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 Manager.

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THE SITUATION.

The United States Senate Finance Committee, on motion of Senator Sherman, has made an important addition to the tariff bill amendments. So far as Canada is concerned, it is a great improvement on anything previously proposed. By the Hitt resolution, Canada, as a means of taking the initiative in reciprocity negotiation, was to declare that she was prepared to join in abolishing the entire tariffs between herself and the United States. Senator Sherman's resolution does not exact so much. He is satisfied to make the free admission by Canada of coal the basis of reciprocity in that article, by power given to the President for that purpose. Having made the admission of coal free, Canada has only to declare her desire "to enter into such commercial arrangements with the United States as will result in the complete or partial removal of duties upon trade between Canada and the United States," to secure the appointment of commissioners for that purpose. These commissioners could only report to Congress; with Congress the final decision would rest. This, we think, is not an unreasonable proposal, and if it should obtain the sanction of Congress, Canada would do well to accept the invitation, under well guarded instructions to her negotiators.

Pennsylvania will, as usual, when it is proposed to touch the ark of protection, be up in arms against Senator Sherman's amendment. The suspicion that it was suggested by Mr. Longley, a representative of Nova Scotia, and Mr. Wiman, of New York, a British subject, will no doubt be used against it. But by whosoever originated, no better selection than coal, as a basis of mutual tariff reform, could have been made. Coal is heat, and in a cold climate heat is as essential as food. Coal is light and power, the handmaid of manufactures; it moves locomotives, and sets all sorts of machinery in motion. A tax on coal is a barbarism, discreditable to the civilization of the nations that impose it. New England needs the coal of Nova Scotia, Ontario needs that of Pennsylvania; the present duties throw obstacles in the

way of each getting what it wants. If the proposed commission be appointed, though we need not look for a mutual abolition of tariffs, we ought to be able to secure the removal of many obstacles that now obstruct the trade between the two countries. Should the amendment pass, the Canadian Government could not venture to refuse the invitation.

Mr. Sidney Webster, who has been professionally familiar with the seal question in Behring Sea, in an interview with the Paris correspondent of the New York Herald, says that all the United States asks is to have the police of that sea for the purpose of preserving the seal which breed on its islands. As to navigation, he says the whole British fleet has a right to go there. He contends that Great Britain should, before resorting to diplomacy, exhaust her rights before the United States courts. An appeal against the decision, if not satisfactory, would be in order. And he seems to think that the courts furnish a fairer tribunal than an arbitration, in which the whole strain is apt to fall on the umpire. He admits that if the municipal law of the United States applicable to Alaska waters be contrary to the law of nations, it must be held to be unconstitutional. He thinks that the meaning of the expression in the municipal law about the waters which appertain to Alaska, could be better determined by the courts than in any other way. The inconvenience of the situation is no doubt that in the meantime the American Government is acting upon a construction which may be and almost certainly is wrong. As the view of Mr. Webster has not been pressed by the United States Government, Great Britain has not been called upon to consider it.

Whether the Newfoundlanders have a right to establish lobster factories on the "French shore" of the island is likely now to be determined by the highest judicial authority of the Empire. Mr. James Baird, whose factory was closed by Sir Baldwin Walker, of H. M. S. "Emerald," seeks compensation from the British commander, and the latter has pleaded to the action. The closing of the factory was in pursuance of the *modus vivendi*, but it does not follow that the legality of that arrangement will be brought in question. The real question would seem to be, Had Mr. Baird, under the treaties, a right to set up a factory of this kind? The treaties, however the Newfoundlanders may dislike them, cannot of course be impeached. They were made by competent authority and they must be carried into effect, so long as they remain in force. And it is the duty of Newfoundland not to infringe them. To seek their abrogation by legal and constitutional means is her privilege. But all talk of violence is simply childish, and if resorted to the actors would find that their insignificance would not protect them; and if they did not rely on that, it is difficult to see on what they could rely.

The proposal by the city engineer of a new system of sewage for Toronto once more brings the sanitary question to the

front. It is believed that many towns and cities in Canada have suffered during the present year from the overflow of drains, caused by excessive rains. Where there are board floors in cellars, the overflow may lodge beneath, and its presence will not always make itself known unless it rises above the floor at some point, or raises the floor up bodily. Where it is not sufficient to make its presence known in either of these ways, its deadly presence is sure to produce disease and death. When this happens, the result is worse than need be feared from privy pits out of doors. It is quite possible for the health inspectors to get on a false scent, and to neglect the most dangerous of all causes of disease. To Toronto, and to many other places, an improved system of sewage is a necessity. Let Toronto set the example, and others will follow. The present plan is much less costly than that which the rate-payers rejected some years ago.

A projected line of railway, from Quebec to St. Charles, on the Labrador Coast, with a new Atlantic route thence to Millford Haven, has inspired enough of confidence to draw capital, stated at £50,000 stg., for surveys and preliminary expenses. Among the adventurers are the Lord Mayor of London, Sir Robert Fowler, some directors of the Great Western Railway, as well as of the Millford Dock companies. The practicability of the route will be determined by the survey. A saving of two days distance between Europe and Chicago is one of the promises of the scheme. The fact that a capital of £4,000,000 would be required to carry the scheme into effect would have to be faced. There does not appear to be a disposition on the part of the general public to look hopefully on the project, and as it would meet the opposition both of the Grand Trunk and the Canadian Pacific, the projectors will find the realization of the venture up-hill work. The winter climate is not favorable, and a harbor off the coast of Labrador might not at all times be found a haven of easy access or blissful repose.

Over the failure of Steenstrand, the Liverpool cotton monopolist, there will be few tears shed. He was playing his old game of trying to corner the cotton market, and had become responsible for options of £100,000 to £125,000 balance. But the price, instead of going up under the manipulation, came down, for cash purchases and early deliveries. Last year, this operator said his inability to control the cotton market and charge what prices he liked was due to the number of small imitators who followed in his track. He did then give the cotton manufacturers a great deal of trouble. He had a fortune of £75,000 to £100,000, and will now have to be content to deal with lower figures. He settles at 60 cents in the dollar, and is of course ruined. The lesson he is now learning will be forgotten, perhaps even by himself, certainly by others, and the future will see the same game of haphazard played with varying results.

Between shipowners and dock laborers