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Manager.

TORONTO, CAN., FRIDAY, DEC. 23, 1887

OUR CHRISTMAS NUMBER.

In the present number of the MONETARY TIMES will be found an important feature, in the form of specially contributed or signed articles from a number of gentlemen well acquainted with the subjects with which they deal. For variety and value, these contributions exceed any thing ever before presented to the public in a Canadian commercial journal. They have been sent to us from every part of the Dominion, and will be found to contain something suited to every trade. We have pleasure in presenting these to our readers at this Christmas Time, and wish to all our many friends the Compliments of the Season.

THE SITUATION.

An alarm has been sounded that the Canadian Pacific Railway company will, in some shape, make a new demand upon the Dominion Treasury. One interviewer credits a minister of the crown at Ottawa, who is not named, with saying that there is some "probability in the rumour that an extension of the company's present guarantee will be granted." As to the form in which this will be done, the unnamed minister added: "It is more than probable the government will be asked to guarantee the interest on the land bonds which the company will shortly issue." This means plainly enough, that such a demand will be made. If, as the same authority states, the matter is likely to come before parliament, "in one form or another," what is the form likely to be? Will it come in the shape of a substantive proposition from the government, or as an appeal to the House against the refusal of the government? Only in the former shape would it have a chance of success, and even then the House would naturally view it with disfavor, whatever might be the ultimate result. Money, it seems, is wanted, to buy additional rolling stock, and to secure increased elevator capacity. But it is the business of the company to provide for these wants. It began by declaring its intention to be guided by commercial principles; but it soon

appeared that the application of these principles was to be one-sided. The government loan was repaid, in a way, but not in a business way; business men would not have taken land in payment to the extent of several millions; nor was the asking of a government loan a business transaction; the granting of it was a political act, which all the influence of the government was exerted to enforce. We shall be told of course that the endorsement of the land bonds would be a harmless transaction; that the land is good security, and the government would lose nothing. Experience tells us that if we endorse, we may be asked to take lands and find money. But even if the company itself, should pay the bonds the government cannot loan its credit for ten millions without feeling the effect injuriously.

The impending application for a government guarantee of the Pacific Railway company's bonds, is heralded by a pamphleteer in London, calling himself an Anglo-Canadian, who makes demands so extravagant and absurd, that the company has no difficulty in declaring that, in its corporate capacity, it has no connection with them. The suggestion of a perpetual guarantee of three per cent. on the stock, on any possible conditions, can only be characterized as preposterous. When a like guarantee was asked for the Grand Trunk, the road was only half built; and of all the proposals made, and they took almost every possible form, it was the only one that was not listened to for a moment. The assumption generally made is that the pamphlet is written in the interests of the speculators, who hold stock in the company; but whoever may be in the background, the proposition of a perpetual guarantee is not only hopeless, but wild in the extreme. It may possibly be thought that, on the theory of asking more as a means of obtaining less, the pamphleteer's demand for a guarantee may help to obtain the government endorsement of the land bonds.

The completion of the California & Oregon railway, gives a railway connection between New Orleans and Ashland, Oregon, 3,000 miles long. This road has been twenty years under construction; a striking contrast to the rapidity with which the Canadian Pacific was built. The new road will ultimately form railway connection with British Columbia; and no doubt many similar connections will, in time, be made at different points on the frontier, from Manitoba to the Pacific ocean. No one proposed anything so senseless as the perpetuation of the absence of railway connection between the Western Canadian territory and the United States. All that is contended for is that the Canadian Pacific, which was completed several years in advance of the requirements of the contract, should not be prematurely and unfairly pushed by competition, before there is any real need for a second road. In time, the same facilities of international trade in the west that are now found in the east, will come into existence. But they will come as the product of a real, not a factitious, commercial necessity.

Good seems likely to come out of the sugar-bounties conference, which was held at the British Foreign Office, on Monday. A convention for the abolition of the bounty was agreed upon, subject to ratification, on the 1st March, at which date the conference will meet again. The only difficulty seems to be with Belgium; a doubt existing whether sufficient guarantees have been taken to secure the total suppression of the bounties in that country. In consequence of this doubt reservations were made by the delegates of France, Germany, Austria, Spain, Italy, the Netherlands and Russia. All bounties on exportation, open or disguised, are to be abolished. The colonies of the contracting powers are to be admitted to the benefits of the convention, on condition that if they impose duties on sugar they engage not to allow any drawback, discharge, or dues of custom upon sugar, raw or refined, exported. The ratification of the convention may involve tariff alterations by the legislative authority of some or all of the countries concerned. The convention did its work rapidly, showing that every thing was well arranged before it met; a fact in favor of final success. Meanwhile, the sugar refiners of Canada showed a disposition to tighten the screw on the customer; a policy against which determined reaction may one day come.

The commissioners appointed to enquire into the condition of the defaulting municipalities in Manitoba, have reported that Portage la Prairie is at present able to meet only forty per cent. of its liabilities, and that there is not any reasonable hope of its being able to assume a larger proportion for years to come. To raise the interest on this proportion of the debt, and \$6 950 to carry on the municipal government and support the schools, will require a rate of 25 mills on the dollar, which the commissioners assume to be the practicable limit of taxation. This is a fair view of the case, and the reduction proposed is inevitable. Perhaps, too, as the commissioners say, the amount cannot be increased for some years. But the time may come when the municipality will be able to pay all arrears; and provision should have been made in the law for such payment. A municipality is not like an individual; its existence is not limited to the duration of a single life, or many lives or even generations. If Portage la Prairie cannot now meet its obligations in full, it can at least take the high ground that it will ask nothing but time from its creditors; that while it wants not the will but only the ability to pay in full now, it will discharge its debt to the uttermost farthing, as soon as it is able to do so. If it took this ground it would preserve its honor untarnished, and do the best possible thing for its credit under the circumstances.

The question whether farm property in Ontario is, or is not, decreasing in value, was under discussion at a meeting of the Dominion Grange, in this city, on Wednesday. Different speakers alleged that there was a decrease of price in Waterloo, Bruce, Peterboro' and Grey. Respecting the last county, two speakers expressed different