

TRADE—FINANCE—STATISTICS.

A GLUT OF MONEY.

Can nobody suggest a stiff bit of work for English capitalists to do? They are standing idle in heaps, and they do not like it at all. According to the *Statist* of July 17, a sum of money estimated at £200,000,000, or say nearly three years' revenue, is lying waiting for the profitable investment which is so difficult to find, and although that figure may be an exaggeration—we see no reason for thinking so—it is certain that the total sum available for new forms of enterprise must be very large. Bad as the times have been, and large as the expenditure of the late government was, Englishmen made and saved in the five lean years a great deal of money, which was not, as it often is, flung away in preposterous speculations. No State plundered us much, no great amount of money was wasted on unreal discoveries, and there was a great deal of more or less stringent economy. The number of persons who, panic-stricken by the decline of trade, or the difficulty of collecting rents for large farms, commenced retrenching was very great; they had often very good incomes, and men who once retrench usually do it with a will. It is so uncomfortable a process that they want to see something solid—a good sized bank balance, for example—on the other side of the account.

If you are to retrench at all, especially for a few years only, let your "place," and live on £500 a year, like a clergyman. Then, of course, though many trades suffered heavily and some branches of commerce became unproductive, a great deal of business continued to be done and large accumulations to result. The dealer in East India produce might be losing money, and Lord Greenshire might be cramped, and Mr. Bondstreet, the jeweller, bought nothing on speculation; but we do not suppose that Messrs. Bass brewed less, or that the ordinary production of ordinary luxuries fell off at all heavily. Money was made and was put away, always in very safe places, and now that prosperity is reviving, as the revenue returns begin to show, the state of affairs is very much in this wise: A great deal of money has been made, and a great deal more is making, and all the safe places for putting it away are getting choked. The "old stockings" and "teapots" are all full. Consols are very high; railway debentures are very high; India stocks are inexplicably high, unless buyers think that they are practically guaranteed; colonial bonds are high, though not so high as they would be if there were not a good deal of latent distrust, and a good deal of muddling about the right of paying off, and French rentes is at a figure which, sure as France may be to pay her dividends, is, considering the immense fluctuations which have occurred and may occur in the capital value of that security, preposterously high. The French rentier is sure his dividends will be paid, because the vote, the bayonet and the bond are all in the same hand, but he is not sure that his threes to-day at 85 may not be next week at 70.

Capital, in fact, has been invested in the sounder securities till they are too dear even for very cautious men, and new accumulations are held loosely, their owners looking out eagerly for investments which look sound, and will, at all events, yield the four per cent. which is just now procurable. There is not, so far as we know, a clear and permanent four per cent. in the market. There must be very much money waiting investment, even if there is not, £200,000,000, and the fine old way of investing it—the purchase of land—is, for the moment, discredited. There never was such a time for men with large means, really large means, to form large landed estates. In the southern and eastern countries, and, indeed, everywhere throughout England where farms are large and no great city is immediately at hand, land is going, estate agents say, "for a song," that is, it is to be purchased for ready money at a reduction of twenty per cent. on normal prices. Utterly disbelieving that in this thickly populated country, with its fixed social prejudices, land will permanently fall, we should have thought that form of investment attractive; but people read American statistics, they do not know that the "enfranchisement of the soil" will add ten years' purchase to its saleable value, and they shrink back and wait, as they say, to see what the reduction of rent will ultimately be. They keep their spare money and trust Exchequer bills, without trusting the future of the country. They are wrong, for notwithstanding all that may be done, your grandson with 10,000 acres will be a very important and very wealthy person, but they think they are right.

Under these circumstances, if they continue, a burst of speculation is ultimately a certainty, and it depends a good deal upon accident whether the speculation is sound. If a good wide grove for the employment of capital is discerned in reasonable time the enterprise will be legitimate; but if not, much money will yet in no time be eagerly and triumphantly chucked into the sea. No doubt a great many people have lost a great deal, and foreign loans are discredited, and a ship railway across Honduras would not attract again, and everybody has grown very much wiser about his cash. But we suspect, for all that, the money is beginning, as the children say, to burn holes in men's pockets; that the spirit of caution is wearing out, as it periodically does, and that speculators are getting, like pike in an east wind, too hungry to see hooks. A good many businesses are becoming "limited" very easily, and one distrusts people who sell good businesses. There is a sort of eagerness to

believe pleasant things about large profits coming to banks. Reports about South Indian gold reets seem to be trusted very readily, and there is an increasing vagueness in the messages as the probable production of the metal to the ton of rock crushed, which, to those who only look on, is not without significance. Everything may be all right. South India may be going to yield gold in greater proportion to wages than Australia, for anything we know, though we adhere to our permanent view that gold is the least profit-giving of the metals; but if the tide of speculation were not rising there would be a good deal more doubt about those rose-coloured prophecies than there is. Every tea Company did not prosper because the Assam Tea Company did, and we do not believe in the equality of all gold-bearing rocks in Malabar.

