

western crops. Other lines than grain show steady advances upon 1910. The average amount received per ton per mile of revenue freight is up to 0.819 cts. against 0.778 cts. In 1910, which was itself a considerable improvement upon previous years, so that there is a steady increase in the higher classifications of the Canadian Pacific's freight. There is a slight reduction in the average number of tons of freight per train mile, all classes of freight being down from 390.16 to 389.25, but the 1911 figures are much higher than those of any year prior to 1910. Freight train earnings per train mile are up from \$2.65 to \$2.75, and constitute a large advance upon previous years.

MONTREAL HARBOUR IMPROVEMENTS.

Representatives of the press were the guests of the Montreal Harbour Commissioners on a tour of inspection of the harbour on Wednesday. A start was made at the new electric hoist, between sheds 7 and 8, which went into commission on Wednesday. It has a lifting capacity of ten tons and makes the ascent in half a minute. Work at the new elevator is rapidly proceeding and the structure will be ready for the opening of navigation next year. Meanwhile the two C.P.R. elevators below Victoria Pier will be demolished. At Tarte pier concrete has already taken the place of the old wooden wharves, and the erection by the commissioners of two huge steel sheds has been begun. It is eventually intended to have four steel sheds on this pier, application by interested companies for the erection of two more having already been received. The pier will be leased by the commission to a prominent oil company, the latter to pay 6 p.c. interest on the construction cost, which amounts to \$6,000 per year.

Dredging for the new dry dock also continues daily, the specifications for the approach to the dock calling for a channel of fifty feet, and the dry dock to accommodate steamers of 20,000 tons. With the earth being taken up from the bottom of the river in dredging for the dock, the commissioners are creating about thirty acres of new land out in the river for Vickers, Sons & Maxim, to be used by the latter for a shipbuilding plant, and on which they will pay to the commissioners a rental of eighteen thousand dollars yearly. The Vickers Company will probably acquire holdings on the mainland adjoining the dry dock site, where they will erect extensive shipbuilding yards. In these works, together with the elevation of the railway tracks, the Harbor Commissioners have expended and appropriated in two years the whole of the six million dollars lent them by the Dominion Government.

The new French budget provides for an expenditure of \$900,000,000, an increase of \$35,000,000. A project is on foot to allow communes to operate municipal butchers stores and tenements in order to keep down the price of meat and rents.

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Two New York trust companies, the Equitable with deposits of \$44,000,000 and the Knickerbocker with deposits of \$38,000,000, are about to merge. The survivor will rank among the most powerful trust companies in the United States.

THE DECLINE IN BRITISH CONSOLS.

Sir R. H. Inglis Palgrave, F.R.S. Analyses its Causes—Lord Goschen's Expectations Falsified—Useful Hints from France, where Systematic Redemption of Debt is Practised.

To the London Bankers' Magazine, Sir R. H. Inglis Palgrave, F.R.S., the distinguished English statistician and banker, contributed recently a study of the causes of the decline in British Consols. He points out that the change has not been caused by increase in the country's funded debt, liabilities on account of the funded debt being at the time of the conversion of Consols into a 2½ p.c. security about £700,000,000 as against £710,000,000 now.

That Lord Goschen, who made the conversion from a 3 p.c. to a 2½ p.c. security, never expected that the present price would have been marked at a time of peace and absence of financial pressure, Sir Inglis Palgrave is confident. In fact, Lord Goschen himself told Sir Inglis, when discussing the probable future of the new stock, that he considered the fact that by the terms of the arrangement the interest on Consols could not be lowered below 2½ per cent. before 1923 was a distinct assistance in maintaining the price. There is little doubt that Lord Goschen looked forward to a great, if not a permanent, reduction in the value of money and considered that British Consols paying 2½ per cent. would be as much sought for as an investment as 3 per cent. Consols had been. As every one knows now, matters have turned out differently, and interest at the rate of 2½ per cent. has not been sufficiently a good return from the stock to prevent Consols from dropping more than 20 per cent. below par. Some further support, says Sir Inglis Palgrave, in the form of a sinking fund, must be given if a fair level of price is to be maintained.

THE COURSE OF PRICES.

Sir Inglis Palgrave gives the course of the price of Consols from 1888 to 1911 as follows:—average price per £100 of the consolidated stock of the United Kingdom, being 3 per cent. Consols in 1888, 2¾ per cent. from 1889, 2½ per cent. from April, 1903, with the average minimum rate per cent. of discount charged by the Bank of England in each year from 1888 to 1911:

	Average price of stock	Average minimum rate of discount		Average price of stock	Average minimum rate of discount
1888. . .	£101	3 1-5	1900. . .	99½	3 15-16
1889. . .	98	3½	1901. . .	£94¼	3 11-16
1890. . .	96 1-3	4½	1902. . .	94¾	3 1-3
1891. . .	95¾	3 1-3	1903. . .	90¾	3¾
1892. . .	96 11-16	2½	1904. . .	88¾	3 1-4
1893. . .	98½	3 1-20	1905. . .	89 13-16	3
1894. . .	101	2 1-9	1906. . .	88 5-16	4 17-60
1895. . .	106 1-16	2	1907. . .	84¼	4 37-40
1896. . .	110¾	2½	1908. . .	86 1-16	3
1897. . .	112 13-32	2¾	1909. . .	83 23-32	3 1-10
1898. . .	110 15-16	3¼	1910. . .	81 1-32	3 7-10
1899. . .	106¾	3¾	1911. . .	*79 3-16	3
1900. . .	99¾	3 15-16	1911. . .	†78 9-16	3

* July 3, † July 6.

The results shown in this table, observes Sir Inglis, are very remarkable. It is interesting as showing with what tenacity the tradition that Consols should stand at a good price relatively to other securities was maintained. Down to 1899 no effect seems to have been produced on the selling value by the re-