

watchful system in making reports and giving information it will accomplish good to the community.

LOSSES BY ENGLISH INVESTORS IN FOREIGN SECURITIES—A CONTRAST.

As an instructive commentary on our comparison between the monies lent by English investors to foreign States and to British Colonies, we ask our readers to notice the following return of the losses made by Turkish and other bondholders during the last few years. The figures are taken from the city article of the *Times* for the 15th of last month, and are certainly calculated to have their effect with reflecting people for all time to come. We convert sterling into our own currency, that the figures may be more readily appreciated:

NAME OF LOAN.	VALUE WHEN ISSUED.	VALUE NOW.	LOSS.
Costa Rica	\$11,500,000	\$1,600,000	\$9,900,000
Honduras	14,000,000	None.	14,000,000
Paraguay	12,500,000	1,500,000	11,000,000
Peru	135,000,000	51,000,000	84,000,000
San Domingo	2,500,000	220,000	2,280,000
Uruguay	12,500,000	5,600,000	6,900,000
Turkey	335,000,000	145,000,000	190,000,000
Egypt	250,000,000	190,000,000	60,000,000
Total Loss			\$378,080,000

This prodigious loss has all taken place within four or five years, and falls almost wholly on the class of investors who are on the look-out for securities paying a high interest. The amount of scheming and rascality connected with the getting up of these loans, and the floating them off on the markets of London and Paris, has not been equalled by the worst developments of "Erie" in New York. "Baron" Grant and men of his class in London, are not one whit better than Fisk or Gould. The extraordinary prosperity and rapid increase of wealth in England of late years has afforded to such schemes a magnificent field of operations. And impecunious States all over the world have flocked like vultures round the carcasses of a battlefield, eager to devour all that came before them. For this is practically what all this borrowing amounts to in most of the above cases. There is no more chance of getting either principal or interest from these Spanish States, without going to war with them, than there is of recovering a wreck from the bottom of the Atlantic. Baron Grant and the crew of unprincipled rascals that haunt the London money market, and live on the ignorance and credulity of investors, have made enormous fortunes; but this is the end of it, so far as their dupes are concerned. The investing class have lost these hundreds of millions, and may now reflect at leisure how true the old "saw" is, that high interest always implies bad security and great risk.

As a contrast to all this, let us look at the undoubted fact that no money has ever been lost by lending to a Colonial Government or a Colonial Municipality. Canada has borrowed largely from England; but never for a day has she been in default. The bonds of Canadian cities and counties are also largely held in England, and no one has ever had a qualm of uneasiness about them. The bonds of Canadian railroads have been bad property certainly, but we are now comparing the obligations of governments and governing bodies. And there is this much to be said of the bonds of our railroads, that the Grand Trunk and the Great Western were practically English enterprises. Had they been Canadian, there never would have been half the bonds in existence which are afloat now. But Canada never fell into the toils of Baron Grant. She never advertised her own bad credit by offering 10 per cent. for money. And if Finance Ministers manage with anything like reasonable prudence, she will always be able to command as good terms on the London market as any State in the world.

QUEBEC RAILWAYS AND FINANCE.

In his Budget Speech Mr. Robertson, Provincial Treasurer, stated the policy of the Government with respect to railways. It is proposed to construct the following railways under the supervision of Commissioners and at the expense of the Government:—North Shore Railway 158 miles with steel rails and four iron bridges, and the Piles branch 27 miles, estimated to cost together \$4,732,387; the Montreal Ottawa and Western 123½ miles with steel rails and iron bridges, and branch to St. Jerome 14 miles to cost \$3,601,649.95; line from Aylmer to Portage du Fort 50 miles without rolling stock at \$20,000 per mile, \$1,000,000, making a total for these lines of \$9,334,036.95. Adding to this the previous grants of the Province to railways \$3,354,820 there is a grand total in the shape of grants to railways for which the Province is liable of \$13,155,558.78.

Against this the subscriptions of the municipalities in aid of these lines is to be handed over to the Government which bonds the contractors take at par:—Quebec & Montreal \$2,000,000; Three Rivers, \$100,000; St. Sauveur, \$25,000; St. Therese, \$25,000; St. Jerome, \$34,000; Lachute, \$25,000; St. Scholastique, \$10,000; County of Ottawa, \$200,000. Making in all \$4,190,000 or less 15 per cent discount, \$3,561,500. To this the Treasurer adds the net receipts for his late loan in England \$3,607,083.33 making together \$6,053,233.33. Deducting this sum

from the cost of railways given above (\$13,155,558.78) leaves \$7,102,325.42. It is intended to sell bonds on the railways constructed to the extent of one-third of their cost or say 372 miles of railway at \$8,000 a mile—\$3,000,000. This leaves the sum of \$4,102,325.42 which the Province has to raise by way of loan. When this sum is borrowed the total indebtedness of the Province will be about \$8,000,000.

It will be seen from the foregoing that Quebec has adopted a bold policy in this matter of railways. It probably seemed to the Government the only way of dealing effectively with a question in which the Province is so deeply interested; time will tell whether in assuming such large liabilities and responsibilities they have acted wisely or not.

SMALL FRAUDS IN TRADE.

Along with the great swindles and frauds that we so frequently hear of now-a-days, and which sometimes throw a shadow over all the region of finance, we are frequently reminded of petty frauds and irregularities which do not amount to enough to startle a community, but are nevertheless very damaging to those who are the subjects of them. It is not an uncommon thing, for example, when a storekeeper comes to measure off his pieces of dry goods to find them a yard or half a yard short. A small business—some would say—perhaps only an accident, and not worth making a fuss about. But unfortunately these accidents sometimes come to be frequent, and occur with such provoking regularity, that on a whole year's retail business quite a serious loss is entailed. Similarly in the grocery business, barrels of Labrador herrings prove from ten to forty pounds deficient. Cases of raisins will persistently come out several pounds short, notwithstanding every effort of the retailer to make the true quantity out of them, and so with goods in almost every branch of business. The worst part of the affair is that there is an obvious falsehood in the stamping or marking of goods, and this so frequently happens that it cannot be the result of accident. Now when we come to stamping and marking we get to the real point where this fraud has its inception. It is at the place of manufacture or production.

In the fierce competition of modern commercial life, houses with small capital, but great ambition, are driven to severe shifts to make profit. And there are always a certain number of unscrupulous people who will make profit out of petty frauds if they cannot do it in any other way.

In the large number of firms that crowd the English and Scotch manufacturing dis-