The thermometer of speculation is rising, and nothing would surprise us less than the appearance of some quite new industry, a rumour of fabulous profits, a wild rush, and the disappearance or transfer of a great deal of good money wasted upon projects almost demonstrably absurd. It is time for honest projectors to bestir themselves and see if there is not a big bit of honest work somewhere waiting to be done. France, for example is very rich—too rich—sending millions to India to subscribe to rupee loans and ready to give millions for any reasonable project. Has France enough canals? Canals pay, and canals are wanted even when railways have been made, and France does not abound in navigable rivers. Would it not pay to lend money for wheat culture in the Far West and Canada, with the wheat to be grown as security? Is there not fifty per cent, to be had from fruit culture on the shores of the Mediterranean? Shrewd Yankees make that out of orange gardens, and—we note for the benefit of Mincing Lane—are just going heavily into tea growing in Georgia. There is fortune in that if Congress will leave the Chinese labourers alone. Is it certain that great companies, working on the great scale, could make nothing of that immense and hitherto heart-breaking industry, the conversion of cane juice and beet into saleable white sugar? Has science said its last word about building materials? There are entire classes who would build if only a cheap material could be found, and with the immense development to which the power of crushing things together has now reached there ought to be a cheap material procurable. We can crush carbon into diamond, why not sea sand or common mud into building material? There is a good deal of sea sand in the world.—*London Spectator.*

We read in the *Gazette* of the 18th instant:—

"We understand that after a pretty thorough examination of the whole question, an award has been made by which the Grand Trunk Railway is to receive one-tenth of the proceeds of all the traffic from Chicago eastward. We are not aware whether this apportionment meets with the approbation of the company or not; although, we presume, that having taken part in the proceedings it will be accepted."

As regards this statement of the *Gazette*, we would say that "we understand" that the award made was—ten per cent. of the dead freight, and six per cent. of the live freight.

BANKS.

BANK.	Shares per value.	Capital Subscribed.	Capital Paid up	Rest.	Price per \$100 Aug. 16, 1886.	Price per \$100 Aug. 18, 1879.	Last half-yearly Dividend.	Per cent. per an. num of last div. on present price
Montreal	200	\$12,000,000	\$11,999,200	\$5,000,000	\$149 1/2	\$127	4	5.36
Ontario	40	3,000,000	2,996,756	100,000	87	55	3	6.00
Molsons	50	2,000,000	1,999,045	100,000	94	63 1/2	3	6.38
Toronto	100	2,000,000	2,000,000	500,000	136	109	3 1/2	5.15
Jacques Cartier	25	500,000	500,000	55,000	..	57 1/2	2 1/2	..
Merchants	100	5,798,267	5,518,933	475,000	103 1/2	71	3	5.80
Eastern Townships	50	1,469,600	1,382,937	200,000	..	..	3 1/2	..
Quebec	100	2,500,000	2,500,000	425,000	..	..	3	..
Commerce	50	6,000,000	6,000,000	1,400,000	129	105 1/2	4	6.20
Exchange	100	1,000,000	1,000,000	..	..	..	..	..
MISCELLANEOUS.								
Montreal Telegraph Co.	40	2,000,000	2,000,000	171,432	123 1/2	88	4	6.48
R. & O. N. Co.	100	1,565,000	1,565,000	..	50	42	..	..
City Passenger Railway	50	..	600,000	163,000	116	75	4 1/2	4.31
New City Gas Co.	40	2,000,000	1,880,000	..	139 1/2	116 1/2	5	7.18

*Contingent Fund. †Reconstruction Reserve Fund. ‡Per annum.

RAILWAY TRAFFIC RECEIPTS.

COMPANY.	Period.	1880.			1879.			Week's Traffic.			Aggregate.		
		Pass. Mails & Express	Freight.	Total.	Total.	Incr'se	Decr'se	Period.	Incr'se	Decr'se	Period.	Incr'se	Decr'se
*Grand Trunk	Week Aug. 14	\$ 68,100	\$ 146,612	\$ 214,712	\$ 161,210	\$ 56,502	..	7 w'ks	\$ 340,905	..	..	..	..
Great Western	" 6	39,799	58,635	98,434	79,390	19,044	..	6 "	109,227	..	..	..	..
Northern & H. & N. W.	" 8	8,600	19,489	28,179	23,160	5,019	..	5 "	36,197	..	..	..	..
Toronto & Nipissing	" 7	1,267	2,184	3,451	2,760	691	..	5 "	816	..	..	..	..
Midland	" 7	2,028	4,927	6,955	5,831	1,124	..	5 "	8,426	..	..	..	..
St. Lawrence & Ottawa	" 7	1,363	884	2,247	2,579	..	332	fm Jan. 1	2,380	..	..	..	..
Whitby, Pt. Perry & Lindsay	" 14	613	1,031	1,644	1,375	269	..	"	11,623	..	..	..	..
Canada Central	" 7	2,885	4,649	7,534	5,704	1,830	..	5 w'ks	10,136	..	..	..	..
Toronto, Grey & Bruce	July 24	2,016	2,842	4,858	4,860	..	..	2 "	456	..	..	..	..
†Q., M., O. & O.	31	9,848	4,313	14,161	6,845	7,316	..	4 "	31,901	..	..	..	..
Intercolonial	Month July 31	64,430	\$1,884	146,314	107,873	38,441	..	1 m'th	38,441	..	..	..	..

*NOTE TO GRAND TRUNK.—The River du Loup receipts are included in 1879, not in 1880; omitting them the week's increase is \$59,502. Aggregate increase is \$369,105 for seven weeks.

†NOTE TO Q., M., O. & O. RY.—Eastern Division receipts not included in returns for 1879.