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THE SITUATION.

Against the Klondyke royalty of 10 per cent. comes a British protest by the hand of the Incorporated London Chamber of Mines. Allowance must be made for the fact that this body represents the payers of the royalty and that they have a purely selfish object in view in denouncing the royalty. When this is done the reasons they advance will retain whatever force they possess. The objection to a heavy royalty on the gross output of the mines is certainly valid. Gross output, like gross income, is very far from being all profit; only a part of it can be profit under the most favorable circumstances; often that profit must be small, and in some instances there will be no profit at all. In the latter case the royalty would come wholly out of capital; to the extent that capital is taken the royalty is confiscation under another name. Of course all this would be liable to happen in a less degree if the royalty were half the present amount, but on the whole its exaction would be a somewhat rough way of doing justice to the country if all the money collected were judiciously spent there. Objection is also taken to the reservation of Government claims, objections very similar to those that were made in the first part of the century against clergy and Crown reserves in this part of Canada. These early experiments failed and the modern copies are not promising. Even against a high royalty experience on the north shore of Lake Superior gave a warning which the present generation ought not to have forgotten, but which nevertheless was strangely disregarded.

As the deepening of our canals to fourteen feet of water, begun many years ago, draws towards a close, Americans are preparing to take advantage of the new state of things which will begin at the completion of the work. The New York Tribune reports that more than fifty large American steamers, most of them owned in New York, will next year be employed on the St. Lawrence route. The Tribune hints that the Erie Canal ought to undergo further development and asserts that it is not being worked in the most effective way. To us its working has appeared little short of a miracle, when we compare what has been done on it with the little that has been done on our greatly superior water-way. It is well that Americans are looking to the development of the Canadian route,

in connection with which there has hitherto been unaccountable shortcoming that produced something like chronic paralysis. If the wants of New England can be supplied by this route, a vast increase of business may be looked for. The American export of wheat to Europe is about one-tenth of their crop, and for the carrying of this the Canadian route can compete. If our own forwarders are unable to do the business, it is well that it should be done by Americans.

From the Royal Jamaica Society of Agriculture come thanks that Canada has accorded preference to the sugar of the island, and the hope is expressed that the island may be able to do something in reciprocation of the favor. In other quarters there is talk of the island desiring annexation to Canada. What mutual benefits would accrue from annexation we have not yet seen stated. In Jamaica the negro is less given to labor than the negro of the Southern States, whether he receives less encouragement or is incurably indolent, as the proprietors of Jamaica estates so eagerly insist. The fact that the want of labor is severely felt, while there is much of it going to waste in idleness is beyond a doubt. Ceylon, which, like Jamaica, raises coffee, can get cheap labor from India, China and Japan, while Jamaica has no corresponding advantage; this makes competition by the latter island nearly impossible. If, on the abolition of slavery, the proprietors had spent a fair proportion of the £20,000,000 they got in compensation on the improvement of their estates, things might have been different to-day. The American market has long been coveted by Jamaica, and henceforth American interests in Cuba will make this object more difficult of attainment. Jamaica turns to Canada for help; we have tried to do something for her, but that it will avail to rescue her from the industrial strait she finds herself in is problematical. One account says that despair is sending a portion of the islanders to try their fortune in Cuba under the new order of things.

If the plebiscite majority of Quebec be correctly figured at 91,292, it overtops the majorities of all the other provinces and the North-West Territories by over 20,000. The plebiscite reveals the fact that Quebec still has the power to rule the Dominion as she was able to rule Upper Canada under the legislative union. On the present occasion, it is impossible to complain of the way in which she has exercised her right, unpalatable as her view may be in some of the other provinces. As usual, after an election, stories of crookedness in connection with the majority vote are heard, but until the charge is proved it is only fair to hold our breath in suspense. There can scarcely be a doubt that Quebec is anti-prohibition by a legal majority large enough to offset all the majorities on the other side. Whether there be a small majority one way or the other will make no practical difference; without a large majority in favor of prohibition no legislation need be looked for; it would not be generally desired even by the prohibitionists themselves, and if enacted would be in danger of becoming practically a dead letter. There can be no appeal against the present vote, be the small majority on one side or the other. The friends of temperance can now advantageously try other methods, among which moral restraint must be the chief force. How to deal with inebriates society has not yet quite learnt. Something can be done to improve the quality of the liquor sold; most of it is fairly free from impurities, but the great enemy of health, fusel oil, is not yet completely conquered. With all the restrictive precautions for the improvement of whiskey, is it certain that a better article is produced than