

into the Assembly a string of resolutions on the subject, the last of which proposes to make separation from the Dominion an issue at the next general election. Does Mr. Fielding really believe that Nova Scotia would be allowed to break up the Union? If it was treason in the South to attempt secession from the Republic, what would a similar effort on the part of a province to secede from the Dominion be? A little common sense would be very useful to Mr. Fielding?

Parliament has shown a disposition, on the initiative of the government, to release the \$5,000,000 bonds deposited by the Canadian Pacific Railway Company, as a guarantee that the line should be built and operated. The resolutions introduced for this purpose have received the sanction of the House. The money will be a great assistance to the company, and Parliament feels that there is no real danger that the road will cease to be run. Doubters professed to believe that the company would never build the Rocky Mountain and Lake Superior sections; performance in these particulars has begot the belief that the road will be operated now that it is built, and in this belief Parliament is prepared to sanction the release of the \$5,000,000 of bonds. The risk incurred by that act of magnanimity will not be great.

THE DECLINE IN PRICES.

The New York *Financial Chronicle* shows how the decline in prices affects the value of American exports. The value of the exports from the United States, in the first three months of this year, was lower than it has ever been since 1878. Deducting gold and silver, it reached only one hundred and sixty-three millions of dollars, against two hundred and twenty-five millions in 1883, and two hundred and twenty-seven millions in 1881. The writer concludes that probably the whole of this difference is due to "a loss in values and not in quantities." Less wheat has been exported, but of merchandize of all kinds there has probably been no decrease in aggregate quantities. Taking provisions, cotton, oil and breadstuffs, the *Chronicle* says that, "if each of these articles had gone out at its 1885 value, the total 1886 values would have been \$11,177,146 more than they were—that is, they would have been increased 9.67 per cent." and "if they had gone out at the 1884 values, they would have increased \$24,440,274 or 21.15 per cent." This is one side of the account. It will be necessary to see whether there was anything approaching a similar decline in the value of the imports. In many directions, the purchasing power of money and of money-wages must have vastly increased.

By this state of things creditor nations gain and debtor nations lose. The interest on borrowed capital is fixed, and while production counted in money is greatly decreased the burthen of interest remains the same. Of course loanable funds have felt the downward influence in the fall of the rate of interest on new loans. But while prices are adjusting themselves to a new

scale, the decline is not regular along the whole line, and in such cases it never is. One result is that while some are benefited others suffer.

In time, if the causes which have produced this fall of prices were to continue operative, a general adjustment would take place, and apart from other causes, the same relative positions might be expected to be assigned to the various interests involved. Meanwhile the friction caused by the changes going on is severely felt. Things have probably gone much nearer to a re-adjustment than it is possible to discover from a superficial view. The demonetization of silver by several countries has been charged, by one class of economists, with the whole responsibility of the decline of prices. That much of it is due to that cause is not only conceivable but certain. But the nations which rejected bi-metalism could not go back to it without creating a new disturbance of prices and throwing away any advantage, in the form of a readjustment, which had been gained at the cost of the friction of the opposite process. All violent alterations of prices are to be deprecated, and when they arise from arbitrary tampering with the money standard, either debtors or creditors, as the case may be, suffer from the resulting difference in the purchasing power of money.

If we regard the United States as a debtor nation, owing money to Europe, the effect on her in the fall of the prices of her exports will be seen to be serious. She has the same amount of interest to pay that she had in 1884, with twenty-one per cent. less in the value of her exportable produce to pay it with. The same is true of other debtor nations, whose exports are similar in kind to those of the United States. But there is some compensation for this, in the decreased price of her imports; but how far one decline will go to balance the other, we have not at present the means of forming an estimate. Even debtor nations find relief in the maturing of portions of their debt at a time when the general level of prices, including the rate for the loan of money, has fallen. In this way Canada has benefited largely in the last few years.

It may be taken for granted that the decline in the rate of interest, both in England and the United States, will for some time be arrested, and that rates there will show a tendency to rise. The condition of the Bank of England and the Banks of New York, as we pointed out last week, leaves no room for doubt on this point. If M. De Laveleye is able to show that the decline in prices is due wholly to the demonetization of silver, and if the scarcity of gold of which he complains be followed by a serious rise in the rate of interest, it is impossible to deny that a powerful argument will be put into the mouths of the bi-metallists. England's interest lies in giving to money the great purchasing power, and she may be relied on to maintain the gold standard; that other nations will continue to do so is probable but not certain. If they do, a still farther decline of prices in the near future may be expected, unless new discoveries should add considerably to the existing stock of gold, which, in spite of recent announcements of new and rich gold fields, is improbable.

THE ANARCHIC ELEMENT IN THE LABOR TROUBLES.

Anarchist teaching has at last produced its natural fruit on the virgin soil of America—Chicago being the scene of the diabolical exploits of the anarchists. Sooner or later this result was sure to follow. A systematic propagandism of murder is sure, in the end, to produce murder. And this reminds us that some imported orators have, during the last year, preached to Canadians murder as a remedy for labor disputes in certain supposable cases. The outbreak in Chicago, in which many lives were lost shows that the propagandism of anarchy and murder was allowed to be carried too far; if it had been nipped in the bud, by seizing hold of the authors of the criminal utterances, the sacrifice of life on Tuesday would have been spared. Men who tell you that their mission is to make war on social order, that there is no remedy for the labor difficulty but anarchy, ought to be stopped in their career before they can carry their threats into effect.

These anarchists are nearly all foreigners cast upon the shores of America, who bring their odious doctrines with them. That they make many converts of natives is improbable; the social condition of the country is not favorable to the fructification of diabolical ideas, but there is reason to believe that it will become more and more so. The labor troubles are confined to the manufacturing population and do not extend to agriculturists. The proportion of the population engaged in agriculture is relatively decreasing, as compared with that engaged in other industries; the facilities for obtaining land on which to settle are becoming less and less. Formerly, when land was abundant, population sparse and capital was not strong enough to play a great part, the accumulation and retention of large quantities of land in the hands of a single individual was impossible. But now, the economic conditions which favored the diffusion of land among the population, are fast losing their force. Land being no longer largely in excess of population and capital, its comparative scarcity sends up the price to a figure which a poor man cannot compass; its purchase becomes an affair of capital, and as it forms the best of all securities, as long as the existing land laws hold, capitalists are turning to land as an investment. The freeholder of to-day becomes the tenant of to-morrow, and the small farmer when he loses his holding, descends to the condition of the laborer. That the tendency is in this direction it is impossible to deny, many and great as are the reasons to regret the fact.

The number of independent freeholders will decrease relatively if not absolutely, and the great army of those who work for their bread, receiving wages from employers, will be increased. When this happens, labor troubles will increase, unless some unforeseen solution for the difficulties be found. A drastic change in the land laws may follow, and the very remedy is almost certain to have in it a large element of injustice. A war on capital once begun will not long be confined to any form of capital, and if carried to its logical result it must bring universal ruin in its train.