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THE SITUATION.

A bill to give effect to the Behring Sea sealing award has made its appearance in the British House of Commons. The Act is to go into effect in May of this year; but if a sealing vessel sailed before the provisions of the Act have been published, she will not be liable to forfeiture. As such publication cannot take place until the Act has received the Royal assent, it is reasonable to conclude that all possible expedition will be used in getting it through Parliament. On the point of non-liability before publication, there has been some negotiation between the Government of Great Britain and that of the United States, and we may fairly presume that the British bill embodies the agreement arrived at. British vessels making a seizure of a sealer offending against the statute, may order her to go to a specified port, where there is a court authorized to adjudicate; and in case she refuse to proceed as directed, she shall be liable to a fine of £100, and any British customs or consular officer may detain her until security has been given for her appearance in legal proceedings, where she may have to meet other liability. Authority may be given to United States officers to exercise, under this Act, powers similar to those which British officers may exercise. Forfeiture of the vessel is the penalty for wilful contravention of the Act, but she may be released on the payment of a fine not exceeding £500; and if the master has used due diligence to enforce the regulations, if he did not connive at the offence committed and took proper means to punish the offender, he is not to be liable. A bill for the same purpose is going through the United States Congress.

More than once the statement has been made that British sealers had set out prior to the introduction of the bill for ratifying the award of the Behring Sea arbitrators, and that some of them were taking mea-

sures for evading the regulations, by engaging in the service vessels of nations which took no part in the arbitration and are not bound by the award. Some of them, it was said, had gone from Great Britain, *via* the Suez Canal, and others were to start from Japan. These allegations may or may not be true. The moment the award of the Paris tribunal became known the proper thing for all concerned would have been to govern themselves by it. Any one who attempts to violate the law or any orders under it will deserve no sympathy. The maintenance of the national honor is, in conventions of this kind, of the highest obligation. As for using foreign vessels as a means of release from the restraints of the award of the Paris tribunal, Americans are just as likely to resort to it as British subjects. It is doubtful whether British subjects or American citizens can innocently engage in such an enterprise, even on a foreign vessel, if they be principals in the undertaking. If they do so, they will incur a risk which may cause them to regret their temerity.

Mr. Huddart's ability to float the proposed new Canadian line of fast Atlantic steamers is now said to depend upon our Parliament sanctioning the subsidy of \$750,000 a year. On this condition success is declared to be within his reach. The vessels have to be built before they will be available, and unless suitable substitutes can meanwhile be found, an increased subsidy cannot be earned this year. But the subsidy will be the foundation of the whole scheme: until this is known to be forthcoming, no one will undertake to build the vessels required. The amount, though large, is perhaps the lowest for which the service required can be secured. The real question would seem to be, whether we are to go on with inferior Atlantic steam service, one which is in fact behind the age, or pay the amount necessary to secure one equal to the best. The increased subsidy will not pass without opposition, but it will probably pass, even while the present spasmodic fit of economy is on.

Two loan companies, one in New Zealand and the other in England, are in trouble. The liabilities of the New Zealand loan company are stated by the receiver to be £2,069,000. They probably consist for the most part of debenture bonds. In an enquiry into the affairs of the company the directors will be asked to tell what they know of its management and how it came to get into trouble. The Land Security Company, London, formed thirty years ago, has a liability of \$2,000,000. In both cases, the basis of security, land, has probably shrunk in value, in England it certainly has. But, unless there were other defects of management, this would not necessarily have led to the catastrophe. The announcement of the failure of the one was rapidly followed by that of the other. These failures will probably prolong or renew the want of confidence which was fast passing away. There is no reason why these occurrences should in any way affect this country; but

there is no guaranty that they would not in case any loan company here desired to put debenture bonds upon the British market.

No sooner is the Russo-German treaty of commerce ratified, than the announcement comes of a similar convention between Russia and Austria, by which the most favored nation treatment is accorded by each to the other. Russia makes commercial conventions with any country without regard to political antagonism, and if such conventions are to be made at all, this is the true policy. Some accept these conventions as signs of an assured continuance of peace; they bring the contracting powers closer together, in the meantime, but they offer no real guarantee against the ultimate occurrence of war.

All doubt about the ratification of the Franco-Canadian treaty has been removed by the reply of the Premier to Sir Richard Cartwright. When a treaty had once been made, in the name of the Government, the duty of ratification was plain, unless the agent of negotiation was to be disavowed, on the ground that he had gone beyond his instructions. Either his instructions, in this instance, must have been very general, or he went beyond them, for at first the Government hesitated to ratify what he had done. But as it did not disavow or recall the agent, the international obligation to ratify became plain, and ratification is now on the cards. The treaty lowers the duty on French wines from 46 to 26 cents a gallon; and under the most-favored-nation arrangement, the wines of other countries will be similarly affected. The Canadian vintners complain, and ask in return the right to use free spirits to fortify their wines, a privilege possessed by French wine makers. The reduction by one-third of the duty on nuts, almonds, prunes and other plums, will enable California to compete with some success against France, if the most-favored-nation rule can be invoked by the United States. But the freight from California is many times as high as from France; and, absurd as it is, the price of land in the Pacific State is often as high as in France, while labor is much higher.

In his Budget speech Mr. Foster intimated that if manufacturers had good cause of complaint, alterations in the proposed tariff would be made in their favor. Of this invitation several of them have not been slow to avail themselves. But there are some complications which the Minister will not find it easy to straighten out, in which he is between two fires. Some ask for free raw material as a compensation for the reduction of duties, and when this material is iron the removal of duty off which is asked by one interest, and stoutly defended by another. The retreat, even so gradual as that proposed in the tariff bill, is beset with difficulties, which may well dismay a Minister whose public policy involves the balancing of opposing private interests. Anomalies of all kinds are encountered at every point. On high-priced carpets the duty is to be raised; on lower-priced, two and three-ply carpets,