

THE SHAREHOLDER,

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Where a correspondent wishes an opinion of the value of any Bank or other security by mail, an envelope addressed and stamped must be enclosed.

Questions as far as possible answered as to when to sell and where to invest.

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MONTREAL, FRIDAY MORNING, FEB. 13, 1880.

ARE CHANGES DESIRABLE?

A prominent journal gives expression to the sentiment that an issue of paper money by Government and the prohibition of any further issue by private banks would satisfy the whole trading community with the exception of the bankers themselves. The facts will not warrant such a conclusion. In the first place, the result of a change from the present bank-note system to one of a currency issued by Government would bear with great severity upon the trading community, who would not only be deprived of all the facilities so freely extended to them when currency only is required, but who would also find all bank accommodation greatly restricted. A change would thus be objectionable rather to the trading community than to the bankers—at least, in the first instance. The change once made, however, trade would in time accommodate itself to the new order of things. A national currency such as the journal in question suggests—not legal tender, but redeemable in gold—presents many attractive features. It is not so much the question of what is the most desirable form of currency as of the effects a change itself would produce, and the absolute certainty of its involving evils that at present we can form no conception of, that is to be considered. There is no doubt that if we were now beginning *de novo*, and forming a fiscal policy for a new country, many imperfections that are felt to be objectionable in our present arrangements might be avoided, but the interests of the country are so interwoven with the system that exists that any radical change we might make would certainly produce disastrous effects and inflict a deadly blow upon many branches of trade and commerce. The closing up of nine-tenths of the country bank agencies would be one of the first results of withdrawing from the banks the power of issuing notes. If surgical science were so far advanced that a leg or arm might be cut off the human body and a better one put on instead, the man might

probably be a gainer in the end, but the process would entail so great a risk that few would be tempted to try it. The man would be prostrated for weeks, but the commerce of the country would by such a change be deranged and prostrated for years. It is for such reasons as these that the bankers will probably be found to oppose the measure, and not because of the profit they make out of their circulation. The modern London joint-stock banks which have never yet issued notes have paid higher dividends than the issuing banks, and to come nearer home, we find the Chemical National Bank of New York, which issues no notes whatever, paying one hundred per cent. on its capital, while the average dividend on capital paid last year by banks of issue, under the note system of the United States, was 7.60 per cent. only. We conclude, therefore, that the country generally, and not the bankers, has reason to fear the result of the harsh operation of a change in the currency, whatever be the drawbacks of the present system, and however desirable a new order of things may be.

RICHELIEU AND ONTARIO NAVIGATION COMPANY.

The annual report of this Company, presented to the directors on Monday last, was not of a re-assuring nature. The passing of the dividend was a disagreeable circumstance enough to many; but the fact that, so far as we can see, the prospects for the future are not bright, is still more disagreeable. The running expenses of the steamers will probably be higher this year than last. Nearly every article—labor, provisions and fuel—have considerably increased in price, and the furniture and fittings of the vessels will also require overhauling if the line is to maintain a high standing in the esteem of the traveling public. Much dependence cannot be placed on the hope of an increased traffic; something may be done by economy in management, and a valuable idea was suggested of checking the receipts by means of numbered tickets, and also of abolishing the much abused practice of issuing free passes. If the present directors are already so much occupied that they are unable to devote a little attention to these matters, it is high time some of them should withdraw and give place to others who have more leisure and inclination to institute a vigorous oversight of shareholders' interests than any member, with perhaps one exception, of the present Board appear to possess. To this it may be answered that the present directors are the largest stockholders, and, therefore, more likely than smaller holders to look after what are practically their own interests. Such an argument is utterly fallacious. The history of joint stock enterprises is full of instances, and our readers will probably have a vivid recollection of some in which, to the fact that the directors were the largest shareholders, might be traced many of the blunders that were committed. Of course

the present directors are not responsible for the building of the North Shore Railway, which has taken away so much of their passenger traffic; and while a little might still be done in the direction of economy and vigorous management, the shareholders will be wise to form no very high expectations as to dividends for the future.

THE PANAMA CANAL PROJECT.

In spite of unfavorable criticism, M. de Lesseps, with a sublime faith in the success of his pet enterprise, has kept his promise of reaching the Isthmus by the first of the present year, and starting the work. At all events, whatever may be said of his prospects of putting the canal across Panama, he has bravely gone through the motions of inaugurating the enterprise after the plan originally decided upon by the Paris conference. The newspapers have recently contained accounts of the enthusiastic reception accorded the party of M. de Lesseps by the local dignitaries, and it is stated that a number of engineers of the party have already commenced work, and are making the necessary surveys on which to form plans and base estimates. The chief of the expedition is reported to be as fully impressed as ever with the superiority of the Panama route over all others, and to be entirely satisfied that he can command ample financial aid to complete the work of building the canal, "to which he has consecrated the closing years of his life." Whether success ever crowns the efforts of M. de Lesseps or not, every one must admire the indomitable courage of the man who sets about this gigantic enterprise in the face of such a resolute and decided opposition on the part of the United States, which are in favor of some other route, to be chosen, worked and controlled solely by them and in their interest. Many competent judges in the matter affirm that the time for building a canal of any kind between the two oceans has not yet arrived, and that it will be many a long year before commerce increases to such an extent as to make the canal enterprise a paying one.

A writer in the *Spectator*, advocating free trade principles, illustrates his position by saying that the loss to the country in maintaining a revenue officer is the amount of his salary plus the amount he might earn if otherwise employed. This reminds us of a problem we once heard. A person bought a pair of boots and handed the seller a ten dollar bill. The seller had no change, and sent to a neighbor who gave him two five dollar bills in exchange for the ten, one of these he gave to the purchaser and the other he put in his own till. Next day the neighbor discovered that the ten dollar bill was bad and returned it to the shoe merchant, who gave him a good one for it. The question was, how much did the shopkeeper lose by the transaction? The problem puzzled a good many, but the correct answer, of course, was that he lost ten dollars, the