

If the two companies continue at loggerheads, one must prophesy litigation, continuous and varied. They cannot afford to wage battle always. It seems reasonable to argue that powerful influences will be exerted upon the directorates of the respective concerns with a view to peace. Geographically and commercially, the interests of the two companies have much in common. Both companies have gained, one to a large, the other to a lesser extent, by the Privy Council's decision. Had Judge Longley's view that the contract must be performed been upheld by the Privy Council, the companies would have been put back to the position before the breach. As it is, the Privy Council have declared the contract at an end, which may possibly be a decided advantage to the Coal Company. The ground for future negotiations is clear, except that the payment of damages is in the way. These having been named and paid, the Coal Company will be at liberty to make a new and very possibly a better contract. The mutual interests of the two companies can scarcely delay for any length of time this new contract.

WESTERN CANADA'S PROGRESS.

People said not long ago that Western Canada was in bad shape. That condition was purely sentimental, was the reply. Whereas it was hardening sentiment. It meant the changing of dollars and cents. Western optimism, unfettered, aided by reigning prosperity, gave a hectic flush to the country's cheeks. Things looked rosier than they actually were. Credit was cheap. Deals were put through which nowadays, because of a more cautionary policy, would be impossible. If a man wanted five thousand dollars, he often almost as easily could get ten thousand. Real estate values went beyond actual worth. It seemed as if the country had in an instant recognized the possibilities of future development. And then they proceeded to discount that future. It proved to be unwise and almost alarming. Western Canada itself admits that speculation was carried beyond the pale of reason or logic.

When the pruning knife came, so did protest. But the fact that credit was curtailed with a firm hand is already showing good results. Actions, which at the time of the depression, appeared cruel, are now known to have been wise. Had Canada continued in its speculative gallop, things as they look at the beginning of 1909 would have had the taint of after effect. The lusty youth had become too full-blooded. The leech has done no harm. The strength of the patient remains. The tendency to excess has been cut out. Our Western financial institutions are publishing their reports for the year 1908. In them one may see evidences of returning prosperity. According to the annual report of the Winnipeg Street Railway, the Western metropolis spent on car fares last year an average of nearly \$10 per capita. The gross profits for the twelve months were \$1,117,222, as compared with \$946,675 for the previous year. And \$595,789 goes to the shareholders in the shape of dividends. The Great West Life Assurance Company in 1908 recorded an increase of business amounting to more than \$6,000,000. The Northern-Crown Bank, another institution with head office in Winnipeg, had in its coffers at the end of the year nearly \$10,000,000 deposits. It is one of the few banking institutions which made profits during the past twelve months. Both the Empire Loan Company and the Prudential Life, two Winnipeg concerns, also make excellent reports. These are but half a dozen instances. They well illustrate the progress which is proceeding rapidly in Western Canada.

There is now an indisputable substantiality about the West. Mushroom growth and mushroom finance have passed. Those who have most strenuously opposed unclean promotions west of Winnipeg have been the people who live and labor west of Winnipeg. While the typical Westerner differs in make-up from his Eastern colleague,

he now desires his country to be advertised and not over-boomed. Once, that was not so. No need exists for the exaggerative artist. The three great wheat and grain raising provinces, Manitoba, Saskatchewan and Alberta, have natural resources which must make it an attractive territory both for settlement and the investment of capital. More than that, the men are there, with sufficient of the pioneer and of the modern mortal about them, to see that things go as they ought. Again, a link with that rich region beyond the Rocky Mountains, British Columbia, is being welded in the shape of grain shipments from Alberta to the Canadian Pacific coast.

It may be that once the optimism of Western Canada was somewhat intangible. Libelous stories of climate were combatted often with tales going to the other extreme. But it is recognized now that capital becomes interested only in a statement of facts. Should Alberta, Manitoba or Saskatchewan, with exaggerated embellishments, plead their cause for money, that cause will be soiled. Capital worth the having does not make a pilgrimage before it has consulted geography and personality. The truth regarding the Dominion and its excellent opportunities for investment need only be told, unvarnished. Men are making money in the West and making it quickly. Resources are lying idle, simply for the lack of more men and more money for development. The Eastern financial houses, with their excellent Western organizations, and the Western institutions, are acting as a valuable medium to attract capital. The straightforward and progressive financier is one of the best advertisements which a borrowing country can have. There is cause for gratification when one considers the happy results accruing from the sane, conservative business and banking policy upheld during the past twelve months. Some of the results are seen in the statements presented by our Western institutions this week. And the credit of Canada abroad stands higher than ever. Did not the recent check upon a too rapid development effect that position?

CANADIAN PACIFIC FINANCING.

The financing of the Canadian Pacific Railway is again the butt for criticism. The company propose to further increase their ordinary capital stock from one hundred and fifty to two hundred millions. To this proposal the consent of the Dominion Government has practically been given. The Order-in-Council regulating the matter provides that the new stock shall not be issued at less than par. Herein appears to be the bone of contention on which many other grievances, alleged and real, seem to hang. When a C.P.R. stock issue was authorized in 1906, the same objections now made were put forward then. The stock should be issued at the current market price, it is argued. In all the criticisms based on that contention, one important point seems to have been overlooked. If the Canadian Pacific Railroad made their issue at market price the stock would almost undoubtedly suffer badly in the market. Mr. W. F. Maclean, in his excellent address in the House of Commons on this matter, stated that "this fifty million dollars would bring, perhaps, 150 on the market." Even he has some doubt about the matter. It is quoted, he added, at about 175, and has been as high as 200. And it has been a good deal lower.

Some have based their arguments on the assumption that without question the fifty million dollar stock issue would bring the price of 170. By issuing at par, it is reasoned that many millions of dollars will be sacrificed and that these should go properly into the coffers of the company. In other words, it is said that considerably more new capital is issued than would be necessary were it sold at the market price. Theoretically, this argument is good. Economically, it has some weight. But the Canadian Pacific management are practical financiers.