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THE SITUATION.

In the Hawaiian revolution events crowd in a succession so rapid as to create the suspicion of pre-arrangement between domestic and foreign conspirators. We are told, as rapidly as the words can follow one another, that the queen has been dethroned, United States troops have been landed, a provisional government formed, and a commission sent to Washington to petition for the annexation of the islands to the United States. The evidence of calculating design, intrigue, foreign intervention, lies on the surface. The really important question for other nations is that of annexation. It is their interest that the islands should not become the exclusive property of the United States. The islands are necessary to the other countries as well as the Republic for the convenience they afford for a coaling station; besides they are the outposts of other possessions that require protection. Russia has of late years greatly strengthened herself in the Pacific; and these islands, in possession of the United States, would tend to draw the Republic into a real, if informal, alliance with Russia in certain eventualities, in which other nations would be deeply interested. American intrigues, national or individual, or both, have for years been in operation in the Hawaiian islands; and they have culminated in the present revolution. Whether or not the United States were justified in the landing of American troops, the government could not accept annexation unless it was prepared to recognize as independent a government which it has in effect brought into existence. The attitude of all the countries interested will decide the question.

Washington despatches hint that the members of the Cabinet at that capital are in favor of annexing the Hawaiian Islands. That the United States should desire to secure a coaling station there, is natural

and legitimate; but she had no more right, even in this respect, than the great maritime nations, which have possessions on all sides of them. Annexation, carrying control and possibly implying exclusion, could be carried out only in derogation of the rights of others, which are at least equal to any that the Republic can put forth. Hawaii, being 2,200 miles from the United States, cannot be brought within the sphere of the Monroe doctrine; and the Washington Government could not annex the islands without abandoning the security of her geographical isolation, and taking her chances with the great maritime powers, under conditions that would not be favorable to security of the acquisition. If the Republic feels a desire for a revival of the maritime position, which at one time promised to put her in the front rank, more certain and more legitimate means are open to her. A nation which has crippled her commercial marine by pretences of protection, can find a way to its resuscitation only by retracing her fatal steps. The United States is not likely to be permitted to gain such control in Hawaii as would operate to the exclusion or the serious detriment of the other nations. Disraeli used to say that England is more an eastern than a western nation; and certainly between the different portions of her empire, Hawaii is an important way station.

Silver and its paper representative is gradually and surely displacing gold in the United States. Few now pay customs duties in gold. The *Commercial Bulletin* states that in the first twenty days of January only ten per cent. of the customs duties, at New York, were paid in that metal; 87 per cent. being in legal tenders and new Treasury notes. The silver bought at the Treasury is paid for in silver notes, and these notes going into circulation displace to that extent gold, which goes abroad. In this way, a reliance on silver is daily increased. When they have an option, people are inclined to call for gold rather than notes, and there is a tendency not to pay gold when notes will answer. Unless the compulsory purchase of silver by the Treasury should speedily come to an end, the time cannot be far distant when gold will rise to a premium, as it did during the war, or rather the decline of silver, which is notorious, will declare itself in this form. At present nothing stands between this event but the stamp of the Government on the silver, which, except as a guarantee for redemption in gold, if such it would prove, is certainly not worth the difference between the bullion value and the stamped dollar value of the silver. The repeal of the silver purchase law would cause a reflux of gold which might create more or less inconvenience elsewhere; a consideration which cannot be of primary concern to the United States.

In no way can the death of ex-Secretary Blaine affect the fortunes of the Republic's neighbor, Canada. If, as Mr. Mackenzie Bowell vouches, he was one of the best friends of this country, the fact was not

patent during his life time, and the assertion of it comes as a surprise after his death. That he was inclined to be more liberal in his policy towards this country than some others with whom he acted may be true, but the fact is not apparent on the record. He was the great advocate of reciprocity with other countries, but we have no evidence that he was willing to agree to anything under that name which it would have been possible for Canada to accept. We can only judge by the dead statesman's public acts, and these showed no breadth of view towards this country. There was ground for the suspicion that, on the question of reciprocity with Canada, he was checked by President Harrison. His desire was that any conference between the two countries on the subject should be strictly informal. If it were otherwise he could not take part without the consent of the President. One such conference, after it was arranged for, was prevented by the President setting out on an extended tour, at a moment so inopportune as to look like the result of calculation, and a design to balk Blaine in any reciprocity leanings he may have had in this direction. The commercial policy of both these statesmen belongs to the past. Politically President Harrison is as dead as Blaine is physically. The future is in the hands of other leaders, whose victory in the political battle was due to another and more liberal policy. What will come of it, for America and the world, is a question which excites eager expectation both in and out of the United States.

Once before an agreement for a mutual reduction of duties between France and Canada was made. It was then in the form of reciprocal legislation, without the formalities of a treaty. A similar bargain now takes the technical form of a regular treaty, in the negotiation of which Lord Dufferin, British Ambassador at Paris, and Sir Charles Tupper acted nominally for Great Britain, practically and really for Canada. France has a double tariff—a minimum and a maximum—and she applies one or the other to different nations, as the result of bargains or the absence of bargains with them. Ever since the expiration of the former agreement Canada has been subjected to the maximum tariff. Now, in consideration of concessions on our part, the reduction of duties on French wines, we are to get the benefit of the minimum tariff. Our products, which had before been subject to the highest French duties, will now get off with the lowest. Since the previous arrangement existed, the conditions of wine production have greatly changed. From the ravages of the phylloxera French wine has been much reduced in quantity and increased in price; while in Canada tentative efforts to produce a native wine have met with some degree of success, and judging from the extension of grape culture, it looks as if considerable additions to the present production were being prepared. If it be true, as stated on good authority, that an acre of grapes in Canada will produce as much wine as two acres in France, and if the alcoholic strength is greater, the native