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THE SITUATION.

A new phase in the Behring Sea question has been presented by the appeal made, from this side, to the Supreme Court of the United States. When this course was suggested, a year ago, by an eminent American counsel, there did not appear to be any prospect that it would be taken. The movement has put on a duplex character. The owner of a Canadian vessel, condemned by the Alaska District Court, petitions the Supreme Court to annul the judgment against him, and Sir John Thompson, for the Attorney-General of Canada, "with the knowledge and approval of the Imperial Government of Great Britain," presents a similar petition. Whatever may be the outcome of the appeal, the fact that it has been made is a compliment to the highest tribunal in the United States. The proceeding would create a precedent, which might be utilized by the United States when any of their own fishing vessels are condemned by Canadian Courts, only if the capture took place under like circumstances, that is, on the high sea, which is in the last degree improbable, as such seizures are not made by Canada. The decision of the Supreme Court, whatever it may be, cannot go to the extent of disarming diplomacy and cutting short the discussion on points not capable of a legal determination. Mr. Blaine can have no reason for disliking the appeal, if the legal arguments he has presented be sound; but if in this controversy he has urged views which the national court can not sustain, it ought not to be difficult for him to pocket his pride by graceful submission to the decree of a tribunal which it will be his duty to obey. The United States cannot object to the appeal, for it is the very course recommended by the Government, at one stage of the discussion. The vessel in question was captured in Behring Sea, fifty miles from the American coast, and it will be strange if the court should not decide that the seizure was illegal.

It is incomprehensible that American sensibility should be excited or indignation aroused by an appeal of a foreign litigant, backed by his own government to the highest tribunal in the United States. If any one could conceive that the two parties to the contest would, by this procedure, not meet on equal terms, the foreigner could not possibly have the advantage. If any one had a right to complain, it would be that the foreign litigant found himself obliged to seek redress in a court of an adverse nationality: but the character of the Supreme Court of the United States would not justify him in indulging this suspicion. Americans ought to welcome this proof of confidence in a tribunal which has always been their pride and their glory. It is conceivable, of course, that politicians, who have been talking wildly about the unlimited marine jurisdiction of the United States, may dislike the prospect of the Supreme Court being called upon to say whether that jurisdiction in the case of the "Sayward" was properly exercised for an alleged offence committed at a distance of fifty miles from the shore. They would naturally not like to see the diplomatic bladder pricked in that way. Besides the decision, if against the pretension of Mr. Blaine, would be binding on Mr. Harrison's government, whereas if it were the other way, it would not be obligatory on Great Britain to accept it.

Since the beginning of the year, the belief had gained ground in London that the Bank of England rate could not long be maintained at 5 per cent., but would have to be reduced by the force of outside competition. With the bank rate at 4 per cent. the tide may turn and the state of the exchanges cause an outflow of gold. In all these changes there is a self-acting movement at work, which arbitrary regulations may modify for a time, but cannot wholly set aside. If gold be worth more elsewhere than the present Bank of England rate, it will begin to flow out, and if this process were carried far, the usual means of arresting it, a higher bid for gold in the form of an increased rate of discount, would follow. The Bank of England cannot maintain an arbitrary rate, for it has always to meet the conditions of the natural rate, which outside, including international competition determines.

There has never been the same guarantee for the reliability of our export that there is for our import statistics. Improvements have been attempted in late years, but we appear to be still a long way from perfection in this particular. The law requiring a correct statement of a cargo clearing is enforceable by a penalty of \$400 for making a false return. Nevertheless, there is much carelessness about statistics of exports. Imports have to be attested by invoices and oaths, and where the goods are dutiable care is likely to be taken to check their accuracy. But no duties collectable here are dependent upon exports, and a large part of them, when shipped to Great Britain, are not dutiable at all. The same motives for care do not exist as in the case of imports, and nobody thinks of

going out of his way to secure correct figures for mere statistical purposes. But the value of the figures depends entirely on their accuracy. If incorrect, they are misleading and mischievous, instead of being useful. In consequence of the detection recently of several false statements of imports, it is said the Government has resolved to enforce the full penalty for infraction of the law in future. Shippers, if they are wise, will heed the warning, and save themselves from trouble.

It is satisfactory to notice that, in his later utterances, Mr. Plimsoll does not aim at the abolition of the live cattle export traffic across the Atlantic. He will be satisfied with the cure of abuses in connection with the traffic; and that there were abuses no one any longer denies. The farming of space in cattle vessels appears to have been a prolific source of the evils complained of, though it is not easy to see how the abuse can be prevented short of insisting that there shall in future be no traffic in space. Deck loading, Mr. Plimsoll insists must go, in the interest of the sailor. On this point the cattlemen do not all agree with him, and the Imperial Parliament must arbitrate between them. On the whole, the cattle shippers have shown a commendable desire to put an end to existing abuses; and it is now plain that to do so, is the only way of preserving our live cattle trade from the extinction with which it was recently threatened. Mr. Plimsoll scouts the notion that the Imperial Parliament would listen to the British graziers if they desired to bring about the destruction of this traffic in their own interest. Anything which it may do, he points out, will be in the interest of the sailors and the animals carried, and no side wind of unavowed protection will carry a feather's weight. We hope this may prove to be true; but if the hearts of British farmers could be read, a different desire would probably be found engraven there.

Both Toronto and Montreal have on their hands unsold bonds on which they desire to realize. In addition to this, the statement has been publicly made, by a leading banker, that of these bonds sold by Toronto within the last three years, not over one third has been taken up by the public, the rest remaining in the hands of the takers who intended to act only as intermediaries. The fact is that more securities of various kinds have been offered in the British market than could be taken up by investors. As a result, unusual amounts have remained in the hands of underwriting promotion companies and other intermediaries. When the market became glutted, good securities felt the effect in common with the bad, doubtful, and indifferent. Under the circumstances, too high a figure was paid for some of the best of our municipal debentures. Toronto will have to slacken up in the issue of bonds, to preserve her credit unimpaired; and to do this she will have to adopt the rule of paying for a large part of her local improvements as she goes. In many cases, where the intervention of the credit of the cities is called in, private