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THE MONETARY TIMES.

With this issue ends the XVII. volume of the MONETARY TIMES. Measured by circulation, advertisements, and receipts, the paper was never so prosperous as at present. Of the commercial journals of Canada it is oldest, and continues, what it has always been the first. Our aim has been to serve the public faithfully, and we have not been left to complain that our services have not been appreciated. Our course in the past is the best guide to what it will be in the future, and we do not doubt that we shall continue to enjoy the confidence of the commercial public, which it has been our aim to deserve, and that the intercourse between ourselves and our readers will continue to be mutually beneficial.

FRENCH IMMIGRATION AND COLONIZATION.

A French company, the shareholders of which are described as representing the France of other days, and which has an office at Nantes, has been formed with the object of colonizing the Eastern Townships. The company proposes to make settlements in groups, form parishes, and do everything according to a well considered plan. Sherbrooke will be the business seat of the company. The Eastern Townships appear to have been selected for these operations on account of the comparative mildness of the climate and the greater length of the summer, the good quality of the soil and the abundance of timber. The French are not a colonizing people, and when we look round the world we see that, as compared with England, they have done very little that way. The French Canadian population has, however, of late years been gaining rapidly on the British in the Eastern Townships, and it may be that this process is destined to go on. To the eastern counties of Ontario comes an overflow of French Canadians. In Kent and Essex, we are reminded, there are nearly half as many French Canadians as were to be found in all Canada at the Conquest, and a French Canadian journal conjectures that, in a century, this thirty thousand will have become a million. This is extremely improbable: Essex and Kent are too near the American frontier, and the British will fill up the waste places, in much less time. Even to the North-west, one hundred and eighty French Canadian fami-

lies have gone, since the opening of navigation.

Northward, the march of the French Canadians is seen with steady step. Already colonies are being planted on the shores of Lake Temiscaming. Two steamers are already running on the lake, which has a navigation of seventy miles, and the River Blance, which runs into the lake, is navigable for thirty miles more. The Quebec government has built a grist mill on the borders of the lake and there are two saw mills. The soil is described as of unusual richness and great depth, the surface entirely free from stones. At Temiscaming there are a church, "more than magnificent for the country," French Canadian missionaries, sisters of charity, a school, and a hospital. This is the way the French Canadians colonize; they must have the elements of a complete society; they do not go each man by himself into the depths of the forest to carve out, in solitary existence, an independent home. But the agricultural settlers must scatter a good deal. It is only a year since the Quebec government surveyed the land, and colonists have followed close on the heels of the surveyors. All kinds of grain are said to ripen there; and it is a fact, which now seems almost incomprehensible, that, before the European showed his face there, the Indians used to grow Indian corn in the neighborhood of Lake Nipissing, part of which they traded to other Indians, at a distance. The neighborhood of lumber shanties makes all produce in the Temiscaming country dear: hay, \$50 a ton; oats, \$1 a bushel; wheat, \$2; peas, \$2. To the colonist who has to purchase his first year's provisions and seed, these prices are an obstacle, but when he becomes a seller of produce he will be recompensed at similar rates, till the abundance of production brings down prices. Fish and grouse—mis-called partridge—are of course, in that distant region abundant. The shanties of Mr. Allan Grant are some twenty-seven miles north of Lake Temiscaming, near *Lac des Quinze*. Lake Temiscaming is not to be reached without some very difficult travelling. An exploring party left Ottawa, on the 1st June, to ascertain what improvement can be made in the river navigation, a few miles before Lake Temiscaming is reached.

The Ontario government is not behind, in looking to the improvement of that region. Lake Temiscaming forms the boundary between Ontario and Quebec. The Ontario government has obtained a vote of \$5000 for constructing a wagon road from the Mattawan to the head of Long Sault; and if the lands be equally good on the east side on Lake Temiscaming we may expect before long, to see some colonization there.

The scheme of French settlements, north, east and west, though probably to a great extent the result of accident, looks as if planned with some degree of skill. The old plan of French colonization, when France, Spain, and England worked on their own account, was hostile: part of a system of mutual hostilities. The new plan, conceived in a spirit of friendly rivalry, may serve to recall the chain of posts by which the French of old linked the St. Lawrence with the Mississippi; but as there is nothing

menacing in their present march, we can cordially wish our French Canadian fellow subjects, God speed.

UNCALLED CAPITAL vs. CASH RESERVES.

In England, financial companies, with a small amount of paid up capital and a large proportion of unpaid capital liable to be called, often find preference to companies of which all, or nearly all the capital is paid up. The habit of mind which leads to this preference does not impress Canadians, to whom the preference is somewhat of a puzzle. There are two points of view from which the question can be looked at, even by Englishmen: the view of the company, and the view of its creditors. A company with a small paid up capital, supplements its available resources by borrowing largely; and, strange as it seems in this country, the measure of its borrowings is the sum of its uncalled capital. To us, it appears that the proportion should be between paid up capital and borrowed capital. The paid up capital, provided the money is judiciously used, is the solid foundation on which to build a superstructure of credit. Uncalled capital is itself in the nature of credit; and to borrow on the strength of it, is to pile credit upon credit.

The value of uncalled capital, as a resource, depends entirely upon the certainty with which it could be got in if called for. If the proportion of uncalled to paid up capital be very great, there would, in an average company, be many who could not meet the calls, which are liable to be made at the most inconvenient times, when the means of paying are difficult to realize. It has happened that a financial crisis has been seriously aggravated by capital being called up to meet some unexpected emergency. The proportion of the shareholders unable to pay, in such a contingency, would probably be larger in this country than in England. A company calls up, say, twenty per cent. of its nominal capital, and it gives it to be understood that no more will be called, that it will find other resources in two forms of borrowing: the receipt of deposits and the issue of debentures. But its calculations fail in some point, and its credit is stretched so far that it will not bear further strain. A call on the shareholders, for which no one dreamed there was a necessity to prepare, is made, and the difficulty of responding is increased by the unexpected visit of the collector. Limited liability becomes under this system, practically unlimited; calls to the amount of eighty per cent., which the party liable did not expect to be called upon to pay, may be made.

If the whole capital of, say a loan company, had been paid up, and the proportion of debt to capital was moderate, the company would have a resource in the securities in which its investments had gone, that would enable it to tide over any temporary pressure. It could hypothecate some of its mortgages, for a time, with more certainty than it could get up capital, through a call for which the shareholders were not prepared.

The Canadian Gazette (London, Eng.) puts