

NEW YORK MARKET MAINTAINS ITS REPUTATION.

New York this week displayed one of its usual hysteric spasmodic markets, only to a more aggravated extent than for years past. It is obvious that financial affairs in the United States are far from being upon a stable or settled basis. Grave results may ensue if some remedy be not forthcoming.

The causes assigned for the present situation are numerous, such as the enormous borrowings by the various railways on short-dated 5 p.c. notes, extending anywhere from six months to three years, one railway issuing no less than \$50,000,000, another \$30,000,000, and so on down to \$10,000,000. It is alleged that the holders of high priced stocks and of some of the unmarketed securities of these railways themselves, have disposed of their holdings, in order to take advantage of the higher and more attractive rates of interest which they get from the temporary loans and which are after all only of a very transitory character; and being for such short periods that a very small discount is all that is necessary in order to make them yield a high rate of interest. For instance, one-quarter of one per cent. discount for six months on these 5 p.c. notes will yield an investor practically at the rate of $5\frac{1}{2}$ per cent. per annum, or $2\frac{3}{4}$ for the half-year. It seems doubtful policy on the part of these railways to issue these short dated notes. It shows that they must be hard pressed indeed for funds and that they cannot conveniently raise the money on regular securities. Again, the great prosperity of the country and its requirements naturally absorb a large amount of money, and no doubt the inclement weather in the western states has done its share in tying up funds in connection with transportation. On top of all this we have the great millionaires outrivalling one another to get control of one large interest or another. Then we have the bulls and the bears. Altogether there are evidences of a far from healthy atmosphere. The condition, however, is one which can be remedied if the large interests will look at the situation from a patriotic viewpoint instead of endeavouring solely to get ahead of rivals at any cost.

DOMINION COAL COMPANY ANNUAL MEETING.

The annual meeting of shareholders of the Dominion Coal Company was held at the company's offices here on Thursday, 7th inst., at noon, and contrary to general expectations it passed off most harmoniously. The following Board of Directors was elected:—Rt. Hon. Lord Strathcona, R. B. Angus, Hon. George A. Cox, James Crathern, H. F. Dimock, Hon. David Mackeen, W. D. Matthews, J. K. Osborne, James Ross, W. B. Rens, K. C. F. L. Wanklyn, J. Reid Wilson. At a subsequent meeting of the directors Mr. James Ross was re-elected president and Mr. F. L. Wanklyn, vice-president. From the quietness of the meeting it is the general opinion that the differences between the company and the Dominion Steel Company are very near to a satisfactory solution.

Dividends on the common stock are to be resumed at the rate of 4 p.c. per annum, and the directors have declared a first quarterly dividend of 1 p.c. payable on 2nd April.

Prominent Topics

Proposed Reduction in Montreal Water Rates.

From the standpoint of inefficient service, the citizens are certainly entitled to a reduction in the water rates.

That they are comparatively high in Montreal is we believe admitted. On the other hand and under our existing system of taxation, it is questionable whether it is a wise policy to attempt to reduce them. It must be remembered that water rates are the only taxes which a large number of the tax-payers contribute to the city and form the one qualification which gives them the voting power. Looking at the matter from a purely business point of view we would like to know what is the actual alleged profit on the water. It must not be forgotten that the water works cost between nine and ten millions of dollars. Charge up interest and sinking fund against this amount, add to this a reasonable amount for wear and tear and then the cost of administration and see how much is left. In the majority of cities, more especially in the United States, where we have seen comparisons made between the charges for water in those cities and in Montreal, the comparison is not made upon a fair basis. Take Chicago and other cities and it will be found that there is a certain charge for water; then is added a bill for the consumer's proportion of interest on the water works debt, and then comes something else in the bill for sinking fund. We think the citizens of Montreal would like to get a good continuous service even if they have to pay for it. It must also be remembered that if the water tax were reduced, a tax of some other description would have to be imposed to take its place.

The Quebec Legislature is now discussing a dangerous type of legislation in connection with not only the limiting of the period of public franchises, but the tinkering with the terms and conditions upon which these franchises have been granted. It would be difficult for a company to issue bonds covering a period of ten years, because the charges to pay interest and provide a sinking fund for such a short period would necessarily be very high.

Then the provision requiring the consent of the rate-payers to the granting of any franchise whatever is practically prohibitory. Experience shows that the only voters who take the trouble to vote are those opposed to the franchise. This kind of thing is done in the smaller municipalities, but the larger cities are supposed to have intelligent representatives capable of dealing with such questions and it is doubtful wisdom to relieve them of their responsibilities in this connection.

Above all, however, for the credit of the province and of the cities, when once franchises or privileges have been granted they should not be interfered with upon any pretence.