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FINANCE AND INSURANCE REVIEW.

MONTREAL, MAY 28, 1880.

THE FISHERY DISPUTE.

We noticed very briefly in our last issue the action of the United States Government with reference to the proceedings at Fortune Bay in Newfoundland in January, 1878. The correspondence between the two Governments is to be laid before the Imperial Parliament without delay, and we shall, in all probability, then learn the view which is taken by the present administration of the question at issue. We can scarcely doubt that the high-handed proceedings of the United States Government will be visited with the indignation of all parties in the United Kingdom. Great Britain has never yet submitted to be bullied, and the present is a clear case of bullying. We are willing to assume that Mr. Secretary Evarts believes that he is right, and that the action of the Newfoundlanders in interfering forcibly to prevent what they believed to be a violation of the treaty, was indefensible, still the arguments of Lord Salisbury prove that there is something to be said on the other side of the question, and, if the case is so clear as the United States pretend, there ought to be no difficulty in leaving it to the arbitration of a friendly power. What has been proposed by the President and Secretary of State is to violate a clear provision of the treaty of Washington in order to obtain indemnity for a disputed claim.

UNANIMOUS FEELING IN CANADA.

We have not yet noticed a single Canadian newspaper that has failed to protest against the contemplated violation of a treaty that has always been looked upon as unjust to Canada, and we sincerely hope that on this question all parties will unite in demanding the protection of the

Imperial Government. We have seen no answer yet in any of our United States Exchanges to the admission made by Mr. Forster, the authorized agent of the United States, that the fishing in Fortune Bay was contrary to the provisions of the treaty of Washington. There is a point, however, which seems to us conclusive as to the violation of the treaty by the United States fishermen. It is distinctly stated by Lord Salisbury, and not denied by Mr. Evarts, that "United States fishermen, in landing for the purpose of fishing at Tackle Beach, exceeded their treaty privileges, and were engaged in unlawful acts." Now, according to the text of the 18th article of the treaty, it seems to us that landing for the purpose of fishing is expressly prohibited. The words are "with permission to land upon the said coasts and shores and islands and also upon the Magdalen Islands for the purpose of drying their nets and curing their fish, provided that, in so doing, they do not interfere with the rights of private property or with British fishermen in the peaceable use of any part of the said coasts in their occupancy for the same purpose. Now if, as Lord Salisbury has alleged, the American fishermen landed at Tackle Beach "for the purpose of fishing," it seems clear that they did what they were not authorized to do by the clause above recited. Again, it is to be remarked that the language of the old Reciprocity Treaty of 1854 is precisely the same as that of the treaty of Washington in respect to the rights of fishing, and yet that treaty was in operation for twelve years without the United States setting up the pretension that it could be construed to abrogate the municipal laws of the Provinces.

THE PRESIDENTIAL ELECTION.

There is good reason to believe that the recent action of the United States Government has been in a great degree influenced by the approaching contest for the presidency. The energetic advocacy of the pretensions of the fishermen will be popular throughout the Union, and it may possibly be imagined that the Government of Mr. Gladstone will be more inclined to yield to the pretensions of the United States than that of Lord Beaconsfield. We have great confidence that any such supposition will prove unfounded, and we believe that the violent mode which has been recommended of enforcing the United States interpretation of the treaty by a flagrant violation of one of its provisions regarding which there can be no dispute, will have the effect of rousing public indignation throughout the empire. We are not aware of any prece-

dent for such a proceeding, and we shall be very much surprised indeed if it has the effect which is manifestly intended.

IS THE VALUE OF MONEY RISING THROUGHOUT THE WORLD?

Resuming our notice of Mr. R. H. Patterson's paper in the journal of the London Statistical Society, we would remind our readers that he had arrived at the conclusion that both gold and silver have risen in purchasing power relatively to general commodities, but gold fully 11 per cent. more than silver, and we may here remark that in the course of the discussion on the paper it was held by an experienced statistician, Mr. Bourne, that the rise of gold was 33 per cent. and of silver 13, making the difference 22 instead of 11.

PRODUCTION AND EMPLOYMENT OF THE PRECIOUS METALS.

It is, of course, admitted that the future supply of the precious metals is purely conjectural. That new and rich mines will be discovered is probable, but it is impossible to form an idea when or where. Mr. Patterson is evidently of opinion that the demonetization of silver has had a prejudicial effect. There can be no doubt that it has had the effect of raising the value of gold. Both metals have been highly appreciated in value by their use as currency, and if both were demonetized they would probably be reduced to less than one half what they are now worth. As it is, while there has been a considerable increase in the production of silver from the Nevada mines, there has been a falling off in the production of gold, while concurrently Germany has adopted a single gold standard, and France and the other States of the Latin Union have stopped the coinage of silver. The inevitable consequence is *dear money* in every country which has adopted the single gold standard. Mr. Patterson has treated at some length the question of the double standard, and has arrived at the following conclusion, which we give in his own words: "To prevent misapprehension I may state, or rather repeat, that I am not opposed to a single gold standard, whether in a particular country or all over the world, provided the supply of that metal be sufficient to maintain such a monetary system stably; but I am opposed to the demonetization of silver at a time when the supply of gold is not sufficient to meet the new and large requirements for it so created, that is to take the place of the demonetized silver."

SUMMARY AND CONCLUSION.

Mr. Patterson holds that, under the pre-