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FINANCE AND INSURANCE REVIEW.

MONTREAL, JANUARY 7, 1881.

THE QUESTION OF THE DAY.

It happens most fortunately that the political agitation on the subject of the Pacific railway has occurred at a time when there is no probability of a general election, as otherwise we might have had another Pacific scandal. "History repeats itself," is a trite saying, and certainly there is much in the present controversy to remind one of that in 1872. In some respects the former arrangement was less open to criticism than the present. Before any negotiations were entered on, Parliament sanctioned, with no serious opposition, the agreement entered into with British Columbia for the construction of the railroad. At a time

when party spirit is unusually rampant, it may be desirable to notice some of the mis-statements by which it is sought to influence public opinion.

One is that the people of the Pacific Province "thought of a good colonization road as the only practicable scheme," and it is added that the construction of the railroad was "volunteered." It is almost incredible that any writer for the press can be ignorant of the fact that the British Columbia proposition embraced the railroad, and a colonization road in addition, and that while the latter was to be proceeded with at once, the former was likewise to be commenced, and an amount of not less than a million a year expended on it. At the minimum rate it would have taken a century to construct the railroad, and even with a much greater expenditure there would have been no probability of its completion for 30 or 40 years, while it would have been hardly possible to have avoided making it a Government work. The Opposition of the day professed to think the British Columbia scheme preferable to that of the Government, which was to construct only one road, and to induce a company by a subsidy of land and money to undertake the work. The scheme of constructing the prairie section was never even suggested, when the question was first discussed, and of course such a proposition would have been fatal to the annexation of British Columbia. After Parliament had ratified the agreement, the Government had to consider what inducement it would be necessary to offer to a company to undertake the work, and, after due consideration, they submitted a scheme to Parliament, and obtained its concurrence.

The first attempt to form a company was made by the late Mr. Waddington, who had been a resident of British Columbia, and who was deeply interested in the project. He and his friends made their first attempt in Toronto, and it has been confidently stated that some of the very parties who afterwards applied for a charter for the Inter-Ocean Company, in opposition to Sir Hugh Allan, refused to encourage the original promoters, who, having failed in Canada, went in despair to the United States, where they eventually succeeded in interesting a number of capitalists in the scheme. It was after the foundation had been thus laid that the Americans applied to Sir Hugh Allan, and succeeded in obtaining his support. It was never imagined at the time that there would be any objection to American capitalists who had been encouraged to take an interest in the Northern and

Great Western Railways, and who were much more likely than English capitalists to embark in such an enterprise. No sooner, however, did it become known that a Syndicate had been formed, embracing Sir Hugh Allan and American capitalists, than a note of alarm was sounded, and it was determined to make Toronto the headquarters of a rival company. A powerful array of names was procured, and subscribed to an application for a charter, although it may be safely affirmed that hardly an individual on the list was really disposed to subscribe one dollar to the capital stock of an Inter-Oceanic Railway Company. The mischief, however, was done. Instead of being grateful to, and encouraging the American capitalists, who were ready to undertake the work, Sir Hugh Allan was compelled to abandon the very persons who had first invited him to join them. The Government found it necessary to give a pledge that Americans would be excluded from the company, and when overtures were made to British capitalists, they were rejected, as they have been recently. When Sir Hugh Allan's Company abandoned the enterprise, it is needless to observe that the Inter-Oceanic company did not step into the breach. It had succeeded in its object of preventing the construction of the road by Americans, and it was heard of no more. The question just now is, whether it is more desirable that the road should be constructed by the Government or by a company, and in case public opinion should be, as we believe it to be, favorable to the latter plan, then is there any hope of making a more advantageous bargain with another company? We confess that, so far as we can judge, there is none.

THE STOCK MARKETS.

The table published in our last issue of the quotations of the leading bank and miscellaneous stocks, on the Montreal Stock Exchange during a period of thirteen years, supplemented by one in our present number, exhibiting the weekly averages during the year 1880, will enable our readers to see at a glance the extraordinary fluctuations that have occurred in the value of our leading securities. It must be borne in mind, in following the fluctuations in Bank of Montreal, and in Merchants that in the first named the great reduction which took place in 1872 was owing chiefly to a large increase in the capital stock, while, in the case of the Merchants there was in 1873 a reduction of capital. In the year 1871 there was a considerable rise in the value of all the bank stocks, and prices were maintained