

tion of the ancient capital. The resolutions on the subject, which have for some time been before the city council, have now received the sanction of that body. The problem is to raise the three millions of dollars, or whatever sum may be found to be necessary to build the bridge. The harbor commission of Quebec proposes to submit the trade of the port to a tax sufficient to pay the interest on the millions. It is not necessary to point out that the trade of the city would not pay the amount, or that the work is not of a purely local nature.

In New York the year has opened with an easy money market, and financial matters generally in a healthy condition. The *Shipping and Commercial List* says:—"The bank statement reflected the improved condition of local bank reserves and loanable funds have been readily available to all good mercantile borrowers. The available supply of loanable funds has been increased by the large disbursements incident to the first of the year and further arrivals of gold from Europe. Very little uneasiness is felt respecting the immediate future of monetary affairs. The rates of domestic exchange at Chicago on New York are easier although not yet favorable for the shipment of currency in this direction. Foreign exchange has ruled quiet but higher than at the close of the week. Silver has advanced $\frac{1}{4}$ d. Call loans at the Stock Exchange and bankers' balances have been available at 4 to 8 per cent., the closing rate yesterday being 4 per cent."

COMBINATION VERSUS COMPETITION.

It is a favorable theory with railway men, in the United States, that where combination between railway companies is possible competition is impossible. The strength of combination in this form, is very great, so strong very often that neither laws nor constitutions avail to break it. The Anthracite coal pool is now obliged to explain itself before the courts of Pennsylvania. In admitting the existence of the combination, it represents the expedient as a very harmless affair, intended, in fact, for the convenience and the benefit of the public. Mr. Harris, president of the Lehigh Coal and Navigation Company, has been examined at length. He admits that the combination put a limit to the output of the collieries, and imposed a penalty of fifty cents a ton on all coal mined in excess of the stipulated amount. He was very careful to say, and to repeat, that the amount was not fixed below the public requirements. But how are the public requirements to be gauged? By the amount sold under restrictions which could not have failed to put the price at a figure above what it would have been under free competition? This is a false measure of the public requirements. The quantity that would go into consumption would vary with the price; and if free competition had allowed the price to decline, the consumption would have been greater than it was.

Mr. Harris alleged that the Railway Cos. had never discussed the question of fixing

the price except once. But if they habitually did what must prevent the effects of competition, what is the difference? Were not prices in this way artificially kept up? For men in the same line of business to fix the price of their wares is allowable; but when the coercion of penalties is resorted to, a criminal element is introduced. The penalty of fifty cents a ton for all coal mined in excess of the quantities fixed is of this nature. It is precisely the use of unlawful means that justifies the proceedings of the State of Pennsylvania against the companies. That the restraint upon trade thereby produced was injurious to the public, and intended to make consumers pay a higher price than would otherwise have been obtainable, does not admit of doubt.

As often happens, privileges conferred on some of the companies, with a view to the public interest, have been turned against it. For instance, it would naturally be supposed that a railway which owned coal lands, the product of which it was in a position to carry, could afford to supply coal to the public at a lower rate than would have been possible if it did not possess this advantage. Accordingly, the Lehigh Coal and Navigation Company, incorporated in the year 1822, was permitted to own coal lands. The canal then held the place of the railway, which came later; but the principle of permitting the function of common carrier to be united to that of owner of coal lands is the same, whether the carrying is done by means of canal or railway or both. Other railway companies own large areas of coal lands. The total of the coal lands in Pennsylvania is put at 500,000 square miles, of which a single railway company, the Reading, owns one-third. All, or nearly all, the other railway companies in the region own coal mines. When the production and distribution of coal are in the same hands, all the means of monopoly are secured; if they were in different hands, a combination would be necessary before effective restriction on the output could be secured. The combination of privileges, by which the public was expected to be served on superior terms, has been used to create an injurious restriction to the injury of consumers.

The facts developed in this case show how, without a formal pool, there may be an effective understanding between railway companies, just as injurious to the public as a formal pool. Sometimes an understanding was reached, as to the limit of the output, without any formal agreement in writing; and it will be curious to see how the courts look upon such attempted evasions of the inhibition against pooling.

If the companies had kept strictly to their agreements, the restriction in the output would have been greater than it was. The Pennsylvania, the Reading, the Delaware, the Lackawanna and Western and the Lehigh Valley all produced in excess of their apportionment. This only shows the danger which the public escaped, and how it escaped. In Canada, coal mining is in its infancy; and if we are wise, the lessons of this Pennsylvania trial will not be lost upon us.

MERCANTILE FAILURES.

The failures among traders in Canada during the year just closed show a decrease in number but an increase in the aggregate of liabilities. Still the amount does not reach the average of the preceding six years. Compared with the United States the showing of the Dominion is less favorable, for in that country the aggregate liabilities, as well as the number of failures, shows a decrease as compared with 1885. According to the compilation of Messrs. Dun, Wiman & Co. the failures in Canada for two years were as under noted:

1886.			1885.		
Prov.	No. of Failures.	Liabilities.	Failures.	Liabilities.	
Ont.	594	\$4,858,892	600	\$4,088,217	
Que	428	4,044,465	407	2,710,635	
N. S.	96	675,400	108	616,375	
N. B.	67	322,152	64	594,665	
P. E. I. ..	6	53,700	2	11,700	
Man.	42	216,775	66	722,487	
	1233	\$10,171,384	1247	\$8,743,049	

We append a comparison, for a series of years, of the number and amount of the mercantile failure in Canada. Of course, as contrasted with the \$16,000,000 of liability in 1883, and the \$19,000,000 in 1884, these figures of the year just passed may be looked at with some complacency. Still it would have been pleasanter to chronicle a decrease than an increase in 1886.

In 1880 there were	907 failures	.. \$ 7,988,000
" 1881	" 635	" .. 5,751,000
" 1882	" 787	" .. 8,587,000
" 1883	" 1379	" .. 15,872,000
" 1884	" 1308	" .. 18,939,000
" 1885	" 1247	" .. 8,743,000
" 1886	" 1233	" .. 10,171,000

The failures in Nova Scotia for last year represent the smallest aggregate of liability for many years with the exception of 1885. Those of New Brunswick are the smallest, we believe, in number as well as amount since 1881. The assets of failed traders in that province were last year placed at \$138,195, against liabilities of \$322,152, not a serious sum for fifty-four failed traders to owe.

The failures in the United States last year, according to Messrs. R. G. Dun & Co., numbered 9,854, with liabilities of \$114,000,000, as compared with 10,537 in 1885, with liabilities of \$124,000,000. One person out of every 98 in business failed in the United States in 1886. In Canada about one in every sixty.

THE CANADIAN WOOLLEN TRADE.

A very fairly satisfactory tone is observable in the replies of woollen manufacturers in Canada, and their agents enquiries about the condition of the trade. We hear of one Ontario mill that is occupied for two months ahead, of another whose orders will take till mid-March to complete, and the reports from other mills in the adjoining province as well as this one are of a favorable character. The Penman mill at Paris is very busy, so is the Campbellford mill. The Auburn and the Brodie mills at Peterboro are fully occupied; a flannel factory in Ontario is running night and day. While Canadian coarse wools are, as we noticed last week, tending lower, the classes of wool which our factories use more largely are decidedly higher.