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EDWD. TROUT, MANAGER.

TORONTO, CAN., FRIDAY, JUNE 4, 1886

THE SITUATION.

Dominion Day is now fixed for the formal opening of the Canadian Pacific Railway to the Pacific Ocean. On the same day, by a lucky coincidence, the repayment of the loan of thirty millions millions will take effect. Many members of the legislature may be expected to accept the invitation of the company to visit British Columbia. The road will open with fair prospects of financial success. The energy shown in construction will no doubt now be employed in making the road a financial success. Mr. Van Horne speaks of it as the aim of the company to reduce the passage from Liverpool to the Pacific to ten days, an achievement which the future probably has in store for us.

The Toronto Street railway strikers have at length taken the initial step in the organization of an omnibus company, to run in opposition to the street cars. The street railway company files an objection, and points out that, as the price of its franchise, it has contributed \$30,000 towards the costs of the streets. It is a sound principle that nobody should be allowed to use the streets for hire without paying for the privilege; an omnibus company, not less than a street railway company, ought to be called upon to pay a substantial contribution towards the maintenance of the streets which, for purposes of gain, it subjects to wear and tear. And this reminds us that one source of municipal revenue—the most legitimate of all—in connection with the streets, is neglected or given away. Persons are allowed to excavate under the side walks without paying for the privilege. Payment in such case would rather be in the nature of rent than a tax; it would be an equivalent for value received. To bestow what belongs to the public upon private individuals is gross favoritism, which ought at once to be put a stop to. Supposing that there is no legal obstacle to the formation and licensing of the proposed omnibus company, it ought to pay an indemnity for the damage it would do to the streets.

Something new in finance is presented by the projectors of the proposed omnibus company. The holder of \$1,000 of stock is

to have no more say in the management than the holder of a \$5 share. This means that the holders of a small minority of the stock may control the enterprise. Certainly this is an experiment in joint stock management. The company, it is further said, is to pay six per cent. dividend, and any balance of profit is to be divided among the employees. Six per cent. can be paid only if it be earned; if that amount could be guaranteed, it might do, but the case is one in which there can be no reliable guarantor. The legal rights of the street railway company, whatever they may be in this connection, are sure to be looked after. The citizens will look to their representatives in the council to see that nothing is done or permitted that will make the city liable for damages. Whatever comes of it, the attempt to organize an omnibus company is a good deal better than car-smashing or any other form of violence.

Her Most and two of his associate anarchists have been convicted of misdemeanor, by a New York jury. Most gets one year's imprisonment and is required to pay a fine of five hundred dollars. This is a good sign; it shows that, where the law is to be upheld against anarchists, the average jurymen of Gotham is not afraid to do justice. Most, in defending himself, pretended that he had only advised his followers to arm in self-defence, and had not told them to shoot. But the jury regarded the disguise as too thin to conceal the real object. Between the anarchists and the Knights of Labor there is a clear distinction, which it is only just to bear in mind. The trouble is that strikes attract all the worst elements of society, and in the confusion it is difficult to distinguish what is what. The anarchists are the worst enemies of the working man, and he is sometimes his own enemy, as when he goes into a causeless and injudicious strike.

In the Knights of Labor convention, held at Cleveland, the better element of the order have not been overborne and Powderley has not been deposed. The violence of the anarchists at Chicago and the failure of ill-advised strikes have helped the moderates. A very necessary curb has been put on future strikes. Strikes and boycotts are to be left in the hands of the executive board, except in cases of urgency. Difference as to what constitutes urgency are sure to spring up; but the general effect of the rule adopted must be to make strikes less frequent, to the benefit of all parties. Sound views on the currency question were not to be expected from the Knights. The abolition of the National Banks is asked as well as all private issues of bank papers. To this extent, as a matter of theory, Mr. Gladstone now goes; but if the convention favors fiat currency it has embraced a most dangerous theory. Congress is asked to establish an uniform and unvarying rate of interest; that is, to resist the natural laws of commerce. If all securities given for the loan of money were of equal value, and all borrowers under equal pressure, the rate of interest might be uniform for one day; but even the market rate could not remain the same for a week together.

The Knights of Labor, in their representative capacity at Cleveland, raised an agrarian question. They demand that, after 1890, all lands now held by aliens in the Republic should be purchased by the Federal government, and that after the present year no aliens shall be permitted to acquire land by purchase or otherwise. This is going as far as the restrictions of the Alien acts of Canada went, in the worst days; but the circumstances are different. In the case of Canada, the motives were political, in the present case they are economical. Land in the States is becoming relatively scarce. Another demand is that all lands over and above 160 acres held by any individual, which are uncultivated, shall be taxed to the full value of cultivated land. On the principle that all taxes must be equal, it is doubtful whether this can be done without an alteration of the constitution. The object is to force speculators or large holders to sell. The demand that forfeited grants of lands to railways should be resumed is reasonable. Lands so granted are not liable to taxes till patents for them have been issued, and when they have been earned, the conventionists are not unreasonable in asking that patents should be granted as a means of equalizing the burdens of local taxation.

From Washington an order has gone to the collector of Portland not to exact the penalty for the infraction of the customs laws by the Nova Scotia schooner, the "Sisters," but to release her on payment of costs. The ground of this decision is that there was no intention to violate the law. Mr. Frye's amendment is understood to be confined to fishing vessels, and if so, it is unobjectionable, inasmuch as no one expects or desires for Canadian fishing vessels in American ports privileges which we do not grant to American fishing vessels in our ports. The Dominion fishery bill has passed, denuded, however, of the clause which exacted forfeiture of the vessel for any infraction of the customs laws. If the treaty of 1818 were suspended or abolished, we should fall back on our rights under the law of nations; in any case, perhaps, we should have been able to do so, but it is proper that our own laws should not speak a doubtful language on so vital a point.

The general business movement in the United States, while not so active as was expected, is still much more so than at a corresponding date last year. The Clearing House returns show great increases. It is stated by the Boston Post that the manufacturing cities continue to make good exhibits, and so do the great Western and Southern distributing points. Out of all the reporting cities only two show any decrease compared with last year, while twenty-six cities show marked gains. The New York bank statement is a satisfactory exhibit, and, gold export deducted, would show a surplus reserve of over \$12,000,000, which, barring last year, is an unusually large one for this season of the year. Loanable funds in that market continue in ample supply, and the rates of interest and discount are without quotable change. As to