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TORONTO, CAN., FRIDAY, JULY 15, 1887

THE SITUATION.

As was anticipated, the Federal veto has been exercised to suppress the charter of the Red River Valley Railway. It was stated some time ago, that the local government would refuse to make the necessary official communication of the bill authorizing the construction, with a view to prevent its being acted upon by the Federal Government. If this was done, the effect intended was not produced. It doubtless gives the general government no pleasure to be obliged to run counter to the wishes of a large number of people in Manitoba; but it is sometimes necessary to perform a disagreeable duty, and the present was a case in which this had to be done. There is no hostility in the east, to Manitoba; quite the contrary, but the first duty owed by us all is obedience to the constitution. No other Province claims a right to charter a railway to a foreign frontier; and if the constitution may be violated in one particular so it might in another.

Railway rates, on the Pacific section of the inter-oceanic railway are reported to have been largely reduced. This, as was pointed out before, is the one remedy open to the people of Manitoba and the Northwest. The concession is timely, and it may be taken as proof that the rates reduced were excessive. The Canadian Pacific is a very long road, on great sections of which there is little or no traffic. In this respect, there is nothing that can quite match it, on this continent. A very large amount of private capital has been put into the road, and it is only fair that those who ventured it, should have an opportunity of getting a reasonable return from it. As far as is consistent with a reasonable expectation, in this respect, rates ought to be made as low as possible; and the reduction made is a movement which ought to be appreciated.

The Ontario Government has paid over to the government of Quebec the sum of \$100,000 on account of the old Common School Fund, which has been long in dispute. There are other claims which require to be adjusted, and which will be

submitted to arbitration. These old disputes originated in the financial partnership which preceded confederation, and it is quite time they were disposed of. There are some others, to which the Dominion is a partner, and of which the same may be said. Ontario and Quebec have, in this respect, set a good example, which we trust to see followed by all concerned. Where agreement is impossible, arbitration might be called in as an aid.

At length there is said to be a prospect of the abolition of the system under which custom house officers share in the proceeds of seizures for infractions of the revenue laws. In the United States, what was known as the moiety system has been abolished. A fraud on the revenue is a fraud which it is allowable to take means of detecting; but it is not fair to treat respectable importers as if they were a class of rogues. The shares allowed to informers or customs' officers are, in any case, too large, out of all proportion to their salaries and services; and if any continue to be given it should be a small percentage only. But total abolition would seem to be the better course.

The Irish land bill, now before the Imperial parliament, is framed, mainly, on the lines of the existing law. But as several amendments may be offered by the government, its final shape is uncertain. There is a bankruptcy clause, which, according to some accounts, will be abandoned, owing to the opposition of landlords, who take the same ground that Boards of Trade have taken in Canada against a release clause, and the tenants who do not want to submit to the rules of the bankruptcy court. Leaseholders are brought within the provisions of the Land Act; and this, even the Nationalists, while ready to reject the bill as a whole, admit would be beneficial. The right of eviction seems to be taken from landlords, but it may be judicially exercised. In the new form, it would not be more welcome to the tenant. That the government has a majority ready to pass the bill is not doubted by any party. A more comprehensive measure seems to be reserved for the future.

Remarking upon the absence of trouble this summer, on the fishery question, the *New York Times* says:—"The natural conclusion seems to be that there has been no trouble thus far this season, because the American fishermen have, themselves, avoided it. Trouble is not profitable to them, and profit is mainly what they seek." Many American fishermen appear to have been instructed not to go to Canadian ports except for legitimate purposes. It has been possible for the president to avoid the policy of retaliation, by which the chances of a settlement are increased. The talk about commercial union can scarcely have affected the issue, and settlement is not likely to come in that way.

The excommunication of Dr. McGlynn means that Rome is opposed to Henry George's theory of confiscation. For preaching as a disciple of Henry George,

Dr. McGlynn was called to account and summoned to Rome; he refused to go, and excommunication follows. Some other priests sided with McGlynn, and now they are warned not to have improper communication with him. Rome could not possibly advocate confiscation, such as it is the object of Henry George's theory to enforce. This fact is not without its significance, when we consider how likely many members of the church of Rome in America would otherwise be to fall victims to this theory. Mr. Glynn says he declines to take his politics from Rome; but confiscation is a question of morality; confiscation is immoral, and politics can sanction only what is moral and allowable.

A question of the rights of American excursion steamers visiting Canada has been decided at Washington. When a Canadian steamer took an excursion party from Buffalo to Canada and returned, the Buffalo collector held that the practice was prohibited by an Act of Congress which prescribes a penalty of \$2 a head against the owner of any foreign steamer which carries passengers between two American ports. It is surprising that the collector could not see the difference between carrying passengers between two American ports and carrying them from one American port to a Canadian port and back. The Solicitor of the Washington Treasury, to whom the question was referred, saw it, however, and in his opinion there is nothing in the law to prevent a foreign steamer taking passengers from an American port into foreign territory; but no trading can be done at other American ports on the route.

The Coercion Bill has passed the House of Commons, and will soon go into operation. Coercion means the enforcement of the law where it is now set at defiance. Under the new law, the suppression of the Land League will be legally possible, though in practice the feat would be somewhat difficult. The terrorism which held the law in suspense will, it may reasonably be presumed, be in a great measure removed, by the operation of the Coercion Act.

The British Government has invited the European powers to take part in a conference on the sugar bounty question. France and Germany give bounties; Great Britain gives none, and the sugar refiners, in the latter country, are seriously hampered. But the chance of the anomaly being put a stop to by an international agreement is small. It is not likely that the Salisbury government is prepared to grant sugar bounties; and it is not probable that France and Germany will consent to give up theirs. A threat of retaliation might be effective; but it would not be prudent to make it, unless it were advisable to carry it out.

The weekly statement of the New York banks, dated Saturday last, was a very favorable one. Loans were \$3,879,000 less; specie increased \$4,242,000; deposits were lessened by \$1,925,000, and the surplus reserve was \$2,701,000 higher. On Wednesday, 18th, the New York money market