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INSOLVENCY LEGISLATION.

It was abundantly evident at the Board of Trade meeting on Friday that the sentiment of the trade of Victoria is that there are very serious defects in the law which at present obtains with respect to the distribution of insolvent estates, and that these must be remedied by provincial legislation, neither the Dominion Government nor the Dominion Parliament being disposed to deal with the subject.

Naturally, it was feared by some people that if the Provincial Parliament passed legislation it might be declared to be *ultra vires*, and an infringement upon the powers and prerogatives of the Dominion. It was therefore not to be wondered at that the subject should be referred to a special committee to consult with the Attorney-General and report. As it is, something must be done, for it is a gross injustice that the law in the province should give the first judgment creditors a first claim against the estate of debtors, frequently to the entire exclusion of the claims of other creditors. Moreover, the claim which was advanced is no more than just, that in case of the insolvency of the debtor the execution creditor or creditors should only rank upon the estate equally with other creditors whose claims are filed within thirty days from the date of such prior judgment.

B. C. THREE PER CENTS.

We have been surprised to notice the pessimistic view that is taken by the *Times* of the position occupied by British Columbia in the English stock market. It bases its reflections upon an article in the *Financial Times*, of London, of the 19th of September. The last named paper, having spoken of several specially promising Home and Colonial gilt edged three per cents, says:

"The other two Colonial Three per Cent. issues are Ceylon and British Columbia, both small amounts, and one of them at a very tempting price. While Ceylons are quoted at 99, British Columbias are only 88½. There is little to choose between them as regards security. Both colonies are prosperous and their finances are in exceptionally good order. In future prospects British Columbia has the advantage. Already it is the richest mineral province of Canada, and its mining resources have as yet only been scratched. They have been waiting for railways to bring in capital and population. The inflow has begun, and the next few years will witness a splendid development in British Columbia. All who know it predict for it a great future as one

of the coming countries on the Pacific slope. The fact of its public credit being rated below that of the Dominion Government and even of Ceylon is a market error which will cure itself in due time. The inquirer for gilt edged bonds can make a good beginning with British Columbia Threes at 88½."

The *Victoria Times*, for lack of proper information on the matter, possibly because it had been deliberately misinformed, has striven as much as possible to belittle the provincial loan, and, to do so, has gone very far beyond anything advanced by the London paper, which only speaks of "a market error that will cure itself in due time." To add point to its criticism and to emphasize its contention that the demand for "gilt edged" securities is so keen that British Columbia stock should be found climbing to a higher price than it now brings, our contemporary instances Toronto four per cent. loan at 90, the same city's three and a half at 89, and Vancouver's four per cents at 88, together with an offer to purchase Hamilton's four per cents at par.

If we are capable of making calculations on the subject, the conclusion at which we arrive is that if British Columbia's three per cents have been sold at 88½, Hamilton's four per cents, which have been cited, should have realized 118½. This is a mere matter of interest reckoning. There is no need to analyze the figures given relating to other securities and their significance as relating to British Columbia. The "market error will cure itself in due time;" everything must have a beginning; but, if our people at home cannot refrain from endeavoring to depreciate our stocks, how are we to expect that outsiders will place a proper estimate upon ourselves and our financial standing?

ORIENTAL MAILS.

Considering the treatment which the port of Victoria has received at the hands of the C. P. R. Company, it was not to be wondered at that the British Columbia Board of Trade should at its last meeting have adopted a resolution urging the Dominion Government to take advantage of the N. P. R. service to the Orient for the conveyance of mails. Why the Postoffice Department should wait for the C. P. R. to take its postal matter when, in the interval, opportunities exist for sending it by another line, thereby avoiding considerable delay, surpasses our comprehension. From the point of view of nationality, there is nothing to choose between the services, and it is hoped that both will be taken advantage of as soon as opportunity presents itself.

REAL ESTATE BOOMS.

Victoria has had something that has very strongly resembled a boom in real estate, which has not, however, had anything of the intensity or the proportions of the movement by which Winnipeg, Toronto and other cities or aspirants to the position of cities have been affected. Enough, however, has been experienced to show those who have thought over the matter for a moment that while fictitious values have, for the time being been created, much of the appreciation has not been of a permanent character. Indeed,

there has been a depreciation already; but this has been nothing compared to the injury that has been experienced by trade owing to the manner in which it has been neglected and the amount of money that has been diverted from its legitimate channels into real estate operations. This is saying nothing of the Bogusville schemes that have been devised and manipulated, in which no small sums have been sunk—to be recovered, if at all, only after years of unremunerative waiting.

In an article entitled "Two years after the boom," the *Monetary Times* of Toronto describes some of the "complications" which, it says, are happily few in number, that "followed the abnormal activity in real estate" in that city. One effect has been—and it is an obvious one—that the interest account of the holders of real estate has been largely increased, to an extent that has kept pace with the advanced price, it being exceedingly difficult when a collapse has caused prices to fall for holders, who cannot find purchasers, to meet the calls for interest. Of course, the man who can meet his payments of interest under conditions like these is not likely to be a lover by holding on; no more so are his mortgagees.

In view of what might have been, or might even yet be, it is not out of place to inquire into the nature of some of the losses. The purchaser of a farm for division into lots, for instance, sells them in small parcels, an instalment being paid down, with the condition, too, possibly of a building of some description being erected. Possibly he, too, on his original purchase paid an instalment, giving a mortgage for the balance. If the seller to the latter of the farm lot undertook to release to second purchasers, as they paid up, they could come to no damage; but when such arrangement was not entered into, second purchasers may lose what they have paid along with the land, through the default of the first purchaser, if he makes default. It may be said to be the last purchaser's fault if he does not see to it that he has a clear title: nevertheless there are occasionally not a few who have neglected to safeguard themselves in this particular. Then again, farms have been divided into lots long before the time came for them to be legitimately taken up, and, moreover, buildings have been erected years before there was any show for their being occupied, the hope being experienced that they might be taken up in time to prevent any loss upon them. In many cases, however, this hope has not been realized; hence the terrible struggle to hold on to property by making almost any and every sacrifice to pay the interest.

In the case of Toronto it is pointed out that barter has had much to do with property transactions, and this put up prices to a figure that could not have been had, were the transactions on a cash basis. It is authoritatively announced that in the capital of Ontario transactions in real estate have now been reduced to less than half what they were in 1890, when the boom was at its height, and the end of the movement is not yet reached. In Victoria real estate sales are hardly a circumstance compared with what they were even so lately as a year ago; there are more houses