

# The Monetary Times

Trade Review and Insurance Chronicle

Vol. 42—No. 37.

Toronto, Canada, March 13th, 1909.

Ten Cents.

## The Monetary Times OF CANADA

PUBLISHED EVERY SATURDAY BY THE MONETARY TIMES  
PRINTING COMPANY OF CANADA LTD.

Editor—FRED W. FIELD.

Business Manager—JAMES J. SALMOND.

THE MONETARY TIMES was established in 1867, the year of Confederation. It absorbed in 1869, THE INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal; in 1870, THE TRADE REVIEW, of Montreal; and THE TORONTO JOURNAL OF COMMERCE

Terms of Subscription, payable in advance:

Canada and Great Britain.		United States and other Countries	
One Year	\$3.00	One Year	\$3.50
Six Months	1.75	Six Months	2.00
Three Months	1.00	Three Months	1.25

ADVERTISING RATES ON APPLICATION.

HEAD OFFICE: Corner Church and Court Streets, Toronto.

Telephone M. 7404, exchange connecting all departments.

Western Canada Office: Room 315, Nanton Building, Winnipeg. G. W. Goodall, Business and Editorial Representative. Telephone 8142.

Montreal Office: B32 Board of Trade Building. T. C. Allum, Business and Editorial Representative. Telephone M. 2797.

All mailed papers are sent direct to Saturday morning trains. Subscribers who receive them late will confer a favor by reporting to the Circulation Department.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

### RAILROAD FINANCING AND DEVELOPMENT.

Canadian railroad development and its consequent financing are looming large just now. Within the past few weeks several events have brought our existing and proposed transportation systems to the forefront. The Canadian Pacific new stock issue of fifty millions; the Grand Trunk Pacific debenture stock issue in London, the guaranteeing, by the provincial government, of one thousand seven hundred and sixty-one miles of railroad in Alberta, the proposed guarantee by the Manitoba Legislature of the bonds of the Canadian Northern, the rumour of new financing respecting the Grand Trunk Pacific, and the engineer's report of the first progress of the surveys of the Hudson Bay Railway are the most important items.

The Canadian Pacific financing has been discussed in these columns previously. Regarding the Grand Trunk, Mr. W. R. Lawson, the well-known English writer, thinks that the most critical point in the history of the new Transcontinental is approaching. He considers it of vital importance to the future of Grand Trunk stocks to discover the possible extent of the liabilities which the parent company is undertaking by its guarantee of Grand Trunk Pacific issues. The chief liability of the former company will be for the Western division of the latter. It is specially and almost wholly for that division that the guarantees of Grand Trunk Pacific stock are being given. There are four specific cases, says Mr. Lawson, in which the Grand Trunk Company might possibly be called upon to implement its guarantees. The first is the Lake Superior branch connecting Port Arthur with the Eastern or Government division of the line. That branch has no Government guarantee, and is, therefore, at the sole risk of the Grand Trunk Company. The second case in which the road might have to pay upon its guarantee is its rolling stock, there being no

### CONTENTS OF THIS ISSUE.

	Page.
<b>Editorial:</b>	
Railway Financing and Development .....	1605
Bank Charters .....	1606
New Insurance Bill .....	1624
<b>Banking and Financial:</b>	
Uniform Municipal Accounts—V. ....	1618
Liverpool Accountants Meet .....	1633
<b>Commercial Markets:</b>	
Wheat Markets Strained .....	1635
Japan's Mercantile Trade .....	1632
<b>Insurance:</b>	
Problems for the Underwriter .....	1607
Life Underwriters' Association .....	1623
Alberta's Compensation Act .....	1623
Insurance Managers' and Editors' Views.....	1626
February Fire Losses .....	1629
<b>Mining:</b>	
Cobalt Dividends Rev've Market .....	1610
Cobalt Ore Shipments .....	1620
Canada's Mineral Production .....	1630
<b>Miscellaneous:</b>	
In Engineering Realms .....	1615
Publications Reviewed .....	1622
<b>Public Money:</b>	
Finances of Amherst .....	1616
Debentures Offering and Awarded .....	1616-1617
<b>Special Correspondence:</b>	
Steel and Coal Negotiations (Montreal).....	1620
Vancouver Harbour Improvements (Vancouver)..	1632
Land for Settlement (Winnipeg) .....	1634
<b>Transportation:</b>	
Mexican Transportation Company, Limited.....	1631

Government guarantee for rolling stock. The ten million dollars of debenture stock already issued for this purpose are also at the sole risk of the Grand Trunk Company. The third case of possible call is cited as the Grand Trunk Pacific share of the mortgage on the Western division main line. And on the mountain section Mr. Lawson thinks sooner than anywhere the Grand Trunk guarantee of Grand Trunk Pacific bonds may involve actual risk to the guarantor.

As is pointed out, the Lake Superior Branch will carry the produce from the Western provinces into Port Arthur, and there is little probability of a single dollar of the guarantee ever being called for. As for rolling stock, every car which has been built will probably earn not only interest, but a large share of its cost in the first three months.

Regarding the mountain section, the Dominion Government is liable for three-fourths of the cost per mile. Mr. Lawson does not give the coming Transcontinental a cheerful write-up. Rightly enough, he analyzes the position of the Grand Trunk as it relates to the Grand Trunk Pacific. The result places the new road in an atmosphere of uncertainty and chaos, and the criticisms are not likely to help Grand Trunk Pacific issues in London. But there is another view which has an important investment bearing. The Grand Trunk Pacific is being built, and it must be completed. The credit of Canada would be hurt almost irreparably if the financing of the road were to collapse or its construction cease. Were the Grand Trunk to record decreased earnings week after week, were it called upon as guarantor in one, two or more of the cases cited above, were it to be involved in a financial smash—all wide suppositions—it is pretty safe to assert that the building of the Grand Trunk Pacific would go forward just the same. Whether the Dominion Government fully recognize the fact or not they are bound, not only by agreements, but largely