

ESTABLISHED 1866.

THE MONETARY TIMES

AND TRADE REVIEW,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal, the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION—POST PAID.

CANADIAN SUBSCRIBERS,	-	\$2.00 PER YEAR.
BRITISH " "	-	10s. 6d. STER. PER YEAR
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TORONTO, CAN., FRIDAY, JAN. 13, 1889

THE SITUATION.

The intention is attributed to the American authorities to complete the cutting of a channel at the Limekiln Crossing, in the Detroit River, on the Canadian side of the international boundary. The work is partly done, the channel being already four hundred feet wide, and the intention being to make the width forty feet more. As the Marine Department of Canada is aware of what is going on, the presumption is that some arrangement exists between the two Governments; that, if nothing more, the Americans have had leave granted to make the improvement. In all such cases, anything like benevolent trespass should be made impossible by mutual arrangement, otherwise the seeds of future dispute are likely to be sown. If an improvement were made by one nation in the waters of another without such understanding, the fact might afterwards be cited to the disadvantage of the country in which the improvement was made.

National friendship and distrust have their influence on the fate of government loans. Russia has for once a surplus to boast of, but she finds considerable difficulty in floating a loan, a difficulty which the Minister of Finance attributes to the hostility of the foreign press. The real trouble is that, despite protestations of peaceful intentions, Russia is suspected of designs on the public peace. In Germany, where Russia is looked on as a possible enemy, the press is hostile; in France, where it is thought Russia may be an ally to the Republic in the next European war, the press is favorable. Russian securities previously held in Germany have of late been finding their way to France and Holland. Russia has spent large sums in building military railways, and it is not surprising if nations against which they may be used as a weapon of offence do not see their way to encourage the extension of these or other facilities for making war in neighboring territories.

A serious feature in American agriculture is the low yield of wheat, which, according to the report of the Department of

Agriculture, was last year only 11.1 bushels per acre; winter wheat yielding something more—11.6—and spring something less: 10.3. This is not much more than half the average of Ontario and not over one-third that of Manitoba and our North-West. These American returns reveal the fact that a great degree of exhaustion of the soil has been reached, and the time when wheat-growing, as now practised, will cease to be profitable cannot be far off, if indeed it has not already come. When the agriculture of a country reaches a serious decline, its revival becomes a matter of great difficulty. Without capital revival cannot be looked for, and it is doubtful whether the depleted soil will bear the burthen of interest which new capital would demand. The borrower could not afford to wait for a return. Some great revolution in American agriculture seems to be impending. The next phase it is likely to assume will be the application of capital to land on a large scale, implying concentration of land in fewer hands. Democracy, fighting for minute subdivision of the land, seems, unhappily, to be on the point of failing in the experiment, and political economy, if called on to solve the problem, must be allowed to solve it in its own way.

An owner of horses, in Toronto, had eight animals affected with glanders officially executed, in the public interest; and he applies in vain to the City Council for compensation, the law not authorizing the appropriation. If diseased animals, which might have recovered, are killed under the sanction of the law to prevent the contagion spreading, the owner ought to have a claim on some one for indemnity, unless his own imprudence has contributed to the disaster, and if it has the reclamation should come from the other side.

Naturally the Edmunds resolutions, applying the Monroe doctrine to the Panama canal, have not been received with favor in France. They are treated as a contemplated infringement on the rights of the States of Central America, which have the same right to independence that the United States has. And this view finds expression no less in the States of Central America. If the Monroe doctrine, as interpreted at Washington in this instance, means anything, it must mean that the United States is more jealous of the safety of the Central American States than they are themselves, and that it sees danger where they see none. The Government of France, it is plain, will not seek to obtain any direct control over the canal. In time of war it will be controlled by the nation that has the largest fleet available for the purpose, be it France, England, or the United States.

Mr. Mercier, in the Legislative Assembly of Quebec, has stated that the Government had received certain offers in connection with the proposed conversion of the provincial debt. He did not state the nature of those offers, but contented himself with saying that, if accepted, the public would benefit by them to the extent of \$180,000

(yearly?). The natural inference is that the offer was for new bonds at a rate a little less than is paid on those outstanding, the reduction of interest being measurable by \$180,000 a year. But this is only a very small step towards conversion, and it is not the first step to be taken: the first thing to do is to ascertain the terms on which the existing bonds can be obtained from the holders. The authority to demand them at par, it is clear, can never be enforced. Mr. Mercier says the clause in the Act authorizing forcible conversion was only to prevent a fraudulent conspiracy or combination to raise the price of the bonds; but it is conceivable that without any conspiracy individual holders might innocently refuse to sell at par; to coerce them to do so would be a flagrant act of injustice. Besides, the Senate received the assurance of the Government, before the coercion bill passed, that forcible conversion would not be resorted to. If it was only intended as a scarecrow, it would fail to scare when its true character was known. What then the object in retaining it? It is potent to injure, not to aid conversion.

The United States Senate has made an important change in the tariff bill, by removing fresh fish from the free list and subjecting it to a duty of half a cent a lb. The concurrence of the House in the change will probably be secured without difficulty. One reason urged in favor of the change was that Canada put a duty on American fish. Another was that she has had the monopoly of shipping fresh fish overland to American ports, Americans being refused a right of transshipping fish over Canadian soil. If these proposed changes should be made it will cut the knot of the question which has been ingeniously raised in the United States as to what constitutes fresh fish. An attempt has been made to distinguish between fresh fish just caught and fish kept fresh by ice, by calling the latter "preserved fish," clearly a distinction without a difference. If this distinction had been admitted, the eastern people, who live near the fisheries, would alone have been able to get free fish, and the objection to discrimination was used as an argument in favor of a duty under which all sections of the country would be treated alike. Against free fish, the statement was made that experience proved that it did not cheapen fish to the consumer; "all the profit going," according to Senator Edmunds, "to the foreigner and the importer"; a statement which he sought to back up by reading from evidence taken before a Congressional committee. When the usual argument about the fishery being a nursery of seamen and an arm of public defence, was being made to do duty, members were unable to agree whether the proportion of Americans in the fishery was seventy-five or eighty-five per cent. So long as we put half a cent a pound on fresh fish we cannot object if the Americans do the same.

The St. John Board of Trade and the Halifax Chamber of Commerce have recently held large meetings to discuss matters of interest to their respective cities. St. John resolves that she wants to be the