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TORONTO, CAN., FRIDAY, APRIL 8, 1887

THE SITUATION.

The announcement that a subsidy would be granted to the C. P. R. Pacific steamers appears to have been premature. There stands in the way of such an arrangement a contract with the Peninsular and Oriental Company, at the rate of £265,000 a year, which has ten years to run. The tender of the Canadian Pacific Company, which asks £60,000 a year, has failed to secure the recommendation of either the Postmaster-General or the Hong Kong Chamber of Commerce. There is not, we fear, much chance of a subsidy being granted, under these circumstances.

The British proposal for the settlement of the fishery difficulty, whatever it may be, has the concurrence of the Canadian Government. The despatch containing it will shortly be laid before the House of Commons. Meanwhile, the Washington correspondent of the New York *World* is of opinion that the retaliatory law will not be put into force. This may or may not look to the acceptance by the United States Government, of the British proposal, provisionally, till the Senate can be heard upon the subject.

The new Irish Land Bill introduced by the Government does not provide for a further reduction of rents. Whether rents are excessive is left an open question, and Lord Hartington and the Government agree that the point is open to doubt. Another bill will provide for the purchase by the tenants of the land, and admit leaseholders to the benefits of the Act of 1881. Purchase by the tenants is regarded as the solution of the land question; but the puzzle is to understand how tenants who cannot pay their rents are in addition to pay the the purchase price of the land, or as much of it as will make a mortgage valid security. Restriction is placed on summary evictions, which it is expected will reduce the number by one half. It is proposed to relieve from their liability tenants who are insolvent through no fault of their own. These bills will tax the machinery of the courts severely, and years may elapse before their full benefits can be realized.

The Toronto Gas Company caused some surprise by asking legislative authority to increase its capital stock from $1,000,000 to $2,000,000. It has a considerable reserve, and it was difficult to see for what purpose so large an increase could be required. The fact that it is not permitted to pay a dividend of more than ten per cent., taken in connection with the proposed issue of new stock, was strongly suggestive of water. The bill met a strong opposition. Objection was taken to the proposal to allot the stock to present holders, as the new stock sells at a large premium. We do not think this is a sound objection; for if once admitted it would lead us very far. On this point, which was not the most important to the public, the company gave way. The new stock is to be sold at auction, and the proceeds are to be added to the rest, which may rise to fifty per cent. of the capital. The effect of this change is that the individual stockholders forego the profits they might have made on the new stock; but the company is not the poorer, for it will have in the form of a rest, what the shareholders would otherwise have had in their pockets. The capital is to be increased by a million, besides the premium on the stock. The provision in the interest of the public is that all surplus earnings, after the rest reaches this figure, are to go in reduction of the price of gas.

Some years ago the Parliament of Canada, in secularizing the clergy reserves, declared the desirability of abolishing all semblance of a connection between Church and State. Now a Montreal court decides that a Protestant owner of real estate can be obliged to pay a tax towards the erection of a Roman Catholic cathedral. We do not believe that this decision will hold water. The ground on which it was put was that the church was erected for the benefit of all, which is another way of saying that a man has not a right to decide for himself whether he ought to belong to a particular Church. If this be law, the demand for the repeal of the constraining law is not likely to be made in whispers.

Objection has been made that Canada is represented in the Imperial conference, as a single country and not by provinces, while separate colonies in other parts of the globe have separate representatives. But there is reason in the distinction. The separate colonies in question are not federally united, as Canada is; Canada in her federal capacity is, for all external purposes, a unit, and could not properly be represented, at the colonial conference, in any other way. Provincial autonomy is in no danger from this conference. Any thing that may be done by Canada in the way of aiding in the general defence of the colonial system, must be decided upon at Ottawa, and not by the several provinces. It might suit M. J. X. Perrault to be made a delegate for Quebec; but the conference is not called to minister to individual ambitions.

Electricity as a motive power for street railways is making progress, if slowly. The latest experiment of this kind is in Denver. The line is three and a half miles long, and has a grade of 350 feet to the mile, which would be pretty steep up-hill work for horses. Three hundred pounds of coal runs a car for a day, at the rate of six miles an hour, though the speed is capable of being increased to twenty-five miles. The cars are run all winter, the snow being removed. Our street railway service in winter is liable to great interruptions; and some improvements, as a consequence of the progress of invention, might reasonably be looked for in the near future.

Amid much inane talk about reciprocity with the United States, we welcome a rational proposition made by the Montreal District Board of Trade, a purely French organization. It is in the form of an invitation to the Montreal Board of Trade to join in calling a conference of commercial delegates from Canada and the United States to discuss the fishery question, in the hope of arriving at some means of settlement. The objection has been taken that such a discussion could not settle the question, but we cannot admit that the expressed opinion of the commercial community of the United States would have no appreciable influence upon Congress. It is not probable that the combined Boards of Trade of Canada and the United States would say any foolish thing on a question on which, above all others, individuals indulge in silly and compromising talk. If you propose to make a bargain of any kind, the least likely way to succeed is to tell the person to whom you propose to sell that you must sell to him; yet this is what some of the self-styled advocates of reciprocity do. The least likely way to get reciprocity from any nation is to declare aloud that you cannot do without it. Reciprocity is not a thing that Canada can command, and if she cannot get it on fair terms she can do without it.

The return of mercantile failures in Canada for the first quarter of this year shows them to be about equal, in both number and amount of aggregate liabilities, to the corresponding period of last year. They are rather less in Ontario but more numerous in the Maritime Provinces. The totals for the period in question are: 1887, $3,387,000 liabilities in 385 failures; 1886, $3,332,000 liabilities in 383 failures.

A bull movement has been inaugurated on the New York Stock Exchange, and last Monday's business showed a marked increase of transactions, buying shares for foreign account being a prominent feature. Referring to the anticipated effect of the Inter-State commerce law, which came into effect on Tuesday, the *Bulletin* of the 5th says: "The belief that the commission will be liberal in its construction of the law, has done much to reassure those who were ready to believe that everything would go to smash, and the market appears to have forgotten the existence of the law." Reading and Jersey Central shares were freely bought. All coal shares were higher. The better demand and higher prices for coal assisted the upward movement, and it was reported also that the Reading and