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THE MANITOBA RAILWAY CHARTERS.

Disallowance, in Manitoba, has been speedily followed by a dissolution of the local legislature. The Norquay government appeals to the country on a distinct issue, put in these words: "We propose re-enacting the charters and General Railway Act. Will you authorize us to do so. We contend that Manitoba possesses and should enjoy the right to issue charters for the construction of local lines within her borders. Will you authorize us to put that contention before the Federal authorities in your name?" This form of appeal recalls that on which the Dominion Government rested its case, at the late general election. And as that experiment succeeded, Premier Norquay probably hopes to be able to improve the precedent. That the feeling against disallowance is general, in Manitoba, there can be no question; but that the government can so set its sails as to catch the breeze is not at all certain.

The railway acts disallowed are of two kinds; one in which the road would have run to a foreign frontier, the other where the roads, in the form of tramways, would form feeders of the main lines of railway. That the former class of roads is beyond the powers of the local legislature has not been seriously questioned. In contending for the right to charter such lines, Manitoba is not acting within her acknowledged constitutional rights. Her position is weak, and she cannot fortify it by merely repeating an unconstitutional act. If she has any reason to believe that she possesses the constitutional right to charter railways running to the American frontier, the way to try the question is to appeal to the Supreme court, at Ottawa, or the Privy Council in England. She might rely upon either of these tribunals enforcing whatever rights she may possess. The charters of purely local railways stand on a different footing. In passing these acts it is quite possible the provincial legislature did not exceed its constitutional powers. But even here, mere re-enactment is not the shortest road to victory. The province must have her rights judicially declared. It is difficult to see how a bargain with the Syndicate could derogate from the local franchises of the province.

Whatever may be the result of the elections, opposition to disallowance will not be abated. Against disallowance the public feeling is practically unanimous; and whichever party may win, the Ottawa policy will

be condemned. The question is, what use will be made of the victory? Re-enactment of the disallowed charters will not advance the question in the least degree towards a settlement. Through the courts alone can the Province enforce her rights, if she has, to any extent, reason on her side. So far as the purely local charters are concerned, the Ottawa government is somewhat straining its powers. The right to disallow acts within the competence of the local legislatures may or may not exist. The Ottawa government has acted on the assumption that it does exist; and in doing so, it is probably within the letter of the constitution. But it is not wise to put too great a strain on a paper constitution. The time will come when the restrictions now put upon Manitoba cannot be enforced; and long before this happens, almost universal discontent will be created.

The right of the province to charter railways intended to run to the United States' frontier was not taken away by the Pacific railway charter: that right never existed. But the Dominion could have relaxed its rights, or what would have come to the same thing, it could have met the reasonable wishes of the province by granting charters itself. The bargain with the Pacific Railway Company tied its hands, in this respect; it could not now, if it would, charter other roads to run from the interior of Manitoba to the United States frontier, or permit the Provincial legislature to do so. The Pacific Railway Company obtained a monopoly of the carrying trade across the frontier, for a term of twenty years. This monopoly grant was extremely objectionable, from the first, and it will continue to be more and more so as time rolls on. Good faith with the railway company must be kept; but it will be impossible to enforce the exclusion for twenty years. In one form or another, a release from this yoke will have to be obtained; but this must be done with due respect to existing interests. It is wild talk to say that we must repudiate the obnoxious parts of the bargain with the Railway company. The first and the last thing for the national government to do is to keep its honor unstained. To find some honorable means of escape from a galling restriction is the problem which our public men are called upon to solve; and the sooner they set about the task, the better it will be for the future welfare of Manitoba and the North-west.

BANKING REVIEW.

The monthly Government return for October of banks in the Dominion is summarised below, and compared with the figures of the preceding month.

LIABILITIES.		
	Oct. 1882.	Sept. 1882.
Capital authorized....	\$67,146,666	\$67,146,666
Capital paid up.....	60,720,833	60,103,395
Notes in Circulation..	37,940,516	38,953,388
Dominion and Provincial Gov't deposits...	12,689,198	16,579,450
Deposits held to secure Government contracts and for Insurance Companies.....	1,037,414	1,121,533
Public deposits on demand.....	47,660,783	48,597,344
Public deposits after notice.....	48,962,272	49,381,852
Bank loans or deposits from other banks secured.....		

Bank loans or deposits from other banks unsecured.....	1,716,032	2,409,138
Due other banks in Canada.....	1,871,309	1,649,900
Due other banks in Foreign Countries...	120,612	115,105
Due other banks in Great Britain.....	2,054,413	2,878,277
Other liabilities.....	228,984	176,975

Total liabilities .. \$154,281,534 \$156,862,962

ASSETS.

Specie.....	\$ 6,708,167	7,625,604
Dominion notes.....	10,810,421	11,631,977
Notes and cheques of other banks.....	7,547,674	6,305,464
Due from other banks in Canada.....	3,404,076	3,925,797
Due from other banks in Foreign Countries.	12,319,912	15,294,923
Due from other banks in Great Britain....	1,804,910	661,018
Immediately available assets	\$42,595,160	\$45,444,783
Dominion Government debentures or stock.	1,006,869	1,006,869
Public securities other than Canadian.....	1,486,797	1,577,345
Loans to Dominion & Prov. Governments..	1,565,422	1,826,996
Loans on stocks, bonds or debentures.....	16,459,380	17,201,011
Loans to municipal corporations.....	2,105,447	1,946,252
Loans to other corporations.....	11,765,630	11,335,723
Loans to or deposits made in other banks secured.....		100,000
Loans to or deposits made in other banks unsecured	935,362	1,470,744
Discounts current....	146,379,356	143,890,314
Overdue paper unsecured.....	1,405,625	1,378,071
Other overdue debts unsecured.....	155,948	144,901
Notes and deb's secured	1,762,643	1,760,428
Real Estate.....	1,460,778	1,527,088
Mortgages on Real Estate sold.....	737,424	748,631
Bank premises.....	3,062,392	3,051,184
Other Assets.....	2,628,933	2,566,404

Total Assets\$235,563,168 \$236,976,749

The volume of credit goes on expanding. Apart from a heavy withdrawal of deposits by the Government from the Bank of Montreal, every other element of enlarged credit appears in the Bank Statement above synopsis. The banks owe the public four millions more for bills put into circulation. The public owe the banks fifteen hundred thousand more for money borrowed and bills discounted.

And the available cash resources of the banks continue to decline. They have nearly three millions less this month than they had in September.

The effect of this constant expansion of credit, and the draining away of our active resources, has made itself felt at last in a general rise in the rate charged for loans and discounts. The advance has been delayed long enough, for had the rate been advanced earlier, and to a sufficient degree, certain strong speculative tendencies might have been checked before they had become dangerous. And in all lines of business, the readiness to give and take unreasonable credit, which is always fostered by cheap money, would have been checked by the imposition of a higher rate for money. In fact this is the legitimate operation of a high rate, and the real justification for it. The whole affair, indeed, is but the natural outworking of the law of supply and demand. There is only a certain stock of available money in the country. If business is so extended as