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THE SITUATION.

As we understand the Canada-Australia cable question, no agreement was ever concluded with the British Government as to the respective contributions of the colonies interested and Great Britain. Canada and the Australian colonies had agreed among themselves to bear thirteen-eightieths of the cost, leaving five-eightieths for Great Britain to assume. But we do not understand that the latter ever agreed to assume that proportion. The colonies decided in favor of state ownership, which, in such an enterprise, is a far more rational thing than the granting of subsidies for the benefit of a private company. The resolution to take this position did not rest on any preconceived theory; it was the result of an impartial consideration of tenders to build the line, made both on the theory of a private company and of Government ownership. England, at the last moment, hesitates to become a partner in the undertaking, and offers a guarantee of £100,000 a year, on condition of receiving priority for Government messages, which is reasonable enough, and having them sent at half cost, which is, we think, not at all reasonable. But she gets these terms from the eastern extension company, and does not want to be placed in a worse relation to the projected cable. So the matter stands. Mr. Sanford Fleming, who has all along been conspicuous in the promotion of the enterprise, refuses to believe that, in this offer, England has said her last word; and since he said this Mr. Chamberlain has declared his readiness to consider any proposition the colonies may make.

At this crisis of the cable question, the Government of the sparsely populated Province of British Columbia comes forward in the person of her Minister of Finance, and offers out of her meagre revenue, to bear one-ninth of the cost of the cable. This highly public-spirited offer deserves recognition, but that single province ought not to be called upon to make a contribution for a purpose which will benefit the whole of Canada; she ought to be relieved, in some way, of the necessity of doing so, if the question of the new cable be wholly political. The difficulty which at present presents itself is that the Imperial Government offers a contribution which, with the conditions attached, is not worth accepting, and if the

offer is not increased it would be better to proceed on the lines proposed, without any imperial assistance at all. Aid in the form offered would not, as there was at first reason to fear it would, stand in the way of the cable being built as a joint Government work. The sole difficulty is the inadequacy of the offer made by the British Government. Public opinion, in England, coincides with that of Canada, that the offer is unworthy of an Empire which has such large interests at stake. If England will do no better, the colonies can, if they must, do the work without her aid, provided always there be reasonable commercial reasons why the cable should be laid.

The Vaucluse Board of Trade has backed up the offer of the British Columbia Government to contribute towards the Canada-Australia cable, and names \$1,000,000 as the amount. When the matter was under discussion, Mr. Bunscombe spoke of the proposed contribution as "a legitimate business investment," which was sure to pay. It is well that this feature of the project should come into view. The business of the cable, so far as Canada is concerned, has to be almost entirely created, there being very little of it at present. About the cost of construction there is not so much doubt, tenders having been obtained as a means of finding out what the work could be done for. It so happens that the case is one in which the information to be obtained from a survey is not of nearly so much account as it would be if a railway were to be constructed. But the British Government must be convinced that something depends upon this, or we should not hear that a vessel of the British Pacific fleet, the *Eregia*, had received orders to make ready to survey the route from Victoria, B.C., to Sydney, New South Wales, taking Fanning and Fiji Islands on the way.

Startling as are the revelations of the Newfoundland commission, whose report has just been laid before the British Parliament, it contains little that was not before matter of notoriety. The condition of the colonists has, under the French treaty, become intolerable. Even the *modus vivendi*, which must now come to an end if not ratified by the Legislature of Newfoundland, is said to be severely criticized in the report, but whether this is done by the commissioners or by the local witnesses, we are not in a position to know. Lobster packing, a doubtful right in the French, since they can only carry it on in structures of a kind forbidden by the treaty, is monopolized by them, and the British inhabitants of the island are denied the same privilege on what is called the French shore of an island in which France does not own a foot of territory. These British inhabitants were the pioneers of the lobster-canning industry there; and the French did not object to this industry for twelve years, and only set up as rivals in retaliation for the refusal of the colonists to furnish them bait for the cod fishery. And now, by-the-bye, the French owner of Anticosti wants to play the same game there on the ground that he is absolute owner of the island. The right of the French to fish along the west coast of Newfoundland is clear, but the colonists are at least technically correct in denying that crustacea are fish, whatever may be the effect of that contention. In every way the British colonists on the island have been discouraged in the lobster fishery, driven out of it, again and again, and ruined. The latest accounts represent the Legislature of the island as willing to pass a law which will give the British Government time to make a final arrangement with the French.

Undenially the French have certain rights on the west coast of Newfoundland, but nothing like the extent of