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THE SITUATION.

It passes comprehension why a committee of the Toronto Council should favor any scheme for setting up rival water works to those of the city, or listen to a proposal to purchase from it a franchise which could be worked to a profit by a private company, only at the expense of heavier water rates paid by the citizens. Experience has conclusively shown that cities can supply themselves with water at lower rates than private corporations can supply them; and yet in the face of this, there are members of the Toronto Council willing to burthen the city with competition in water works, for private advantage, or to consider the question of transferring its right to supply itself with water to a private company, whose profits must come out of the pockets of the citizens. Would any one consent, in the management of his own business, to make sacrifices of this kind? When the water works scheme is coupled with a canal project of doubtful possibilities, it should not be, on that account, the more readily entertained. Toronto is getting its water supply from the best of the many sources available; and its system of supply would be complete if a tunnel under the bay were made, so as to prevent possible contamination with the sewage. This is the opinion of the city engineer, and there cannot be a serious question that he is in the right.

The present American Administration has covered itself with honor in refusing to annex Hawaii for the benefit of a faction who began by preaching the religion of charity to the natives and possessing themselves of their lands. In no part of the British empire can private parties, missionaries or traders, obtain lands from uncivilized or half civilized natives; and if this rule were applied by the United States to its citizens in foreign countries, especially when these citizens appear in the

guise of missionaries, great evils might be avoided. The United States, which was the first to recognize the independence of Hawaii, magnanimously refuses to annex the islands. The restoration of the queen is likely to follow, and it shows the desperation and depravity of the annexationists that they threaten to kill her as a means of making such an event impossible. The people who have cozened the natives out of their lands want annexation as a means of adding to the value of their ill-got possessions. They would probably have succeeded under the Republicans; the party revolution at Washington destroyed their hopes. In some form, the white inhabitants of the islands, in virtue of superior capacity, are likely to rule; and now that the project of annexation is knocked on the head, they will be wise if they take steps for ruling in the name of the queen.

In England, the difficulty between the mine owners and the miners, never fully settled, has broken out anew. A Socialist member of the House of Commons proposes to ask Parliament to sanction the nationalization of the mines by purchase, at an estimated value of \$250,000,000, the whole of the English coal mines. Purchase is at least an honest mode of acquisition, indeed the only honest mode; and it is in striking contrast to the schemes of the land confiscationists in America. Their proposal is on a par with that of the Socialists in different parts of Europe, who propose to make a general attempt to get possession of other people's wealth by means of a dynamite campaign; an uglier process than the seizure of all rents under the name of taxation, but the result, so far as the owners of the property is concerned, would be the same. The nationalization of the mines would not cure the evil of friction between the miners and the mine owners: the State would simply be put in the place of the private or corporate owners. Governments like ours, which possess valuable mines, should make such terms of alienation as will best protect the public against monopoly and extortion, which the accumulation of large mining areas in the hands of a single corporation tends to produce. We have seen the evils which non-attention to this has caused in connection with coal mines in the United States; and yet we have not had the prudential precaution to profit by the example.

A general election has given the Government of Newfoundland a new lease of power. The interest of Canada in the result is small. Confederation with the Dominion was apparently not an issue, certainly not a conspicuous one. The present Government of the island has had its differences with Canada, and one of these, having been referred to the British Government, is dependent on the decision of the Gladstone administration. The subject matter is the Bond Treaty: but as commercial treaties are not now in favor at Washington, a hitch might be possible, on that side. We do not wish to recall the unseemly violence with which that treaty was defended at St. John's, nor to dwell

upon the want of constitutional sanction to the act by which an island of small population assumed to make a treaty on equal terms with an independent power, to the manifest disadvantage of Canada. It was in this latter fact that our interest centred. The dispute with France over the oyster-packing establishments is still unsettled; apparently France keeps the sore open for her own purposes. The union of the island with Canada might have settled the dispute; but as this is not now on the cards, the islanders can expect no assistance from this quarter. To tell truth, neither party to the dispute has been quite reasonable, and both have at times been more or less in the wrong. France has certain rights on the one part of the coast of the island, which the Newfoundlanders are disposed to dispute, and the French to magnify. The oyster-packing establishments of France seem to more than Newfoundlanders to be a manifest encroachment. France agreed to arbitration, and if she does not intend to arbitrate, some other mode of settlement should be pressed upon her.

Work on the new Tariff Bill goes steadily on before the Committee of Ways and Means at Washington. The rough draft is reported to contain an important enlargement of the free list, including coal, iron ore, wool, lumber, salt and silver ore. The duty on tin plate is reduced to 1 per cent. If you ask Mr. Carnegie, whose exalted patriotism is to be found in the fact that he has made an enormous fortune by favor of high duties, you will get for answer that there is no fear of extensive reductions being made. The results of the late elections may doubtless have some deterring effect on the Senate, as Mr. Carnegie suggests; but he has no warrant for the statement that the President never accepted the platform of his party. No doubt the Tariff Bill will meet great opposition in both branches of Congress. Besides the duties it will lower, the new taxes which it will necessitate will stand in the way. Among those proposed is an income-tax, which it is proposed to put at two cents in the dollar. This would be the most equitable of all taxes, if it could be levied with certainty and uniformity; but it remains to be seen whether Congress can prevent frauds in the forms of evasion to which such a tax has generally hitherto given rise. Present indications are that there will be no increase in the tax on beer or whiskey. The whiskey tax is much lower in the Republic than in Canada, a fact which would have a direct bearing upon the possible enforcement of Prohibition, if it were tried here. The United States will lead the way in tariff reduction, and Canada is pledged to follow. In free goods, there is likely to be room for important reciprocations.

The American sealing company which buys a privileged monopoly on the sealing islands, is beginning to realize that the Paris arbitration covers only a small part of the ground; for while it restricts the action of British and American free sealers, it leaves those of all other countries at liberty to disregard the conclu-