A transit duty, such as that which England has agreed to pay to Portugal in Eastern Africa, is rare and unusual. For a period of twenty-five years Portugal is at liberty to charge a maximum duty of three per cent. on goods passed through its African into British territory; but the payment for the privileges of transit may be commuted at the option of Great Britain for a fixed sum for the remainder of the term of £30,000 a year. But this sum would include the purchase of the opening of the Zambezi and Spire rivers to all nations. It used to be the doctrine of writers on international law that free passage for lawful purposes was due from one nation to another, especially by navigable rivers; and it looks as if something has, on the present occasion, been conceded to the weakness and the obstinacy of Portugal. Whether Canada is entitled to the privileges of this treaty we are not aware.

The Canadian tug "Lorne," belonging to Messrs. Dunsmuir & Son, of Victoria, B.C., was fined $840 for alleged violation of the United States coasting laws, and the fine has been confirmed by Secretary Foster, of the Treasury Department, Washington. The vessel which the "Lorne" towed into an American port was picked up ten miles from the coast. The coasting laws provide that a foreign tug may tow an American vessel from foreign waters to a United States port; but the department at Washington holds that the high sea is not a foreign water, on the principle presumably that no nation has a property in the high sea, which is the common heritage of all nations. If the American coasting law had read that foreign tugs may bring vessels found in distress beyond the jurisdiction of the United States, the interpretation must have been in favor of the "Lorne." It is easy to understand that the proprietors of the tug did not, at the time the assistance was given, conceive that she was violating the law. At the same time, it can scarcely be contended that the Washington decision is not technically correct.

The question of space in live stock shipping has been settled at Ottawa by an order from the Government to make it two feet eight inches for each animal.

THE MANITOBA CROPS

Since the rains at the close of May the crops in Manitoba are looking well. A Winnipeg letter of Saturday last to this journal, placed the "[illegible]able acreage under wheat in Manitoba at about eight hundred thousand acres." We now observe a statement in the Winnipeg *Free Press* to the effect that it "is estimated that the amount of land under cereal crop in Manitoba this year is 1,311,000 acres, of which 916,000 are wheat, 305,000 oats, and 90,000 barley." It is customary with Manitobans—and with farmers or grain dealers in some other provinces, for that matter—to overestimate the yield of their harvests. What good it does we have never been able to see. That it does harm, when these sanguine estimates are not justified by the result, would not be difficult to show. People in the east as well as in the west of Canada are looking with genuine interest to harvest prospects in our newer districts, and will rejoice heartily if they yield all that is expected. But it is well not to be over-sanguine. In western Ontario generally the lack of rain has seriously lessened the hay crop; it remains to be seen how far the wheat will benefit by recent rains. A cool-headed Manitoban visiting Toronto yesterday told this journal that 800,000 acres is probably a fair statement of the wheat area for that province; that twenty bushels per acre was a low estimate of the probable yield, and that twenty-five was not deemed excessive. Supposing it to be twenty-five, this would mean 20,000,000 bushels wheat in 1892. If she gets 16,000,000 she will do admirably well. If the larger quantity she can send to the Chicago World's Fair an object lesson of some sort, to represent that enormous quantity.

THE FINANCIAL CONDITION.

This country has not lacked for men at the head of its leading banking institutions who had the prudence and the pluck to give needed warning and sound advice to the people year by year. And in addition to their public utterances we cannot doubt that, as opportunity arose, they also privately warned the heads of commercial and municipal institutions against imprudent or hasty expenditure, public or private, the overdoing of business of almost every kind, and the taking of excessive credit because, unfortunately, credit was easily obtained. It is as true to-day as it was a quarter century ago, when Carlyle declared to the Edinburgh students that "there is a great deal of faithful advising, but very little faithful performing." Business men and public administrators are very apt to go to the full length of their tether without much heeding the danger signals held out by persons whose positions enable them to take a wide view of the course of events, and who treasure up the lessons of experience.

One is impelled to ask, however, whether bankers themselves do not sometimes require to be reminded of the adage, *Quis custodiet ipsos custodes?*—"Who shall keep the keepers themselves?" While we do not say that the heads of our great banks need to enforce within their own domain the practical observance of the prudent theories they offer for the regulation of the public, there is nevertheless a strong feeling in business circles that in the excess of credit so often lamented, bankers themselves have a considerable share.

In his address at the meeting of the Canadian Bank of Commerce on Tuesday, Mr. Walker, the general manager, after sketching the disturbed condition of financial affairs in Europe, the United States, and South America, and noting the increasing interdependence of the various countries of the world, took strong ground in favor of our "going slow" for a while. He reminded Canadians that: "Whether we contribute to the strain on the money markets of the world or not, we may be made to suffer by what others do; but I quite agree with the general manager of the Bank of Montreal, that we have already done and are still doing our little part towards that overloading of the London market which may yet bring about consequences worse than anything we have ever imagined." It is necessary for men, for municipalities, and for provinces "to bear in mind that ample assets and ability to pay are not the only measures of credit—we must also have the desire and ability of the investing world to purchase securities. Common sense points to the wisdom of avoiding all extensive public improvements for a year or two." Mr. Hague, the general manager of the Merchants Bank of Canada, strikes a similar note in his address. Describing in his address in Montreal, on Wednesday, the origin of the Barings' trouble and the dangers and disasters of over-borrowing, he says: "The bearing of these events upon the borrowings of the Governments is obvious. We are all directly interested in this matter. It was the inordinate borrowing of certain Governments on the British market, under the auspices of the great house, that brought it into the humiliating position of last November. . . It was the misplaced confidence in the resources of a country containing great elements of wealth that led to these dangerous mistakes of the borrowing Government and the supporting house. . . It becomes us in Canada to take due note of all this."

Mr. Walker makes a point, too, when he asks: "Do we not commit a grave error in repeatedly deploring the condition of trade and farming, waiting for years of plenty—hoping for the return of old-fashioned profits? Is it not better to conclude that *the present* is the normal condition of things, that the harvests are not likely to improve on the average, that profits are not likely to be larger?" His belief is that we can all prosper, even though the harvests are no better than those of the last three or four years, if mercantile business be not so persistently overdone, long credit and credit without adequate security so persistently given, and expenses be not maintained on a level no longer warranted by the condition of things. Apparently answering some fool's question, "What is the matter with the country?" he declares that, with respect to Ontario at any rate, there would be nothing the matter with her if the superfluous shopkeepers and shopkeepers' assistants within her borders could be turned into intelligent farmers or producers.

Mr. Walker urges that, in view of the foreign markets for woods, our next winter's output of square timber should be cut down to nearly nothing. With regard to sawn lumber, the cut of saw logs in the Ottawa district "is now lower than in any but two of the last ten years. The demand in the United States is satisfactory, at prices higher than a year ago, but the South American market is still wanting. A diminished product is all that is necessary to give the lumber business a quite satisfactory tone, and at the moment the Ottawa manufacturers have fair profits in prospect." Mr. Hague expresses the opin-