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EDWD. TROUT, MANAGER.

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THE HARVEST OF 1883.

In comparing the harvest of the present year with that of 1882, we get very little help towards discovering how this year's yield compares with the average crop. Last year's grain harvest, it will be remembered, was unusually large. In value it was probably fifty millions of dollars more than that of 1881. Let us begin by comparing the estimated yield of the present year with that of last year. The yield of the following grains, in Ontario, is estimated for two years thus :

	1883.	1882.
Wheat, bushels.....	21,329,329	40,921,201
Barley ".....	18,690,380	24,284,407
Oats ".....	55,482,797	50,097,997
Peas ".....	10,728,137	10,943,355
Rye ".....	3,000,680	3,549,898

Total grain 109,231,323 129,796,858

Showing nineteen and a half million bushels of wheat less this year, and a million less of other grains.

These figures are the estimates made by the Ontario Bureau of Industries. And, whatever their defects, they may be valuable for the purpose of comparison ; for estimates made on the same basis would give the same general degree of accuracy. If the method be faulty for one year, it is faulty for the other, and the comparison would hold.

In the estimates of price, the Bureau of Industries affords us no aid. In estimating the average prices for the year, we cannot rely upon the prices which prevail at any given date. In the following estimate we repeat, for 1882, the figures we used last year ; for we think they fairly represent the price realized. There is an extra difficulty in making an estimate for the present year, from the fact that the price of wheat does not fully respond to the supposed deficiency of the world's crop. In placing the average price at \$1.03, we take into account the fact that a considerable quantity has already been sold below \$1.00 per bushel, since the harvest, and that a good deal is nipped by the frost :

	1883.	1882.
Wheat.....	\$1 05 per bush.	93c per bush.
Barley.....	58 "	60c "
Oats.....	33 "	35c "
Peas.....	70 "	70c "
Rye.....	53 "	55c "

We find in the totals of the third table, a result of \$17,350,000 less money likely to be obtained for our cereals :

Wheat.....	\$21,969,208.87	\$38,056,716.93
Barley.....	10,840,420.40	14,570,644.20
Oats.....	18,309,323.01	17,534,298.95
Peas.....	7,509,695.90	7,656,848.50
Rye.....	1,590,860.40	177,494.90

Total value.. \$60,318,007.58 \$77,995,503.48

But the value would still be \$33,000,000 more than that of the crop of 1881. And the hay crop is 3,000,000 tons in excess of that of last year. Valuing the surplus hay crop at \$8.00 'ton, we have a total of \$24,000,000 to place against the deficiency of \$17,000,000 in the principal grain crop : a gain of \$7,000,000. But against this gain, have to be placed the frost-nipped corn, tomatoes, grapes, and other tender vines. Yet even so, it is difficult to see that the deficiency, in value, of the present harvest can be much as compared with that of the harvest of last year.

We must not be misled by the nominal price of wheat. If we had a large surplus to export, the extra price obtained would be real. But Canada, taken as a whole, will have little if any more wheat than will suffice for her own consumption. The farmer who grows the wheat will be the better for the greater price ; the country, as a whole, consuming all it grows, will be neither better nor worse for the increase in price. The North-West, if it has grown 4,500,000 or 5,000,000 bushels, will benefit by the greater price of its surplus.

But in spite of the above figures, the general impression remains, and is likely to remain, that the present harvest is deficient.

THE GUARANTEE.

A change in the arrangement by which the government becomes guarantor for the Canadian Pacific Railway Company has been made. The amount lodged with the government, at first, is nine instead of fifteen millions of dollars. This nine millions was, we are informed, paid over on Saturday last. The balance necessary for the guarantee is to be paid by the first of February. The payment actually made will be sufficient to guarantee a three per cent. dividend on sixty-five millions of dollars, for ten years. Of this sixty-five millions only fifty-five, so far, has been issued. It was necessary to make the guarantee large enough to cover an amount beyond the actual issue. There is now unsold ten millions of the stock, to which the guarantee extends. Purchasers will, in this way, be assured of the benefit of the guarantee. Stock certificates for thirty-five millions, the balance of the hundred millions, will be deposited with the government ; and as the stock is sold, the certificates will be given up, in exchange for the due proportion of money necessary to form the guarantee of the new issue. Presumably the object of depositing the scrip with the government is to keep a check upon the amount issued.

There will be some economy in depositing only nine millions at the outset. It would be useless to pay money to guarantee the whole of the balance of the stock before it is issued : it will be quite enough to have ten millions for which the guarantee is provided in advance. Of course the arrangement is made to suit the convenience of the company. The company is, in reality, its own guarantor. It is in the position of a man who pays a sum of money into court to meet a future claim. The government is the intermediary ; and the money being deposited with it, will give assurance that it will be there when

wanted. The company could not have kept so large a sum idle, at its credit in the banks ; and if it could, the effect would not have been to inspire the public with the same degree of confidence.

No one can be injured by the reduction of the amount of the first deposit. To all the stock that has been issued the guarantee extends. It would, of course, have been possible to cover with the guarantee only the portion of the stock which remains to be issued ; but the effect of this would have been to create two classes of stock, ordinary and guaranteed. The company has seen fit to undertake to provide the means of guaranteeing the whole of the stock. The government apparently takes the position of a secured guarantor. It remains to be seen whether this security will guard it from the possibility of loss. The government consents to take a loan, on terms to suit the company ; and these terms can hardly be such as the government, for its own sake, would have sought. Care should be taken that any inconvenience of this kind should not be translated into a loss. If this be done, the guarantee will be purely nominal. The government will be the administrator of a fund, not a guarantor liable to make good out of its own resources the default of the company. But whether the possibility of incurring loss, in working out some of the details, has been guarded against by the government, it is impossible to judge, without seeing all the articles of the agreement. And even then, it is quite likely that different persons would come to different conclusions.

It is of course not quite clear, without further explanations, what is the object of depositing with the government the scrip certificates for the thirty-five millions of unissued stock. It can hardly be that this is to be regarded as a hypothecation of securities, intended to make up for the deficiency of the cash deposit, and to do duty for the guarantee for the whole amount of the stock. Still less can it be that the government is to pay interest on any amount which the hypothecation might be intended to secure ; for till it is sold this stock could not be treated as a security suitable for this purpose.

The policy of the company is, in one important particular, different from that of most railway companies. It has made it a point not to mortgage the road or its franchises ; to raise money on the stock rather than on bonds. The principal members of the original Syndicate, being themselves stockholders, would be anxious not to depreciate the value of their stock by an issue of bonds on which interest would have to be paid before a dividend could be made. But in issuing so large an amount of stock, they must run the risk of losing the control of the enterprise. They may trust to getting proxies to keep them in power, and they may succeed so long as all goes well ; but there must always be some danger that they will be ousted and their interest get into the control of strangers. This contingency it is reasonable to suppose they have taken into account.

But if the active members of the original company run this risk, the stockholders will be placed in a more secure position. So