

tional banks, as a rule, do not favor a departure from this feature of the system, which has been developed by slow degrees during the last half century. There is no probability of Mr. Wier's suggestion being tried.

#### THE BEHRING SEA ARBITRATION.

Both litigants ought to be reasonably satisfied with the decision of the arbitrators in the Behring Sea case. Great Britain obtains a decision in favor of all her contentions in the matter of the rights of navigation, and the United States has secured, through a close season and a protected zone of 60 miles around the breeding islands, all that she could reasonably ask in the way of regulation. If the rights of navigation had been infringed to meet the incidents of a special case, the Americans would themselves before long have had cause to regret a regulation which would have worked to their injury. The arbitrators decide that whatever rights Russia had to jurisdiction and the seal fisheries in the eastern half of Behring Sea the United States now possess; but that these rights did not extend beyond the three-mile limit. Behring Sea is declared to have been part of the Pacific Ocean when the treaty of 1828 between Great Britain and Russia was made. It was necessary to decide this point, because the United States contended that this treaty had not applied to Behring Sea, which was declared to be no part of the Pacific Ocean.

The regulations made for the management of the seal fishery, though reasonable, may not be regarded either by the United States Government or Canadian sealers with entire satisfaction. Extreme men in both countries are, of course, dissatisfied; but the prevalent opinion, on the whole, favors the decision arrived at. The protected zone of 60 miles coincides with the limit from the coast to which, by the treaty of 1825, Russia was permitted to extend her exclusive right of fishery; and though there is no apparent connection between the two, the one may have formed a precedent for the other. When distances of anything like this extent have to be dealt with, a practical difficulty is apt to arise about the precise position of the dividing line; and it may often be impossible to be certain whether a sealing vessel was exceeding its privileges or not. The same difficulty does not occur with regard to the three mile limit: with the coast in sight, the practiced eye can tell pretty well how far a vessel is from shore. Whatever may be the extent of this difficulty, it is incident to the nature of the regulation which has been deemed necessary for the protection of seal life. The close season extends from the 1st May to the 31st July. Within these dates, sealing is forbidden to the subjects and citizens of both countries north of the 55th degree of north latitude, both in the Pacific Ocean and Behring Sea. At other times, when sealing is permitted, it is to be confined to sailing vessels, canoes, and undecked boats, on which either paddles, sails or oars are used. Every sealing vessel must be provided with a license to enable it to pursue its calling,

issued by its own government, and is to carry a distinguishing flag. The number and sex of the catch are to be regularly entered in a book kept for the purpose by the masters of the vessels. A copy of these entries is to be exchanged by the two governments at the end of each season. The use of nets and explosives is proscribed, and the only fire arms to be used are shot guns. In the absence of such restrictions many seals killed would be lost. The men to be licensed to carry on the business of sealing are to be skilled in the use of the weapons used; and some proof of this skill may be required, since it rests with each government to decide on the fitness for the task of the men who may be licensed. These restrictions grow out of the nature of the calling, though they will scarcely be welcome to the men who may ask enrolment on a licensed vessel.

British Columbia fishermen are reported to be dissatisfied with the regulations, and are contemplating a transfer of the vessels to other flags, no nation except the two contracting parties being bound by the award of the arbitrators. To do so would be a perilous venture. Unless the vessel were regularly transferred to foreign registry, a mere change of flag would afford no protection; vessel and men would become outlawed and forfeit the protection of their own government. The device, too, might revive international complications; and the duty would probably be imposed on our Government and that of Great Britain of making special efforts to bring the offenders to punishment. The best thing the sealers can do is to accept in good faith, as everybody else will, the decision arrived at by the arbitrators.

Indians on the coast either of the United States, or of Canada on the Pacific, are exempted from the regulations. This will favor the Americans, since many seals frequent their coasts and few ours; but the regulations had to be common to both.

British sealing vessels which were seized by American cruisers on a mistaken view of American rights, will be entitled to compensation. On the whole, the decision must tell in favor of the practice of international arbitration on questions to which it is fairly applicable.

#### THE DECLINE OF AMERICAN STOCKS.

It is evident from the great decline of some American stocks that the difficulties of the commercial situation, in the Republic, are not all embraced in the silver question. It is natural that industrial stocks which have been inflated through the operation of high duties should become sensitive, and undergo a decline of price at the prospect of a return to a revenue tariff. Such changes are generally discounted before they actually go into effect. It is possible, too, that the protected interest wishes to give some signs of the coming ruin which it predicts, if it does not fear, as the result of the tariff policy to which the Democrats are pledged; and some of the shutting down of manufacturers may, in part, be due to this feeling. There is, of course, another reason for calling a

halt: the conviction that it would not be wise to encounter a reduction of the tariff with large stocks on hand. This consideration of prudence is sufficient to reduce production. But the change is at the distance of a year in the future, and would not be near enough to unsettle industries, if those having them in hand always acted with reason.

There are some industrial stocks which have undergone a ruinous decline; but in their case the trouble is often due to special causes which we have not space to enumerate. The following stocks have undergone a decline of about 66 per cent. since the first of the year. The quotations show the highest prices obtained during that period, and the present price and percentage of decline:

American Tobacco Co	....	121	56	58 %
" Sugar Ref. Co	...	84	68	20
Distilling Cattle Feed Co	...	63½	15½	76
General Electric Co	.....	114½	37½	67
National Cordage Co	.....	147	8½	94
" " pref'd		118	35	70
" Linseed Oil Co	...	41	14½	64
" Starch Co	.....	35½		
" " 2nd pref'd		90	25	72

In some of these companies water—in other words fraud—played a large part. It is some consolation to know that the aim of practical monopoly in combinations is not often likely to succeed commercially. It is so easy to outrun profits by the creation of fictitious stock not born of real capital, and the only relation of which to capital is that the holders of it acquire a claim to a portion of the profits of the company by which it is issued. But it is beyond the power even of monopoly to increase profits indefinitely, though it is possible and easy to increase stock to any extent. When this facility exists, a fatal use of it is likely to be made. The more inflated a monopoly becomes the greater its danger; the more a stock is watered the nearer is the collapse. Stock watering should be placed on a level with forgery, for such it is in fact; it is the creation of something which purports to represent capital, but which is in fact nothing but a bit of paper. When stock created by a stroke of the pen becomes the means of taxing the public, robbery is committed. Against such robbery the public has a right to be protected. This is the protection which in the United States an effort will soon be made to substitute for the protection which the tariff was intended to establish.

#### RECENT ONTARIO LEGISLATION.

The Ontario Statutes, 1893, are just to hand. Many changes in the law have been effected. Sheriffs are now entitled to take under execution; money secured by mortgage, and to make search for goods, by force, if necessary, under an order of replevin. The Governor-in-Council may direct that the bond or policy of guarantee of any incorporated or joint stock company, empowered to grant guarantees for the integrity and faithful accounting of officers, may, at the discretion of the judge, be accepted in lieu of the security required by the Surrogate Courts Act. All actions on covenants in mortgages made after the first day of July, 1894, must be begun within ten years.