

certainly there is no ground for attributing the recent fall to the cause mentioned. There is a very remarkable table of the rates of freight from Chicago to New York by lake and canal, by lake and rail, and by all rail, between the years 1868 and 1884. The fall in rates has been progressive, and in 1884 the rates were rather less than one-third of what they were in 1868. There was an enormous increase in quantity. The New York Central and Hudson River railroad carried 1,846,599 tons of freight in 1868 and 10,892,440 in 1883. The New York, Lake Erie & Western railroad increased from 3,908,243 tons in 1868 to 13,610,623 tons in 1883, and the Pennsylvania from 4,722,015 to 21,674,160 tons. The total on the three roads increased from 10,476,837 tons to 46,178,223. This is a wonderful increase in fifteen years.

The reduction in the rates of freight by sea is equally remarkable. A table of the rates of freight on several articles of commerce from Calcutta to the United Kingdom shows a great progressive fall between 1881 and 1884. We shall quote that on wheat, which was from 62s 6d to 25s, via the Cape, and by canal from 71s 3d to 17s 6d. Mr. Fowler refers to the paper by Mr. Williams, M.P., in the January number of the *Fortnightly*, in which, after giving the combined capacity of sailing and steam ships in 1875 as 9,975,000 tons and in 1883 as 14,646,000, he adds "an increase altogether wild and unjustifiable." Mr. Fowler holds that although the effect of telegraph on prices may not be so obvious it is nevertheless very important. It was formerly part of the business of a foreign merchant to hold large stocks of goods, and thus great amounts of capital were locked up in foreign ports. Very small stocks are now needed. English prices are as well known in Calcutta as in Cornhill, and the merchant can give his orders by wire without the delay of correspondence, and without any risk as to any alteration of price between the time of writing and the despatch of the goods. Of course the market may fluctuate considerably during the period of the voyage, but the facilities afforded by the telegraph encourage competition, which tends to lower prices.

Mr. Fowler has alluded to the battle of the standards, but only to explain that he does not intend to discuss it. He, however, makes an extraordinary remark, to the effect that the adoption of a gold standard by some other European nations "does not seem an argument in favor of our adopting the metal which they have abandoned." No one has suggested anything of the kind. What has been pro-

posed is an international double standard. We have the experience of France that it is quite possible with such a standard to avoid any injurious consequences from a depreciation of one of the metals. The remedy is simply to stop the coinage of the depreciated standard, that is, to do exactly the reverse of what the United States has done.

THE PACIFIC RAILWAY.

The resolutions introduced by the administration for aiding the Canadian Pacific Railway Co., are likely to meet with the determined opposition of the party antagonistic to the Government, and yet they are so moderate that our only surprise is that the administration has been able to persuade the directors of the company to accept them. Nothing can be more absurd than the mode of treating the Pacific Railway question, adopted by the Opposition press. It is difficult to believe that the writers of the articles which appear daily in that press can themselves believe what they endeavor to instil into the minds of their readers. They pretend to hold the opinion that the present directors of the Pacific Railway entered into a contract with the Government, by which they undertook, in consideration of the bonuses in land and money, which were granted to the company to become personally liable to the extent of their private fortunes for the construction and equipment of the road.

It seems almost trifling with the public to argue this point, but we cannot better illustrate the position of the Canadian Pacific Co., than by reminding its assailants of the early history of the Grand Trunk Co. and we cannot do this without deprecating, which we do with all sincerity, the attacks which have been made of late on the Grand Trunk, a corporation which we consider to be entitled to the gratitude of the people of Canada, which has been manifested by their representatives in Parliament on all suitable occasions. The Grand Trunk Co. was formed by English capitalists, who undertook to construct and equip the railroad, receiving Government aid in the form of a first mortgage to the extent of something over nine millions of dollars. In process of time it was found that the subscribed capital was insufficient to complete the work, and that, so long as the Government of Canada held a preferential lien it would be impossible to go into the money market for an additional supply. The Government was appealed to, and advised

Parliament to postpone the lien and place it behind the ordinary stock. It is true that certain conditions were imposed upon the company, precisely as those exacted at the present time by Quebec influence.

The main point, to which we desire to call attention is that it never was even suggested that the eminent capitalists in Great Britain, who were directors of the Grand Trunk Company, should be called on to spend their private fortunes in the construction of the road. And yet we may remember that, as in the case of the Canadian Pacific Co. and of many similar enterprises, interest on the subscribed capital was guaranteed and paid during the progress of construction. Railroad companies are all under the same rule of limited liability, and it would be impossible to obtain subscribers to their capital stock on any other terms. In the case of the Canadian Pacific Co. the shareholders have taken in all 650,000 shares of the capital stock or \$65,000,000 at par. A large portion of this stock was issued at prices considerably under par, but from the best information that we have been able to obtain it has averaged at least \$30,000,000, less the interest refunded, and we have no doubt that the shares held by the directors stand them fully the average at which we have placed them. It will be well to notice the difference between the Grand Trunk Co. and the Canadian Pacific Co.

The Grand Trunk Co. embarked in a new work, on conditions well understood at the time, and subsequently obtained the relinquishment of the Government preferential claim. The directors of the Canadian Pacific Co. had nothing whatever to do with the arrangements under which the Government of Canada undertook to construct the Pacific Railway as a condition of British Columbia entering the Confederation. Abortive attempts to procure the construction of the road by a company had been made, and subsequently sections of it had been completed by direct contracts for construction or by subsidies, and it was finally determined to endeavor to effect arrangements with a new company on the basis of offering subsidies in land and money. After this determination had been generally known, a syndicate of Canadian capitalists undertook to form a company to carry out the work, and the Government entered into an agreement with them accordingly. Since that time the party in opposition to the Dominion Government has spared no effort to damage the company in public estimation, and there can be no doubt that their efforts have been to some ex-