

MONEY SUNK IN THE GRAND TRUNK RAILWAY.

Few persons have any idea of the amount of money which has been lost by the English shareholders of the Grand Trunk Railway on their investment. The figures are almost fabulous. We quote the following from the last half yearly report of the company. The present values we get from our English exchanges.

Description of Stock.	Par value of Stock.	Rate of last dividend.	Market value.	Total market value of stock.	Amt. lost
Ordinary Stock...	£20,157,000	Nil	13 p.c.	£2,620,408	£17,537,178
4 p.c. Cons. Guaranteed	5,219,734	1 p.c.	73	3,810,450	1,409,284
1st Preference	2,218,140	Nil	75	2,413,612	804,527
2nd Preference	2,227,794	Nil	57	1,266,843	1,000,951
3rd Preference	7,158,055	Nil	50	2,150,416	5,017,639
	£38,091,468			£12,221,419	£25,870,049

The loss of nearly £26,000,000, or say \$128,000,000. is startling and suggestive.

It is true that some of this stock was issued at a discount; but on the other hand we have not included any of the interest lost on the investment for many years. From the above it will be seen that the only dividend paid during the six months covered by the last report was at the rate of one per cent. per annum on the four per cent. guaranteed stock. All the others received nothing. It is certainly a lamentable state of affairs that a dividend of only £52,198 can be paid for a year on a total capital of over £38,000,000. This is not much over one-eighth of one per cent. per annum. It would be difficult to imagine more eloquent testimony to two facts, both of which have contributed to this result: first, that Canada has made much more out of the Grand Trunk than the Grand Trunk has made out of Canada, and that the company is, therefore, entitled to some consideration from our citizens; and second that there was terrible mismanagement in the old days when it was built. Under its present management the company is progressing in the best way possible, and no railroad officials anywhere could do better under such circumstances than Mr. Hickson and his deputies. They can never expect, however, to entirely wipe out the great errors of their predecessors.

It is a perfect mystery to us how some of the G.T.R. stocks are sustained at even their present prices. We can only suppose that it is caused by a combination of memory and hope—memory of what the road cost, and hope, a dim hope, of a better future. So far as the past is concerned the mistakes have been made, the money has been lost, finally lost, and memory will not call it back. As for the future, we are afraid it will prove a case of hope deferred, making the heart sick. The value of the stock is to judge entirely by its capacity to earn dividends, for this is all the stockholders will ever get. We would be very sorry for instance to buy G.T.R. ordinary stock at 13 per cent., or at 3 per cent. for that matter either. To our mind its real value is as near nothing as any stock can well be. The net earnings, after deducting all expenses and other charges, would need to be increased from about \$800,000 per annum to

nearly six times that amount before the claims of the prior stocks would be satisfied, and in order to give a dividend of even one per cent. on the ordinary stock, they would need to be increased by another million dollars. The Grand Trunk has a good future before it, but it seems to us that no person but an utter visionary can attach any value to its ordinary stock at least.

It is not generally known that the Canadian Government advanced £3,111,500 (say \$15,000,000) to aid in the construction of the G.T.R. line. We do not remember having heard this fact mentioned in all the discussions regarding the Canadian Pacific Railway.

Since writing the above the following quotations—taken from the *Statist* have come to hand.

Prices of Grand Trunk of Canada Stocks were buoyant till Tuesday, but have since been weak, partly in consequence of the traffic return having been a disappointing one. It will not be lost sight of also that this market is affected by a large block of First Preference Stocks being in the hands of one operator. The greatest movements have been in Second Preference, which from 52½ was run up to just 57½. First Preference Stock improved from 72½, the lowest point, to a fraction over 76. Canada Pacific Shares, which were offered late last week at 60, rallied to 65, but have given way 1½ from the best point.

M. C. Feb. 8	Name	Prices.			Comparison
		Last week	This week	Rise.	Fall.
64	Canada Pacific \$100 Shares	67½	70	2½	---
123	Grand Trunk of Canada	11½	12	½	---
75½	— 1st Preference	73½	74½	1	---
57½	— 2nd Preference	54	56	2	---
39	— 3rd Preference	27½	29	1½	---
72½	— 4 p.c. Guaranteed	70½	72½	2	---

LAKE ST. PETER DEBT.

We are glad to see this matter being pushed more to the front as a political question than it has been. The demand that the Dominion Government should assume the Lake St. Peter debt, and thus relieve the Montreal Harbor Commissioners of the burden, is not only reasonable, but a request for the most simple justice. It should, in fact, have been granted long ago, because it is both right and expedient. The deepening of the river channel between Montreal and Quebec is certainly as much of a government work as the system of canals; for the river channel is, as has been said, only a canal under water, and without it the canal system would be to a large extent useless. It is, therefore, only right and just that the expense should be assumed by the whole Dominion, for it is a matter of interest to the whole Dominion and not to Montreal alone. It is also expedient that this be done, for it is most unwise to heavily fetter Montreal and thus prevent it from competing on terms of equality as a seaport with American ports to which the trade will otherwise go. The government has spent enormous sums on the harbors of Quebec, St. John, Halifax, and even on inland ports like Toronto and Cobourg, and yet refuses to spend one dollar on the harbor of Montreal, which does as large a shipping trade perhaps as all the others put together. Is it reasonable or wise to compel Montreal to heavily tax all vessels coming to it, when other cities, both in Canada and the United States, are not under this necessity? And is it not the very personification of injustice to add to this the total cost of deepening the river, say one hundred miles below Montreal? Montreal is willing to attend to her own harbor without help, but she does ask, and rightly so, that the Lake St. Peter debt at least be taken off her shoulders. The effect in not doing so is merely to drive trade to American ports.