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INCREASED STOCK OF THE PACIFIC RAILWAY COMPANY.

There is a prospect of a considerable amount of the additional stock of the Pacific Railway Company (\$35,000,000) being placed. It is understood that in Amsterdam and New York the purchasers will be found. A great American railway magnate is likely to have a hand in the deal. We hear nothing so far of a sale of any portion of the stock in London. There the hostility of the Grand Trunk Company counts for something; and by keeping the Pacific Railway Company out of that market it may compel it to accept less favorable terms, in the disposal of its stock, than it might otherwise have obtained. Nearly all railway companies, however powerful, have, at some time, had to secure financial support on disadvantageous terms; and it is probable that the Pacific Railway Company will be no exception to the rule.

Just now it must be an object of the Pacific Railway Company not to have to ask new favors from the Government. The time may come when the Government will have to negotiate with it for a surrender of its ten years' monopoly. If the new stock could not have been placed, the Company might had to ask favors first, and in that case it would not have been in the best position to negotiate. But it may yet be a question, which will have to ask the first favor, the Company or the Government. The right to increase the capital stock from twenty-five to a hundred millions of dollars will require the sanction of Parliament; but this franchise cannot impose a y burthen on the public, unless it would affect the restriction as to the dividend which the Company may declare.

Should Mr. Vanderbilt obtain a heavy interest in our Pacific Railway, he will do so with an eye to benefit his own railway property; and he may even dream of ultimately controlling the Canadian road. If there be any risk of this latter kind, it can scarcely be great, and is certainly not immediate. But Mr. Vanderbilt will not take thirty millions of Canadian Pacific Railway stock unless he sees his way clear, not only to save himself harmless, but to indemnify himself by large future profits or in some other way. His subscribing that large amount will be a guarantee of this. As a simple stock operation, he might make it pay.

The sale of the amount of stock for which negotiations are expected to close in a few

days, will make the Company financially easy, though the assistance may possibly be less than the figures would seem to indicate. If the Company has received any considerable advances, of which we know nothing, it will be enabled to make them good. The energy with which it has pushed on the work of construction has enabled it to draw upon the Government for a much larger amount than was anticipated, with the result of reducing to a greater extent the Government deposits in the banks. In this way the loanable funds were curtailed. The story goes that when Mr. Schreiber, the Government engineer, looked at the statement of the work which the Company had mapped out for the year, he thought it was so large that a counter estimate might reasonably reduce it to one half. But the Company fulfilled its promise, and the work being done, had to be paid for. Some monetary ease may result from the sale of this thirty-five millions of Pacific Railway stock.

The expenditure of the Company on subsidiary works must be large. Besides purchasing and obtaining control of railway connections, lines of steamers must be utilized. Four steel steamers to ply between Algoma Mills and Prince Arthur's Landing are being built. In default of railway connection between Montreal and Quebec, the Pacific Railway Company will connect these two ports by a line of steamers. This only makes provision for the summer service; but it is during the term of navigation that a connection between the two cities is of greatest importance to the Company. It may not have suited the Company to outbid the Grand Trunk managers for the North Shore Railway; and Mr. Senecal might not have been easy to deal with if he could have played off one Company against the other as competitors for the road. Whether a third line between these two cities may, at some future time, be built for the purposes of the Pacific Railway Company may depend on circumstances which have not yet been developed. It will probably not be necessary, to establish a new line of Atlantic steamers, to connect with the Company's railway at Montreal; it is more probable that arrangements will be made with an existing Company, such an arrangement being understood to be possible. Should the Company succeed in placing \$35,000,000 of its additional stock, of which there seems to be little doubt, it will have no difficulty in using the proceeds in the stupendous work which it has undertaken to carry to successful completion.

DECREASE OF MORTGAGES IN ONTARIO.

With the view of ascertaining whether the mortgages being made in Ontario are increasing or decreasing in number, the manager of the MONETARY TIMES wrote to the registrars of several counties asking them to state generally the facts as they had come under their observation. The replies received show a decrease, sometimes large, in the number of new mortgages last year. The number of mortgages made in 1881 was exceptionally

large; and it is not impossible that some erroneous conclusions were drawn from that fact. Many of these instruments represented changes from a higher to a lower rate of interest. In one registration division, every mortgage which was payable on notice was so changed; the general reduction in the rate of interest being about two per cent. Mr. McKnight, registrar of North Grey writes at length, and his communication is very instructive. He says:

"The fees of my office will be about twelve hundred dollars less this year than last; and the falling off is mainly due to a decrease in the registration of mortgages and the work connected therewith. As my district embraces but half the County of Grey, and as the South office has probably experienced a corresponding decrease in business, it would appear on the face of it that the volume of business done by loaning companies in the County of Grey, in 1882, is greatly less than it has been for many years. The Sheriff tells me that the decrease in his fees from last year will be about \$1,500, and that this decline has been chiefly in certificates. As the Sheriff receives \$1.05 for each certificate, it would appear that some 1400 or 1500 more mortgages were recorded in Grey last year than have been recorded this year.

"The bare statement of the above facts would lead one to believe that the financial condition of the farmers of Grey had improved in a corresponding degree; but this is not the case; the great falling off in registration of mortgages in 1882, may be ascribed to the gradual cheapening of money for some years past. Not long ago loan companies could place their funds on mortgage security at nine per cent. per annum. By and by competition, together with the amounts seeking investment brought the rates down to 8 per cent., then to 7 per cent., and last year an allowance of money could be had at 6½, and in some cases as low as 6 per cent. In many cases, the borrower in giving a mortgage on his property reserved to himself the right to "pay off" on or after a certain time from the date of the loan, that is some years before the mortgage term had expired. Every one who had secured to himself this right took advantage of it as money became plentiful and cheap, the zeal and activity of loan companies' agents aiding them in doing so. In my district this was notably the case. To this end I lent my aid as far as the duties of my office would permit me to do so. When applied to by the agents of the respective companies throughout the riding, I prepared a statement of mortgages in which the right to "pay off" was secured. Armed with these statements the agents knew where to work and lost no time in doing their part to bring about the desired result; operating, I presume among the borrowers from other companies than those they themselves represented. The result was that before the close of 1881 I believe every man in the Riding, the time of whose right to "pay off" had come, did so by renewing his mortgage at a lower rate of interest. From this it will be seen that the rate of interest now being paid is at least 2 per cent less than that paid in former years; and that the number of mortgages recorded last year, and the years immediately preceding as compared with the number recorded this year, is no proof that the state of the farmers is better in a degree corresponding thereto. On the whole, I believe that the number of new mortgages recorded in 1881-2 is less than in the years immediately preceding. It would be strange if in the enjoyment of good crops and good prices, such were not the case."

The Deputy Registrar of Napanee writes: "The number of mortgages registered at this