

vation is not made in the bill, and if the statement, as given by the President means anything, it must mean that Mr. Hickson would have no objection to his superiors—for with them, apart from the binding nature of his promise, the decision rests—reserving a million, out of the capital to be raised, under authority of this bill. We must say that there is something here that looks very much like a shuffle; but we cannot think that the company, when fully informed as to what took place between Mr. Hickson and the Government, will repudiate what every one understood he had, on the company's behalf, undertaken to do.

Sir Henry Tyler complained, very unfairly, that in Canada "every effort is made to harass companies that have built lines, and to render unremunerative the capital invested in them." The statement did not go beyond this general form; and we think it would have been impossible to give instances in proof. Everything that a railway company asks, by way of legislation, is not granted, as a matter of course, and without enquiry and hearing all interests concerned. If this is not done in Canada, still less is it done in England. The Grand Trunk and the Canadian Pacific have been prohibited from amalgamating or entering into a pooling arrangement; a prohibition which was felt to be necessary in the interest of the public, and the restriction controls the Canadian Pacific as firmly as it controls the Grand Trunk. One advantage of the Grand Trunk bill, confessedly was, Sir Henry Tyler being witness, that besides putting the Government loan farther in the rear, it sanctioned the amalgamation between the Grand Trunk and the Great Western, in a manner so decided that it can now never be brought into question. "The Canadian Parliament," said the President, "has accepted and put behind, not only the Grand Trunk, but also the Great Western share capital, its three millions of advance which formerly were behind the Grand Trunk share capital, and nothing can undo, or be said to undo, and there can be no suspicion of undoing again, the fusion between these two companies."

As I have said, this is the crowning act of the fusion. The Grand Trunk and the Great Western are now united, and if you accept this Act as it is there can be no question as to the legality of the fusion in the future." When the Canadian Parliament was putting the Government loan behind the Great Western stock and sanctioning the amalgamation, it was surely entitled to something besides wholesale condemnation from Sir Henry Tyler.

And the Grand Trunk President was bound by loyalty to truth and fair-play to those whom he criticised to state the facts correctly. We regret to say that he has not done so. The thirty million loan to the Canadian Pacific, he represents as an additional subsidy, part of which, he says, the Grand Trunk—a larger part than any other corporation or any individual—will have to pay. "The Canadian Pacific Company," he says, "have applied to the Canadian Parliament, and they have induced the Canadian Parliament to grant them a very large additional subsidy in order to complete their line. Well it is not for us to object to

that. We, it is true, are the largest rate-payers in Canada, and therefore, whatever comes out of the rates there affects us more than any other institution, or any other persons." Whatever shape the loan may ultimately assume, it certainly is not at present, an additional subsidy, and it is alike unfair and misleading so to represent it. The Grand Trunk President, in return for the government loan of \$15,000,000 being put behind the Great Western stock, complains of the aid given to the Canadian Pacific, misrepresented as an additional subsidy, and proceeds to utter threats, in muffled tones: "It must always be wise for the Grand Trunk Company to do all that it can do to benefit Canada. I am sure we should all agree in that. The prosperity of Canada is the prosperity of the Grand Trunk Company; and I am sure it will be wise also for the Canadian Government to do everything it can to assist the Grand Trunk Company, because the credit of the Grand Trunk Company is the credit of Canada. I am sure it cannot be a wise policy to raise any popular feeling in Canada against the Grand Trunk, or to threaten us, or to oppose it, or to render Government aid directly or indirectly, to competing lines, or to act unjustly to large and influential bodies of shareholders in this country." We have no intention of bandying defiance with Mr. Abbott, who talks as if he held the purse-strings of the London Exchange, and was prepared, in business matters, to be guided by feelings quite inconsistent with safe business habits. We have more pleasure in transcribing the cheering assurance of the President, amid the momentary gloom of the unfortunate ending of the half year, that he does "not know of any other railway system in the world which, in spite of all disadvantages," including a short harvest, a severe winter, and formidable competition, "has made so much progress as this company has up to 31st December, 1883."

ECONOMY IN MANUFACTURE.

The outlook for makers of textile fabrics, and indeed for manufacturers in various other lines, is by no means encouraging at the moment on either side of the Atlantic. Our cotton mills, knitting mills, tweed and flannel factories, are feeling the pressure of overproduction and extreme competition, it is true; but so, it appears, are British and American mills. Said Judge Hilton, of the A. T. Stewart establishments, last week:—"I closed all my woollen mills, about twelve in number, formerly employing 10,000 or 12,000 operatives, because I can buy goods cheaper than I can manufacture them. We can make woollen goods in this country as well as they can make them anywhere else, but there is no profit in it. As to Cotton manufactures, the factories are all shutting down. They are making no money. It is impossible to get back their money with the present prices of cotton. Go into Sixth avenue to-day, and you will find cotton goods selling for 2½ and 3 cents a yard. The cotton is worth more than that. Manufacturers can't keep in that kind of business unless they expect to fail. But we are as well off here as they are in France or Germany or England."

In view of such a condition of affairs, it is clearly needful for Canadian makers to look closely into the running of their establishments, and to see that they are being conducted with due regard to economic working. The article on "the cost of production," which appeared in last week's MONETARY TIMES, contained valuable hints. This has been acknowledged in several quarters, and we print to-day one of the communications received on the subject.

The possibility of big profits, on the production of goods or on the sale of them by middlemen or retailers, is becoming more and more remote. And the salvation of the maker, not less than that of the seller, depends much upon the economical conduct of his business. A high duty, even, will not protect us against slaughter stocks of wares which are produced in excess by other countries. This proposition is true of other goods than those we have named. The present is an era of low prices. Pig iron is at a low point in Great Britain, and ocean freights are, owing to the quantity of tonnage offering, cheapened to the last degree, as witness the offers said to have been lately made at Canadian and United States ports, to carry grain as ballast, free. There is undoubtedly overproduction among the iron furnaces of America. The building of railways having so greatly declined, the demand for railroad iron and steel has fallen off and the iron mills are shutting down.

It is at such a time as this that countries like Belgium prove their advantage over competing nations in having cheap labor amongst other elements of economic production. We in Canada, it is to be feared do not understand economy as older countries do, not having been obliged to study or to practice it as they. Nor, it may be said, have we paid the attention to system in manufacturing which in other lands has been found necessary to permanent success. There exist, we are glad to believe, establishments in Canada wherein business is carried on with a prudence and a method which leaves little if any room for improvement. But it is quite as certain that in many, probably the majority, of our mills and factories of various kinds, an amount of carelessness and waste exists which would cause the hair of an Essen or a Leipsic or a Huddersfield or a Sheffield manufacturer to rise on his head with wonder. If we would avoid destruction of capital, pains must be taken by our manufacturing industries to stop all leaks and to rectify all abuses. It is essential to lasting success that raw material shall be had on the best terms; that proper machinery and skilled labor shall be procured; and that these shall be used to the best advantage, before that desideratum to every manufacturer, "a living profit" can be looked upon as secure. And, if we would foster manufacturing industries, it is no less important that neither raw materials nor labor should be burdened with unnecessary imposts.

—The annual meeting of the shareholders of the Bank of New Brunswick was held last week, when an additional director was placed upon the board. The new board is composed of:—Hon. James D. Lewin, president, Thos. Gilbert, Thos. W. Daniel, Charles H. Fairweather, Jas. U. Thomas, Henry Vaughan, W. W. Turnbull, John Yeats.