, as stated by Mill, is: "How far is it right, or expedient, to raise money for the purposes of Government, such as defraying the expenses of a war, not by laying on taxes to the amount required, but by taking a portion of the capital of the country in the form of a loan and charging the public revenue only with the interest." To lay on taxes to raise ten millions for equipping an army corps swiftly in a manifest impossibility. A loan was the only resource, and the only practical question was, whether to borrow at long dates by Consols or to issue Exchequer Bills, which are redeemable at the will of the Government. We may say that the American Government is being censured for having borrowed for war expenses on long-dated securities instead of adopting the British system to some extent, and so being enabled to reduce the debt more rapidly. The first Exchequer bills were issued first in 1696 in a time of serious monetary disturbance. They were of various denominations from five pounds to one hundred. The Bank of England at the time was redeeming its notes by instalments, which, when paid, were marked on the note as "received on account." The Exchequer bills provided a currency in which the country had confidence. They were then, as they are today, a form of Government notes like those we are familiar with issued by the Dominion Government. There is, however, this difference, the Exchequer bills carry interest at a fixed rate from date of issue to the day they are called in. The objection of Mills to the absorption of a portion of the capital of the country by a war loan does not apply to Exchequer bills, because they are a negotiable instrument, and, when capital has become locked up by panic, it has been found to relieve the financial distress to issue Exche-