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THE SITUATION.

Newfoundland, in her relations with Canada, remains moody, sullen and impracticable. She refuses to listen to reason or even consider any terms of accommodation. She is at liberty to indulge her petulance; she can exercise the option of refusing to carry out an agreement into which she deliberately entered with Canada, and which was reduced to writing, but there can be but one opinion of the honor of her course. When she insists on applying to Canada the restrictive provisions of the Bait Act, contrary to express agreement, she cannot hope to continue to enjoy, at the hands of Canada, advantages which form an exception to the general law. The Dominion Government has in fact decided to suspend these exceptions and to let the restrictions of the law take effect. If she will not sell bait to Canada, the Dominion will refuse to admit her fish free of duty. The arrangement was reciprocal in benefits; by the act of Newfoundland, it becomes so in injury. The informal treaty was not unequal, at the start; it is not to be unequal at its close. Both parties, to their mutual injury, fall back to their antecedent position. The folly and the blame of the transaction rests with Newfoundland, whose politicians are apparently quite unable to govern in a rational way. The judicial committee of the Privy Council is about to pass upon the validity of the Bait Act, and the conclusion at which it arrives may put a new complexion on the imbroglio.

In his annual message to Congress, President Harrison touches on more than one question in which Canada has an interest. The adjustment of the Behring Sea question has reached the point when an agreement respecting the arbitrators comes next in order. The smuggling of Chinamen from Canada into the United States is touched upon. What should be done with

these contrabands when detected, is a question on which a difference of opinion has been developed between the Department of Justice and some District Courts; the former holding that they should be returned to China, the latter that they should be sent to Canada. Naturally the Canadian officials refuse to allow any Chinaman who comes under their notice to enter the country without the payment of the \$50 duty. The President recommends legislation to cure defects in the law relating to smuggled Chinamen. The diverse views of the executive and the courts may be dealt with; so can the question of the disposal of their contrabands. If it be decided that they ought to be sent back to Canada, an international question will arise which will claim attention on this side the line. No encouragement to the smuggling of Chinamen will be officially given here; though if a question arises as to whether they should be admitted here, on proof that they have been smuggled hence, it would require to be settled by negotiation on some principle that would serve for a basis of action, when the smuggling is from one side of the line as well as the other.

President Harrison's defence of the McKinley tariff is only about what might have been expected; from the Republican point of view, this piece of legislation goes far on the road to perfection. A more serious obstacle to tariff reform was developed in the election of Mr. Crisp to the Speakership of the House of Representatives. Mr. Crisp belongs to a section of the Democratic party which does not agree with Mr. Cleveland that free trade should be made the principal aim of the party at the present time. The result of the trial of strength shows that tariff reform at Washington is far off. The fact is of special interest to Canada, showing as it does that Commercial Union would practically bring Canada under the yoke of the McKinley tariff. We have no right to quarrel with the taste of the Americans; if they prefer the McKinley tariff, well and good, but it is not the sort of medicine that would suit the condition of Canada. The President reminds Congress that it is desirable to make provision for a joint demarcation of the frontier line between Canada and the United States, special reference being had to the exact location of the water boundary in straits and rivers. The Alaska boundary would be included in the demarcation recommended; special reference is probably intended to be made to the subaqueous canal in Lake St. Clair. It is of course desirable that there should be no mistake as to the exact location of the boundary, especially at any point where its precise position may become a matter of importance in connection with navigation or otherwise.

A question has arisen whether the evidence taken before the committee of the House of Commons last session that enquired into the McGreevy scandal, can be used against the witnesses in a criminal trial for conspiracy to defraud the Government. The witnesses, it seems, when before the Commons committee, did not claim

privilege. If they had would, they have been obliged to answer? The British Parliament has not always compelled witnesses to answer, when they objected that they might criminate themselves, and at least one Act was passed to protect witnesses in a special investigation. After the fall of Walpole, a hostile committee of the British House of Commons inquired into the expenditure during the last ten years of his administration. Three witnesses connected with the disbursement of the secret service fund refused to answer on the ground that they might criminate themselves. They were not compelled to answer, but on the contrary an Act was passed specially to protect them. The attack being directed against Walpole, now become Earl of Orford, may have disposed the committee to be lenient with the witnesses, in the belief that in this way they would get stronger evidence against him. At Ottawa, last session, the rule was that witnesses were compelled to answer, though there may have been some to whom pressure was not applied. Some of the persons now being criminally prosecuted have made away with books that would have been evidence against them, and this led to the question of substituting the evidence taken before the committee.

To be a rich man in the United States is becoming almost as perilous as to be an Emperor in Russia. The attempt on the life of Russell Sage has brought out the fact that other New York millionaires are constantly in the receipt of threatening letters. The assassin, in this instance, was a crank or a madman, and there is a theory that he was connected with a band of exterminators who have sworn to rid the world of millionaires, and what the band calls monopolists. The harm that Henry Georgism and kindred socialistic theories do is that they inflame the fanaticism of weak and irregular minds, and open the way to the worst of crimes. An attack upon any one form of property is anarchic in its essence, and men who persuade themselves that property may be confiscated are not likely long to retain their respect for life. Henry Georgism is too mild a measure for Socialistic cranks to whom this theory has given birth. They may be ranked with Russian Nihilists their aims and their methods are the same. Will the Republic find it easier to deliver itself from these enemies than Russia does to free herself from the Nihilists?

Some further explanation of Mr. Goschen's one pound bank note scheme is published. At present, the Bank of England is empowered to issue notes to the amount of nearly £38,000,000, £16,450,000 against government securities and £21,500,000 against gold. The £16,450,000 is deposited by the government to secure a loan made by the Bank, and on which no interest is paid; the gratuitous loan being in fact payment for the privileges of the charter. These issues will remain on their present footing. Against any further issue over the £38,000,000 there will be a deposit of four-fifths gold and one-fifth securities. The Bank will not gain the privilege of