

chiefly in the United Kingdom, suffered so severely, were owing to the Russian war, an event wholly unforeseen at the time of its inauguration, and, further, that the subsequent postponement of the Government's prior claim was made conditional on the company expending new capital in the construction of unproductive works.

It is scarcely necessary to point out the absurdity of charging the Grand Trunk Co. with bonuses given by municipalities to railroad companies which had at the time they were granted, no connection with the Grand Trunk Co., but which were subsequently amalgamated with it. It is even more absurd to describe the mail subsidies given for services performed, as public aid to the Grand Trunk Co.

The attacks on the Pacific Co. are, as a rule, based on a total misconception of circumstances. If the shareholders in that company had undertaken to make all their acquired property liable to its utmost extent, for the carrying out of their agreement with the Government, there might be some excuse for the attacks which have been made on them. From the first inception of the work, no effort has been spared to injure it in public estimation, and to discourage capitalists from investing in its stock. Nevertheless the company has proceeded with such vigor that the chief blame thrown on it has been the rapidity of construction, which, it has been alleged, has added to the cost to the public. We are wholly unaware whether any negotiations are pending between the Government and the directors of the Canadian Pacific Co., but what we do know is that the opponents of the company have limited their charge to an assertion that the company desire to obtain the substitution of a money for a land subsidy, in other words, to get the Government to purchase a portion of the public lands to which they are entitled at the price which they have always been considered worth.

If such a demand should be made and should come before Parliament past experience justifies us in surmising that there will be an attempt made to impose onerous conditions on the company as was done in years gone by in the case of the Grand Trunk Co. It ought to be constantly borne in mind that the Canadian people as a whole have a deep interest in the success of the Canadian Pacific railroad, and that it would be a fatal mistake to clog it with any burthens for the purpose of serving local interests. It will be the duty of the Government to protect the interests of the entire people by re-

sisting local pressure, and the company cannot be expected to sacrifice their own interests, by incurring obligations which would entail heavy pecuniary loss. We have offered the foregoing remarks, although in total ignorance as to whether any measure for aiding the Canadian Pacific Co. will be brought before Parliament this session, but with a thorough conviction that it is the interest of the public that the work should be completed as speedily as possible.

The foregoing remarks were unavoidably shut out of our last issue, and we have since had the advantage of perusing a valuable paper from the pen of Mr. George Stephen, president of the Canadian Pacific Co., which has been circulated among the members of the Canadian Parliament. The *Montreal Herald* has likewise exposed the gross misrepresentations of the *Toronto Globe* in regard to the capital stock of the company. When that stock was originally issued the original subscribers, then termed "The Syndicate," took among them \$5,000,000 or 50,000 shares at par, hoping, doubtless, that they would obtain in Europe and the United States the required capital on the same terms. This was found impracticable, and it became necessary, in order to obtain more capital, to place the shares at a considerable discount. The old members, doubtless to encourage others, increased their holding, doubling their investments, but at such reduced rates as to feel themselves on a par with the new shareholders. The effect of this arrangement, as stated by Mr. Stephen, was that the shares of the directors cost them a much higher price than the present market value of the stock.

Mr. Stephen has disposed most satisfactorily of the charges of building an inferior road as well as of its great cost. We regret our inability to publish Mr. Stephens' letter at length, but the following extract cannot but prove interesting and satisfactory:

The company will then have built, within the 53 months since they began work, 2,181 miles of railway, at a cash outlay of \$66,731,703, or \$30,551 per mile.

Mr. Henry Villard, in his recently published statement to the shareholders of the Northern Pacific Railway, says that the 770 miles built under his administration cost \$39,657,656, or \$51,500 per mile, the original estimate of the chief engineer of the Northern Pacific for this work being \$20,000,000, a fraction more than one-half of its actual cost.

The Canadian Pacific Railway company has expended up to 31st December, 1884, on construction of the main line and branches, extensions, terminals, improve-

ments and equipment.....	\$72,552,340
To provide guaranteed dividend...	16,238,288
Dividends paid.....	3,428,000
Interest paid on land grant bonds.	582,734
	<hr/> \$92,801,362

Total amount received from cash and land subsidies and from government loan to 31st December.. 55,532,651

Balance provided by the company...\$37,268,711

After the favorable opinions of the Northwest as an agricultural country of great promise and of enormous possibilities, which came pouring in during the autumn of last year from people of all classes who had recently visited the country, our enemies in the press and on the platform found it necessary to stop their attacks upon the Northwest. They thereupon concentrated their whole energies upon the congenial task of alarming the country and of wrecking the company. It was boldly stated that although the road would probably be finished, according to contract, it never could possibly pay working expenses, and the result would be that the Government would have to take over the line from the company, and, if it operated it at all, it would be at a loss to the country of some \$8,000,000 annually.

These wild and dishonest statements were carefully published in their newspapers all over the country, and equally carefully republished all over England and the United States, creating alarm among the shareholders of the company, and for the time destroying confidence in the success of the enterprise.

THE GOLD RESERVE.

We noticed with satisfaction that Sir Richard Cartwright called attention to the inadequate gold reserves held by the Government against the Dominion note circulation, although we think that he would have exhibited more judgment had he refrained from introducing the subject of the Savings Banks deposits, the two questions being wholly distinct. Sir Leonard Tilley made a very unsatisfactory reply, and has only confirmed the opinion held by many that he has not made a special study of the currency question.

Sir Richard Cartwright had pointed out that, under the law prior to Sir Leonard Tilley's amendment in 1878, it was necessary that for all issues in excess of twelve millions, gold should be held dollar for dollar. The alteration of the law by the advice of Sir Leonard Tilley was to hold 25 per cent in gold and guaranteed debentures, which we are willing to assume may be considered equivalent to gold. The obvious defect in the scheme is that the same percentage only is required for a redundant, as for what may be called a normal issue.

A normal issue we think may be fairly placed at 40 per cent of the ordinary