

THE SHAREHOLDER.

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BANK STOCKS AND THE GENERAL PROSPERITY.

THAT the country is prosperous goes without saying. That the recent harvest has been abundant there seems to be no doubt whatever. Commerce is flourishing, money is in fair request and the banks are making enormous profits. The Molson's Bank, which held their annual meeting on Monday, had the satisfaction of informing their shareholders that the earnings of the Bank for the year had been 15½ per cent. besides making "ample provision for all bad and doubtful debts as well as writing off a considerable sum from several that will probably turn out neither bad nor doubtful." The same state of things has marked the proceedings of all our other joint stock bank meetings with scarcely an exception during the year, but the declarations of the Molson's are especially interesting, not only on account of the high standing of the directors, but from the fact that their meeting has taken place since the ingathering of the harvest and when its results are beginning to be felt. Whether it is or is not a healthy sign, or conducive to the best interests of the country, that so large a proportion of the profits upon our trade should find its way into the pockets of capitalists, is a question that our limited space will not permit us to enter upon at present, however interesting or instructive such a discussion might prove. It must, however, be admitted that a trade which will bear the extensive depletion these profits represent cannot but be in an active condition. The immediate result of the present condition of Canadian trade must be in the direction of higher prices for, and a more speculative feeling in, all classes of securities, and more particularly in bank shares. An investment paying seven to eight per cent. per annum, and laying by as much more for a rainy day in the future, must prove too attractive to the possessors of money not to be eagerly sought after. And, after all, can it be said that the average price of bank stocks generally is disproportionate to their value as an investment? The business of a bank is built up by slow degrees. It gains public confidence only after repeated trials and costly experiences. A merchant in a good way of business might sell out his stock-in-trade for seventy-five cents on the dollar, or even less, but if

his business is prosperous he will ask a good deal more for the goodwill of his business than the entire value of his stock of goods. The case of a bank offers much in common with that of a business house, and the price of its stock depends more on the value of its connection than on the value of its stock-in-trade. In this view of the case, then, there is reason to believe that prices of bank shares have not yet reached their highest limit, but that another period of inflation has yet to come. What the limits of that inflation may be cannot be clearly foreseen. With the prospects of money at a reasonable rate during the coming season there appears at present nothing to prevent speculators from arranging prices at their own pleasure. That there will be a reaction, or rather several reactions, in which over-confident and inexperienced gamblers will probably get hurt in a way to surprise, is certain. Turning, however, from the question as it affects speculators, which is a matter of comparatively little account, we are led to enquire how the present prosperity is likely to affect the more vital interests of trade and commerce. And here we find that all articles of daily consumption bid fair to be abundant and at prices within the reach of all. Articles of food, the produce of our own soil, never were in better supply, and those manufactured goods which contribute to the well-being of the people are, thanks to improvements in machinery and a healthy competition, moderate in price. The wages of the artisan are good, but not excessive, so that while there is a fair living within the reach of all it is at a rate which still admits of surplus earnings to be added to the realized wealth of the community. Taking a careful view of the situation, there is but little cause for distrust in the commercial look-out; our people have not yet quite forgotten the reverses of the past and are working with a tolerable degree of economy, and while there is still a little loose store-keeping done both in city and country, and a probability of over-competition in some branches of manufactures, there is reason to believe that the fall and winter will see a further improvement in our financial condition.

THE SPECIAL TAX.

AFTER a considerable amount of legal proceedings, not of an inexpensive nature, it has been mutually agreed between the Quebec Government and the insurance companies that the forty actions in which the latter are interested shall be consolidated and a single plea filed covering them all. This compromise might have been advantageously arrived at long ago. In the meantime a number of influential Montrealers, including one of our city members, has this week waited on the Premier, at Ottawa, with the request that the Dominion Government will disallow the tax which has given rise to all this "little unpleasantness."

THE WESTERN UNION TELEGRAPH COMPANY.

THE great "cable king," Mr. JOHN PENDER, M.P., is now "taking a hand" in the above company's little game, he having been elected a director at New York yesterday at a meeting at which over 650,000 shares were voted upon. The report stated the capital to be \$80,000,000, of which \$20,172 is in the treasury, and the bonded debt to be \$6,009,190. The net profit of the year was \$7,118,070, out of which \$5,265,662 was paid for dividends, interest on bonds and sinking fund appropriations, leaving a balance of \$1,979,660. For new property there was appropriated during the first quarter of the year \$315,425.90, dating from January 1, 1882. The company has entered into contracts with the Gold and Stock Telegraph Company and with the International Ocean Telegraph Company to manage and operate the lines, property and business of those companies for a term of ninety-nine years, guaranteeing to the stockholders quarterly dividends at the rate of six per cent. per annum, and being entitled to all revenues. The statistics show: In 1882, 131,060 miles of poles, 374,368 miles of wire, 12,068 offices, 38,842,247 messages sent, \$17,114,165.92 received, \$9,996,095.92 expended, leaving profit of \$7,118,070. Among other conspicuous members of the new Board of Directors are Van Horne, Augustus Schell, Durkee, Jay Gould, Russell Sage, B. Cornell, Cyrus W. Field, Erastus Wiman, and Chauncey M. Depew.

BANK OF ENGLAND RETURNS.

LONDON, September 23.—Table showing the Bank of England returns, the rate of discount, price of consols and wheat, and the leading exchanges, during a period of three years, corresponding with the present date:—

At Corresponding dates with present week	Sept. 22, 1880.	Sept. 21, 1881.	Sept. 20, 1882.
	£	£	£
Circulation.....	26,624,530	26,054,590	26,077,060
Public deposits.....	6,629,864	5,401,873	5,245,075
Other deposits.....	24,469,254	25,487,406	23,198,356
Government securities.....	15,377,851	14,557,649	11,682,205
Other securities.....	17,575,975	21,891,456	23,957,894
Reserve.....	16,699,077	13,005,138	11,410,925
Coin and Bullion.....	28,323,607	23,309,728	21,737,985
Bank rate.....	2½ p. c.	4 p. c.	5 p. c.
Price of Consols.....	97½	99½	100
Average price of Wheat	42s. 11d.	54s. 5d.	44s. 5d.

NEW U. S. POSTAL ORDER.—A recently-issued postal-order for the transmission of money will supply a public need. The limit is raised from \$50 to \$100, and a sum less than \$5 costs only three cents. Persons will not be obliged to fill out a blank, but will receive an order payable to the bearer at any money-order offices desired. The new notes will be handsomely engraved and resemble those of the banks.

THE CITY PASSENGER RAILWAY.—Yesterday the Directors of this Company declared a dividend at the rate of 7 per cent. per annum for the year ending September 30, payable November 3. The annual meeting of shareholders will be held on Thursday, November 2.