

the National policy in the bulk; but then it wants "a differential duty of at least five per cent. on all sugars coming into Canada via United States ports." This, however, is a form of protection so objectionable that the Governor General's instructions formerly forbade resort to it, and assuredly it is at least as objectionable as the most objectionable feature of the National Policy.

LOAN COMPANIES DEBENTURE STOCK.

Application has been made both to the Dominion Parliament and the Legislature of Ontario for legislation authorizing Building, Savings' and Loan Societies to issue debenture stock. The appeal to two legislative authorities results from the doubt which exists as to where the right of legislation on these subjects resides. If the operations of any one of the companies described were confined to a single Province the right of legislation would probably be in the Provincial legislature, which possesses authority in matters of property and civil rights. If the question of the rate of interest came up, it would fall under the authority of Federal legislature. A necessity of appeal to two legislatures is inconvenient and troublesome, but in the present state of uncertainty, it has to be borne with. If one of these companies required authority to do business in two Provinces, it may be that the Dominion legislature could authorize it to do so. But the Quebec members have an insuperable objection to the exercise of this authority, claiming as they do the sole right for the local authority. In fact, the subject is beset with complications, to unravel which no attempt has yet been made. The Ontario companies do not feel safe without the Dominion as well as the Provincial authority; and to get both requires the singular feat of securing identical legislation from two different legislatures.

Whoever invented the compound term debenture-stock ought to give a degree of identity to two things which are essentially different. The stock-holder is the man who takes the risk of the enterprise; the debenture-holder is his creditor. But the term found a justification in the use to which it was put. Debenture stock has the quality of a debenture in so far as it bears a fixed rate of interest; it has the quality of stock in so far that it is not repayable at a fixed date. It is an obligation payable at the will of the issuer, and not at the call of the holder or at any fixed time. National debts sometimes take this form, notably that of England; Canada too, has issued some securities of this kind. But even nations, as a rule, find it easier to float securities payable at a fixed date; and the reason is obvious: the lender likes to secure a return of his capital occasionally, if for no other purpose than to make sure that the borrower is able to pay. He is like the Dutchman, who wanted his money when he was not sure that he could get it; he does not want it when an actual return of it is offered. This at least has been true in the past; and the result of disregarding the old precaution in modern practice, yet remains to be seen. All he

wants is to be sure that he can get it. For this reason, nations do not, as a rule, issue obligations payable only at their pleasure. But lenders do sometimes prefer securities in this form, however the fact may be accounted for.

One loan company has unsuccessfully tried the experiment of issuing, under the name of debenture stock, obligations not redeemable at a fixed date. The special act under which the essay was made did not even contain a clause authorizing redemption; the general bill now before the Ontario Legislature does contain such a clause. But this does not essentially alter the character of the proposed debenture-stock; it is still an obligation payable only at the option of the issuer. We probably all of us know companies with which such a power might be intrusted without serious risk that it would be abused; but a general enactment of this kind is open to grave objection. Besides the principle is not one which the legislature should lightly consecrate. To every commercial debt there should be attached a specific promise to pay, at a given date. It is a wholesome thing for a corporation to assure itself by actual practice that it can, from time to time, face its obligations. The expense of re-issue is something; but not sufficient to outweigh the danger which lurks in the abandonment of a definite promise to pay at a fixed date. The expense of re-issuing commercial paper, where stamp duties exist, is considerable, but no one would propose that commercial debts should be payable only at the will of the debtors. A loan company's obligation does not differ sufficiently from a commercial debt to justify the omission from the obligation which acknowledges it of a specific promise to pay.

The world's experience of irredeemable obligations is not encouraging. An indefinite promise to pay has, as a rule, proved to be of no value. A promise to pay on demand is essential in obligations which are intended to pass as currency; a definite promise to pay, at a fixed date, is a desirable quality in a debenture: it may indeed be said to be essential. There is little doubt that some of the proposed debenture-stock would find purchasers, but it is not probable that they would be numerous, or that the total amount of such securities which could be placed would be large. Experience shows that adequate discrimination between the issues of strong and weak companies would not always be made. Here, perhaps, lie the chief dangers. Strong companies do not need to be relieved from the obligation to pay their debts at some fixed date, and the advantage of such immunity would be dearly purchased by the disposition which would be created to let remain a debt without a fixed time of payment. The cost of a re-issue of debentures every few years, however objectionable, seems to be a necessary part of the business, and to get rid of it would not justify the issuing of irredeemable obligations.

SOME 15,000 packages of tea, valued at \$180,000 have been imported at Halifax during the past six weeks, in anticipation of a change of duty.

THE STREET RAILWAY TROUBLE.

For two days past, the city of Toronto has been given up to an incipient servile insurrection, and the police department of the municipality has shown the most deplorable lack of energy and capacity. The most public thoroughfares have been blocked and the running of the street cars prevented by violence, which no adequate or even serious effort was made to put down. On Yonge Street, on Wednesday, two cars were lifted off the track, the horses unhitched, and the driver forcibly driven away. Coal carts blocked the way, and refused to move or let the cars proceed. The horses were forcibly taken from several other cars by the mob. An attempt was made to force one car into the bay, which an intervening snow bank prevented from being successful. One car driver was knocked down, kicked and forced under an express waggon. Some horses were injured. The result of this violence was that all the cars were driven off the street. The mob was triumphant, the conservators of the peace were vanquished, Toronto was disgraced. The police department in effect capitulated. Yesterday, the same violence was repeated, though on a smaller scale, as there were fewer cars to attack.

With the cause of the quarrel between the Street Car company and the men, the municipal authorities have nothing to do. It was their duty to preserve the peace at all hazards, if it had been necessary to call out every man of the Queen's Own to do it. The company may have been right or wrong in the course it took; but whether it was right or wrong, it was the duty of the municipal authorities to preserve the peace. In not doing so, it has shown an utter and absolute want of capacity. And what has been gained by this yielding to mob violence? Nothing. The Street Railway Company will have to be protected in its rights, and the public peace preserved. The immunity shown to the rioters has only emboldened them, and will make the task of preserving the peace more difficult than it would have been if the evil had been met sternly at the outset, as it ought to have been.

The trouble arises out of one of those labor combinations which are now so common. That labor has a right to combine cannot be denied. Combination can do much for it, and in the presence of capital ever ready to seek its own advantage, combination may be a necessity. But while labor has a clear right to combine, it is not absolved from observing the law and is not licensed to commit outrages. The street car drivers and conductors had voluntarily contracted away their undoubted right to combine. It was a condition of service in the company that they should not join any labor union; this condition they had formally accepted by signing a written engagement to that effect. The condition was one which, under the freedom of contract, the company had a right to make; those who did not like it had the right to prefer connection with a labor union to service under the company. That was the alternative, and it coerced no man's action, but left