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THE SITUATION.

Sir Charles Rivers Wilson, as he himself says, comes to this country to study the railway problem in connection with the Grand Trunk. He arrived just in time to be present at a meeting of American railway men. To reporters he is credited with saying that a pooling bill would be the best thing for the roads. It is natural that the railway companies should try to raise rates; but it is equally natural that those who pay them should resist, as far as they can. Even pooling, if it could be carried out, would operate unequally on the different roads which it affected. If the mileage cost of all roads were the same, an equal distribution of freight among them would give all an equal chance of paying a dividend. But the cost of the different roads is, in fact, very unequal, and an equal allotment of freight among the roads in a pool would enable some to pay a dividend, but not others with a much larger capital account. To go no further than the Grand Trunk and the Canadian Pacific, this would be true. When the Grand Trunk was built, the cost of railways was far greater than at present, and the rails, though much dearer, did not last half so long. This relative cost of construction affects the value of all roads which compete with one another. It is difficult to see that the Grand Trunk is worth more to-day than it could be built for; and if we apply this rule, we must conclude that the balance of the capital over and above the present value of the road is hopelessly lost. If this conclusion be sound, it is folly for managers to continue to live in a fool's paradise, and refuse to recognize the fact which expresses the actual condition.

Pooling arrangements, even when the legislative authority is willing to sanction them, can only deal with direct competition. What is to prevent the railways of Russia competing with railways in North America for such of the products hauled as are destined for a common market in Europe? Under certain conditions, as to length of haul and distance from the ultimate market, this competition is bound to be felt. It is not even certain that the competition of Australian railways cannot be felt, in the same way, here: one Australian statesman holds strongly to the opinion that it must be. The Australian railways owned by Government have the great advantage of having been built in a dear country, with an eight-hour labor day, at a low

cost, not over one-tenth that of English railways, and in point of quality they are better than the American. The Canadian Pacific was cheaply built, in comparison with the average of American railways. Pooling would, therefore, be especially favorable to it; but it would not be specially favorable to the Grand Trunk. An improved ocean service between Australia and the outside world will increase the indirect competition, now very slight, between Australian and Canadian and American railways. It has only to become more active to be felt. The cheapness and quality, especially the cheapness, of Australian railways, give them a decided advantage over American railways, as well as over our Grand Trunk. Sir Rivers Wilson, like a sensible man, comes to Canada in an enquiring spirit, anxious to learn and not puffed with the notion that he knows all about it. He has a heavy task on hand, and looking at the vast amount of unproductive capital in the Grand Trunk, it is to be feared that only partial success is possible.

From the uncertain quality of the weather, and the large areas of continued drought for a long time, the yield of the Ontario harvest gave rise to misgivings. The fact that hay is only half a crop is a serious matter in a province where grazing has become extensive. But when it became evident that hay would be a failure, it was soon enough to plant corn for fodder, and peas, of which the straw has a value for feeding purposes, will help to supply the deficiency of hay. Another reliance in this direction is in the root crops, turnips and mangels, but they too suffered from the drought. Wheat, once the main reliance of the province, but no longer so, is fortunately not a failure, fall wheat being estimated at 17.8 bushels, and spring wheat at 14.8 per acre. On the whole, the grain crops are reported to be fairly good. In Manitoba, the centre of the great wheat field of our North-West, the official estimate is 25 bushels to the acre, and some private estimates carry up the estimate to 28. This is a good showing, and, while anything like this success can be counted on, we fear it is useless to warn Manitoba that her permanent interest does not lie in an excessive production of wheat, which means a gradual reduction of the productive capability of the soil. Yet Professor Robertson has not failed to sound the alarm; but his voice, however wise the utterance, will be as one crying in the wilderness. An army of harvesters, such as used to go from Ireland to England, when the hook and the sickle were the only reliance in gathering the wheat crop, annually flocks into Manitoba and the North-West to aid in harvesting, all of them going great distances, some from Ontario, others from Quebec, and a few even from New Brunswick. It might be well if many of them could remain there.

During the debate on the Address, on the opening of Parliament, in England, the fact came out that China having objected to receive missionaries from foreign countries, the Rosebery Government had warned British missionaries not to go there. And Sir Charles Dilke, who is specially well informed on the subject, remarked that he feared the missionaries did not always obey the laws of China when they get there. All foreigners are of course required to obey the laws of the countries in which they find themselves, even when no objection to their going there is offered. The warning not to go to China officially addressed to British missionaries, applies to Canadians, and the question is whether they were aware of its existence. All who act in opposition to this warning may be said to go at their own risk; but they calculate on not being abandoned for their disobedience, if they get into trouble, and the reliance is not likely to fail them. But looking at the matter from a national or international point of view, can