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Capital Needs Encouragement.

OF Middle West picturesque-ness—but aptly forceful—were the words of former Governor Myron T. Herrick, at the recent convention of the Ohio Bankers' Association, regarding radical legislation and its tendency to undermine the faith of the investor in railroad securities: "The fact that a few pigs have gotten in the trough is not sufficient reason for poisoning the food on which they fatten." It was emphasized that a period of necessary railroad development is not the time for those unreasoning reform onslaughts which frighten capital away from investments where its employment is absolutely necessary to national and world progress. Not that Governor Herrick would leave abuses unchecked. "I simply wish to leave with you," he explained, "these suggestions: reform is only effective as it is preceded by moral growth, and lasting reform is the result of evolution, not revolution. Legislation that does not conform to these two cardinal principles is not only useless, but harmful, and puts a strain upon our institutions and upon the fundamental truths which lie at the bottom of our Government, which will eventually weaken the structure."

In the current issue of *The World's Work* appears an interesting treatment of this subject by B. F. Yoakum, chairman of the executive board of the Chicago, Rock Island & Pacific Railway. Mr. Yoakum hopes for a turning of the present current of railroad agitation from destructive into constructive channels. With this end in view he himself favours publicity of railroad accounts and operations, and a fair adjustment of the interests of the public, the railroads and the Government.

In the course of the article emphasis is put upon the practical identity of the interests of railway investors and railway employees. This is an aspect of the question that seems seldom to be

recognized in these days of trades union agitation and radical legislative proposals. Mr. Yoakum does well to draw attention to the fact that the one and one-half million employees of the railroads and the stockholders are closely associated, and their interests identical. One cannot be injured without affecting the other. There is a total stock issue on railroads in the United States of about \$6,650,000,000. The stockholders receive annually about \$240,000,000 as dividends, which is 5.78 p.c. on the total dividend-paying stock, and but 3.6 p.c. on the total stock issue of the railroads, while the employees receive annually, in monthly instalments, \$840,000,000, which is equal to a dividend of 12.6 p.c. on the total railroad stock capitalization of \$6,650,000,000.

"The railroad employees are an intelligent class of citizens," the writer goes on to say, "and I believe the voice of the employees, individually and through their organizations, will be steadily heard against unjust laws or laws that will unjustly injure their profession. In point of fact, the thing that the shippers and the people of this country now desire is not so much a reduction of rates as it is better service. I do not believe that the railroad managers of the country will refuse to treat with the people through their representatives in Congress openly and fairly on the question of how the best results may be brought about, nor hesitate to endorse a legislative policy that promises better conditions."

Looking to Canada.

THE currency strain from crop-moving operations begins early in the United States. Already Southern cotton is demanding New York's attention in this regard, and with the later following of grain requirements, there will doubtless occur the perennial monetary conditions about