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EDW. TROUT,
Manager.

TORONTO, CAN., FRIDAY, JAN. 28, 1887

THE SITUATION.

What passes for retaliatory legislation at Washington, in the matter of the Canadian fisheries, is really aggressive legislation. There is scarcely a pretence that Canada has violated the treaty of 1818. The complaint is that we do not give to American fishing vessels the rights of a commercial marine. This, says Senator Edmunds, is an act outside of the treaty. But the inhibitions of the treaty cover the case. These vessels may enter our ports for certain purposes, of which commerce is not one, and for no other. Their exclusion from the privileges of trading vessels could scarcely be more positively expressed. But it is useless to argue against the power of what passes for retaliation, except to show that we are in the right. It is, of course, quite open to Congress to exclude our fish from the American market, without considering any other result besides that which would show itself in the injury to our fishing interests; but the wisdom of this procedure would be open to question. Congress is likely to arm the president with the power of excluding Canadian fish from American markets; though there is no certainty that the bill will pass the House, owing to the pressure of business. Should it pass, the majority in its favor would probably preclude the possibility of its being prevented from going into effect by the exercise of the veto. Should the worst come to the worst, and our fish be excluded from the United States, we must adopt a method of cure suitable to the European market, where there will be a demand for all we can catch. Nothing worse than this need happen, in any case.

We do not understand Senator Edmunds to complain that Canada has violated the treaty. He says the regulations under which she has acted are plainly outside the treaty. There is one sense in which this is true: the chief of these regulations, the customs laws, are outside of the treaty. But they do not contravene its provisions; on the contrary, they are in harmony therewith. Senator Edmunds sets up for American fishing vessels a claim for the privileges that are accorded to the commercial marine,

and contends that under "truck and trade" papers they are entitled to the privileges of the most favored nation. What he says of fishing vessels is true of the commercial marine, but not true of the fishing vessels. These latter are distinctly forbidden by the treaty to trade; and the claim made by Senator Edmunds on their behalf is not only outside the treaty, but in contravention of its provisions. On what then does he rest his case. His speech in support of the bill does not show the ground on which he proceeds. Mr. Edmunds has always passed for an eminently respectable man, and he is far from being the most unreasonable of the speakers who supported his bill; but we fear that, on this occasion, he is responding to the clamor of the fishermen, who have shown no intention to observe the limitations of their international rights.

The Court house question has again come to the surface. The County of York gives notice that, unless the work be gone on with by the City of Toronto, it will proceed on its own account. The notice was given before the council met, and must have been an executive act of the warden. Now that the council is in session, it may be expected to speak for itself. Meanwhile, the question of including new city buildings in the Court house structure has come up; and the architect has prepared new plans for that purpose. New city buildings, if such there must be before long, would cost less in this way than if built alone. The County of York is not generally in a hurry when money has to be spent; and the lawyer's letter, in this case, threatening to put up buildings itself is out of the usual groove. A new court house there must be, and when the present obstacles in the way have been removed, there will be no object in further delay. Everything will probably be settled at the coming session of the legislature.

The question of abolishing tolls on the York County roads will now get an airing. A motion made in the County council looking to abolition, called forth a number of amendments; but in the end, a committee was appointed to consider the best mode of supporting the roads. It would be a strange anachronism if its members should come to the conclusion that this was to be found in tolls. Local interests will of course require to be guarded under abolition. The support of the roads cannot fairly be thrown upon any part of the county which does not benefit by them, if that be true of any part. Local assessment is the true remedy; and the only difficulty that can arise is how far it should extend and where it should cease. Abolition itself is not without enemies, as the motions in amendment show; but it would be a strange and discreditable fact if they proved to be a majority of the Council.

The mutual distrust of France and Germany grows stronger every day. France is accused of massing troops on the frontier; and whether true or not, the starting of such a rumour might help Bismarck to convince the electors that the rejected military budget is required to save the country. The European armaments, except those of England, are on such a scale that their

maintenance for any considerable time would be as costly as a short war; and even England is adding considerably to her war expenditure. A new struggle between France and Germany is likely to come sooner or later out of the French desire to revenge the loss of territory in the late war. Under these circumstances, both countries naturally desire to keep on fair terms with Russia; Austria, feeling that she may have to encounter Russia without the aid of Germany, is adding largely to her armaments and their expense. Russia is financially in a bad position, but under the present Czar she is as little likely to be guided by prudence as scruple of conscience. At present, the most combustible materials in Europe appear to be in France and Germany.

The United States Senate, in its capacity as a sharer in the treaty-making power, has taken a new departure. Hitherto its part in treaty-making has been confined to ratification, after a treaty had been agreed upon by the executive. Now it has interpolated a clause in a treaty to which the nation with which the United States makes the treaty, Hawaii, has not agreed, such is the allegation. There is nothing new about the treaty, the continuance of which after expiry was the only question, except the interpolated clause. This clause has for its object to bind Hawaii to cede to the United States, for its exclusive use and benefit, a harbor on Pearl River, to be used for a coal and repairing station. Such a use of the treaty-making power, if confirmed, would be a revolution. The House of Representatives, which has the power to defeat any treaty depending on a money vote, has again raised the question of its constitutional rights in treaty-making. The constitutional rights of the Senate, in the making of treaties is liable to a double construction; those of the House, do not, we imagine, admit of any serious doubt.

In the first three days of the week, the New York money market was easy. The demand from speculative borrowers was moderate, and it is notable that call loans ruled rather higher than time loans; the former being quoted at 4 to 5 per cent., and time loans at 4 to 4½. This shows a distrust of the speculative movement. On Monday, there was a sharp decline in the stock market, owing to a pressure from Europe to sell, as a result of vague apprehensions of war. Railway officials contend that the Inter-State Bill will have an injurious effect on railway stocks. Under these circumstances, railway bonds were easier, but still moderately active.

Some of the cotton manufactures which have been shipped to China are made in the South, and in order that the British manufacturers may realise the competition they have to meet, it may be said that up to within a few weeks most of these Southern manufacturers worked their hands 72 hours a week, and through a strike they reduced the time to 68 hours. It will be seen that even at the reduced hours the American workman works 12 to 14 hours longer than the English workman.