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THE FIVE MILLIONS STERLING LOAN.

The new Canadian three and a half per cent loan has been successfully put on the market. It is repayable between the years 1909 and 1919. The loan was offered at a minimum of 91, and the average price obtained is reported to be £91. 2s. 6d. A fraction more than was asked was obtained, and the whole loan was placed. But the aggregate bids did not much exceed the amount required, only £600,000 more than was asked for being offered. The success was ample but not overwhelming. There were ninety one tenders; and the motives which prompted the offers made may fairly be deduced from the facts. Ninety-one for a three and one-half per cent. Canadian loan was looked upon as rather a high figure; but as that was the minimum, to make sure that any particular bid would be successful, it was necessary to offer a little more. The loan being a good one, there were people willing, in order to secure a part of it, to give something more than 91, but their number was limited. There may still be, behind the successful bidders, a large number of investors who would be willing to give 91, if they were certain that they could purchase at that figure. The number of bidders who were willing to give £91 2s. 6d. was, for the day, nearly exhausted. The loan is probably taken, to a large extent, by great financial houses; and to make a profit they must sell at a higher figure.

The reason for putting the loan upon the market piecemeal—for five millions sterling is not nearly all that is needed—have not yet been declared. They must, however, have commended themselves to the financial houses, in whose hands the negotiations were placed. The old loan, to repay which an additional amount will be wanted, will not mature for some time, and many exchanges of old for new securities may be made. Should the price of the loan now negotiated rise, the second loan may, unless something happens to prevent it, be put on the market, under more favorable conditions.

Canada floating a three and one half per cent loan at £91 2s. 6d. is the highest mark in the steady rise of the country's credit. The transaction is one that will be received with satisfaction. The rate of interest at which the country can borrow has been steadily declining. Our securities have successively, and within the lifetime of a generation, borne six, five, four, and now three and a

half per cent. The lowering of interest means an improvement of national credit. The difference between the rate of interest that corporations or individuals pay and what the Government pays, is the financial barometer by which we can measure private and public credit.

While we create new public debt it is satisfactory to know that we make provision, by a sinking fund, for paying it off. This is sound policy, in a country situated as Canada is, and is so viewed by the financial world of London. At the end of the time for which the loan is to run, the debt will be extinguished. This consideration materially assists in recommending the loan to investors.

The attempts made to injure the credit of Canada went for nothing. They were made in anger, and the motive was understood. What investors look at is the ability of the country to pay, and the way in which it has hitherto met its obligations; and once satisfied on these points, they do not allow themselves to be affected by hostile criticism, which is at the same time avowedly interested.

COLONIZATION BY LOTTERY.

The Senate of Lower Canada, in throwing out Father Labelle's lottery bill, did not put an end to lotteries, in that Province. *La Minerve* tells us that the good father is bent on doing good, by means of lotteries, to an ungrateful country in spite of itself. Under 32 Victoria, Cap 36, lotteries can be held, without restriction of the amount of drawings, provided the object be to aid the construction, maintenance, or payment of the debt of a church, chapel, or other religious edifice, hospital or asylum (*salle d'asile*), an educational establishment, or a colonization society, within the limits of the Province of Quebec. The lottery must be restricted to these objects; and the prizes are not to be in money, bills, bank bills, bonds, debentures or other negotiable instruments of this nature. These are the only restrictions on lotteries, under the existing law of Quebec, and the wonder is that Father Labelle should have attempted to get from the legislature more extensive powers.

Under this law, Pere Labelle has organized a \$100,000 lottery, in favor of the colonization schemes into which he has plunged with all the ardor of religious and patriotic enthusiasm. The prizes will be nominally one-half of the cost of the tickets—\$50,000—and only \$25,000 is assured for colonization purposes, the cost of administration being estimated at an equal amount—twenty-five per cent. of the total receipts—or, if there be a surplus, that is, if the expenses be less than twenty-five per cent. of receipts, the surplus will be added to the colonization funds. This is a rate of expenditure for which, in a business point of view, there could be no possible justification. What may be the value of the prizes, which are put down at \$50,000, we have no means of knowing. One piece of real estate not described, is put down at \$10,000, another at \$5,000, a third at \$2,500, two at \$1,000 each, six at \$500 each, ten at \$250 each, and fifty at fifty each. There are besides, one hundred gold watches, put down at \$50 each, two hundred and fifty silver

watches, at \$20 each, five hundred at \$10 each, and one thousand tea sets at \$2 each. Many of these prizes, especially the heavy ones, may have purely fictitious prices attached to them. The object of the law in excluding money and other objects of which the value could be readily ascertained, was probably to enable the managers of these lotteries to give prizes of merely nominal value, instead of such as have a fixed or ascertainable value.

If this lottery succeeds, the statement is made, it will be followed by others, as the needs of colonization, said to be immense, may require. The winners of prizes, are offered purchasers for them, if they desire to sell, at a commission of ten per cent. This offer, supposing it to be made in good faith, is a device for evading the law, which does not permit money to be given in prizes. It is quite evident that purchasers, outside the lottery managers, could not be found for all the prizes: and it is equally clear that the managers are attempting to do indirectly what they can have no legal authority for doing directly. A suit against the lottery administration, on this ground, would be almost certain to succeed.

The object which Father Labelle has at heart is laudable, and it is a great pity that he should feel obliged to resort to a gambling scheme, in which the losers must exceed the winners, in the proportion of two to one, as a financial resource. It may be well to cast a glance at the work of colonization, now being carried on by the French Canadians, north of Montreal. Instead of turning their eyes to the North-west, they are expending their energies in extending settlements, in their own province. One of the main objects of the colonization movement, in which the French Canadian clergy take a deep interest, is to arrest the tide of emigration to the neighboring republic, and to direct the surplus population of the old districts to the new townships, in the interior. To aid in colonization there is an agricultural establishment to which supplies are taken, in the townships of Montcalm and Wentworth. At St. Jerome, the Jesuits have an establishment, where they first became colonists and agriculturists, that they might afterwards become the educators of this new population of the north. Colonists recruited by other workers in the cause, in the southern parishes, are to be planted on affluents of the Kiamika and the river Lievre, one of the most fertile spots in the Ottawa valley. The thing is becoming fashionable, and even a daily journal is playing at colonization. The *Minerve* Colonization Company, consisting of the employes and friends of that journal, have taken up three hundred lots; but daily journalism in the distant wilds of the north is impossible, and if the new occupation be taken up, the old one must be abandoned.

The movement is entered into with enthusiasm. It means Quebec for the French. Already, the declared aim is to extend colonization to the height of land, on the north, and to Lake Temiscaming on the west; and it is claimed that room can be found in this new northern settlement, for a million inhabitants. As a counterpoise to the emigration of the French Canadian youth, the movement deserves success. A