

ESTABLISHED 1868.

## THE MONETARY TIMES

AND TRADE REVIEW,

With which has been incorporated the INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal, the TRADE REVIEW, of the same city (in 1870), and the TORONTO JOURNAL OF COMMERCE.

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION—POST PAID.

CANADIAN SUBSCRIBERS,	-	\$2.00 PER YEAR.
BRITISH " "	-	10s. 6d. STER. PER YEAR.
AMERICAN " "	-	\$2.00 U.S. CURRENCY.
SINGLE COPIES,	-	10 CENTS.

Book &amp; Job Printing a Specialty.

OFFICE: Nos. 64 &amp; 66 CHURCH ST.

TELEPHONE No. 1485.

EDW. TROUT,  
Manager.

TORONTO, CAN., FRIDAY, OCT. 19, 1888

## THE SITUATION.

The break in the Cornwall canal, besides bringing the shipping of the St. Lawrence and lakes route eastward to a stand, at an inconvenient time in the year, necessarily causes the temporary stoppage of the mills dependent upon a supply of water from the canal. The breach, though it be repaired with all practicable speed, must cause a block up for a while, and it will be well if the accumulation of vessels and freight can be all cleared off before the frost puts an end to canal navigation. Should this not be possible, the inconvenience resulting from the accident will be greatly increased. It is easy to say now, and no doubt truly, that the crevasse ought to have been prevented. A very little attention to the signs of leakage at first would have prevented the mischief. Where crevasses are particularly liable to occur, as on the lower Mississippi, a constant look-out for them is kept, and even then they cannot always be prevented. But the Cornwall canal would be easily kept within bounds, if there had been any expectation of a break. The warning we have now got, to look after canal breaks, should lead to a thorough inspection of the weak points of the whole system; for it would be extremely inconvenient to have repeated, at some other point, what has now happened near Cornwall.

The Customs Department of Canada forbids its officers to accept presents in money or goods from importers, and a circular to this effect has been ordered to be issued. Any officer offending in this particular is liable to dismissal. When presents are given to these officials, some service incompatible with their duties is expected of them in return. One Rogers, an officer in the Montreal Custom House, made short returns of the weight of cigars which it was his duty to check. Discovery and dismissal followed. And this incident has led to the issue of the circular warning other Customs officials. The circular lays down no new rule, but only calls attention to what has hitherto been required from these officials. Such a reminder can never be wholly inopportune.

Pressure by the Chancery screw has brought out some strange doings of two London, Ont., loan companies. The Superior Loan and Savings Society issued stock at a premium, and though nothing had been paid on part of it, the society advanced the premium. The Ontario Investment Association, somewhat like a twin brother to the Superior, lent a large part of \$815,000 on its own stock, pretending that it had the security of building society's stock. These two companies amalgamated, and in an attack on the legality of the amalgamation, these facts come out. Stock was put in the name of the solicitor of the company, and money was borrowed in the name of a person who did not even know the extent to which the transactions in his name were being carried. If a company cannot sell its stock in a straightforward business way it should not pretend that it is sold. It should not lend on its own stock, for that is a transaction which lessens the security to which the public has a right to look. Setting up trusts for doubtful purposes is sometimes the first step in a crooked path that leads to disaster. But lending the premiums on fictitious or unpaid stock caps the climax. Frauds which have been a score of times detected tend to reappear, in connection with corporate crookedness, but we think the man who suggests a loan on the premiums of stock on which no payment had been paid, is original in his rascality.

A corporation has been described as a thing that has no soul to be saved or body to be kicked. Judge Dandurand, of Montreal, decides judicially that a corporation has no body that can be imprisoned. The corporation was of *Le Monde* newspaper, the offence was against the Lottery Act: publishing an advertisement of the Louisiana State Lottery. All journalists who want to escape imprisonment will hasten to incorporate.

An additional arrangement has been made by the Manitoba Government with the Northern Pacific Railway Company for the construction of a railway from the Morris-Brandon branch into the Souris country, the province guaranteeing bonds to the amount of \$5,000 a mile. This road will facilitate farming operations in one of the most fertile portions of a fertile province, besides communicating with the lignite beds. The road is to be commenced within a year. The Government a few months ago offered the C.P.R. \$7,500 a mile, if it would undertake the construction of this road; but the answer somewhat cavalierly given was that if the province would not purchase the Emerson branch, instead of building a new and useless road, the C.P.R. could not undertake the building of other roads. The Manitoba Government may now claim that it has saved \$2,500 a mile as a result of its offer being declined.

Mr. Blaine objects to the Mills tariff bill that it would let Canadian building stone into the United States free of duty, and that certain parts of the Union would get this material on 'too good terms. Detroit,

Cleveland, Milwaukee, Buffalo, "in fact all the cities of the great North-Western States," would get cheaper stone than some other places. There would spring up in the favored places a very unnatural preference for Canadian stone, to the injury of the American quarryman. Might not the Canadians who sold the stone lay out the proceeds in the purchase of American goods, and thereby encourage American labour more effectually than it could be encouraged by the taking out of stone, which would not naturally be a paying operation? International trade is barter; and when things are allowed to take a natural course both sides make more profit. Of course Mr. Blaine may be consistent, as a high protectionist, in calling for a duty on the raw material of buildings; but nevertheless such a duty would tend to check building operations or to cause inferior structures to be put up. If Indiana cannot get Canadian stone, Mr. Blaine contends that the frontier towns should not be allowed to have it. Canada finds it her interest to buy American building stone occasionally, though she would cease to do so on being convinced that she could do better at home.

Railway financing has sometimes to be done on hard terms. The Northern and Western Railway of New Brunswick, which is intended to connect Fredericton with Miramichi, on the Bay de Chaleurs, is not notably blessed in this respect. The company having authority to issue bonds to the amount of \$15,000 a mile, succeeded in floating them at 90. But out of the proceeds, £300,000, no less than 28 per cent. was to form a guarantee fund for the payment of the interest for a specified time, and 17 per cent. was to go for brokerage. The local agents sent to England to negotiate were Mr. Collier and Mr. Robert Cruickshank. So that, if this statement be correct, there is only 50 per cent. left for the company. An American claims a share of the brokerage, and a suit has been begun to enforce the demand. No business can stand 17 per cent. for brokerage, whoever gets the money. Yet the company is said to be composed mainly of men able and successful, as Mr. Gibson and Mr. J. B. Snowball.

If the telegram from Winnipeg describing the action of the C. P. R. may be relied on, there is no escape from the conclusion that a great company is showing how small it can be in the face of threatened competition which it has been paid to permit. The story is that to prevent the crossing of the C. P. R. line by the Portage extension, a spur was thrown out from the main line of the C. P. R. and an old engine placed upon it directly opposite where the Portage road would cross. If there be any possible explanation of such obstruction, which has a petty look, it cannot be made any too soon. The people of Canada, who have been generous to a fault to the C. P. R., are not going to tolerate a policy of obstruction on its part which could have no other effect than to inflict serious injury on Manitoba and the North-West, and the sooner the company understands this the better.