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PROSPECTIVE GOVERNMENT LOANS

Sir Leonard Tilley, Minister of Finance, has returned from England, where he went to consult the financial agents of Canada on the best means of renewing certain loans shortly to become due. £6,500,000 will fall due on the 31st December, 1884, against which there stands to the credit of the Sinking Fund about £1,000,000. For these maturing five per cent securities, it is proposed to substitute debentures bearing respectively four and three and a half per cent interest. Next November, it is proposed to issue from £1,500,000 to £2,000,000 stg. of 4 per cents to replace debentures maturing at the end of the year 1884, and to bear interest from July, 1883. Presumably the object of making the interest date back is to facilitate the exchange. This item would be taken into account; and the sale might appear to be a somewhat better transaction than it would in reality be. Next year, three and a half debentures are to be issued to replace the balance of the fives falling due.

This implies a tentative movement. The four per cents are to be issued before the three and a half. It is not certain, however, that by next year, it will be possible to issue three and a half per cents on better terms than could be got for them now.

In addition to the renewal of this maturing loan, it is proposed to issue a \$4,000,000 loan, payable in Canada. These new securities are expected to be in request by insurance companies, making deposits, and executors of trusts, who are sometimes required to invest in government securities.

INCREASING LOANS ON STOCK COLLATERALS.

Attention is being drawn to the amount of trust funds loaned on stocks in the United States. The extent to which the practice is carried is prodigious, and the amount of such loans is rapidly increasing. On the 1st July, seven New York Trust companies had loaned on stock collaterals \$93,773,320.70. The greater part of these loans is of recent date, their total amount having been only \$17,694,496.62, in 1871; in other words, the increase of these loans has been \$76,000,000 in six years. Nor is this class of loans confined to the trust companies. The National banks of the city of New York, the Savings' banks, the Insurance companies all make loans on stock collaterals. In January last, such loans made by National banks amounted to nearly \$90,000,000, and those by insurance companies to half as much.

These loans come from deposits; and the depositors do not always know what use is being made of their money. In the words of the *Public*, about 604,000 in the city of New York "have been risking money without knowing it, to the amount of over \$26,000,000, in lending upon or purchasing stocks since January 1st. The *Public* does not say outright that the extent to which the business is carried is unsafe; but the effect of the exhibit it makes is to suggest caution, and to create the impression that the thing has gone too far. Within the year, there has been a great fall in the price of stocks: the aggregate shrinkage in 19 different stocks has been no less than \$240,000,000, or about twenty-four per cent. And this was not the first of the shrinkage; from first to last, it has been nearly double this amount. It is obvious that, during such a decline in stocks, margins are liable to run out; and there may come a day when they will not be renewed. That is the danger; preference shown for loans on stock collaterals has been carried so far that good commercial paper is not always readily admitted to discount. Some day, there may be a panic over the excessive loans on stock collaterals; and then it will be impossible to realize on the collaterals and the means of paying depositors will not be forthcoming. "The deposits in the banks," the *Public* says, "amount to \$315,000,000, in the Savings banks to \$231,000,000, and in trust companies to \$119,000,000; and for this \$665,000,000 of indebtedness the \$85,000,000 held by the banks is virtually the only reserve available." It is quite clear that, out of this state of things, trouble would come if a panic arose.

LIFE IN CITIES.

A controlling desire to see the mysteries and share the enjoyments of city life seizes upon large numbers of people in the country. And when they determine to experiment in the change, they generally do so, on a false estimate of what the change involves. The sums of money they hear of as being made in the city seem to them large; while in reality they are often small, compared with the cost of living in the city. A very large proportion of the people who go from the country to the city find, as a result, that their condition becomes worse instead of better.

In New York, the deaths greatly exceed the births; though there is no reason to suppose that New York is an unhealthy place. Last year, according to the *New York Times*, the deaths were 37,951, and the births 27,321; in other words the deaths exceeded the births by nearly thirty-nine per cent. Nor is this an exceptional state of the vital statistics of that city. What are the causes of this excess of mortality over births, or rather of the deficiency of births as compared with deaths? The *Times* says something is due to defective sanitary arrangements, but it fails to give the test afforded by the annual number of deaths in the thousand; and without this information, we cannot tell what is due to this cause. But that journal thinks the chief explanation of the excessive mortality is to be

found in the ratio between bachelors and married men, which is greater than anywhere else in the country. Of the other sex, too, there is a very large proportion, unmarried: women employed in offices, shops and factories. The unmarried people of both sexes die without becoming parents. The reason given why they do not marry is, that they often earn barely enough to support themselves.

If we accept this view of the case, it is evident that the economic conditions of the life of large numbers in American cities, notably New York, are especially hard; and the prosperity which is popularly supposed to prevail, is, for a large part of the population, a delusion, which has no real existence. In such a state of society, it is easy to comprehend what vices would be prevalent; and this would be true, whatever may be the causes that produce so large a proportion of the celibates of both sexes.

It is probable that the *Times* lays too much stress on the economic aspect of the problem. The indisposition to become parents, which is so marked a characteristic of New England, even among the married, may, in New York, be a bar to marriage. Of a disinclination to marriage it is probable that too little account is taken. But whether we take the economic or the moral view, the tendency to excessive mortality, compared with the births, is a serious feature of city life, in New York. The deficiency is made up of immigrants, foreign and domestic; and the result is great waste of life. Should this tendency become general in American cities, it will put a strong check upon the increase of population. "We shall get along well enough," said Jefferson, "so long as we have plenty of land on which to put the increased population; but when population begins to overflow, we shall eat one another, as they do in Europe." Macaulay, who was not aware that Jefferson had expressed this opinion, credited him with attributing to democracy, a virtue which would save the country from the ordinary results of the economic laws. It is to this crowded state of the cities—this tendency to forsake the farm and farming life—that we owe that class of social phenomena which manifests itself in the form of strikes and labor insurrections. There are congested spots in the economic body; and congestion implies a departure from the conditions of perfect health.

In the cities, old-world emigrants are competing with the native population, and the two classes are just beginning to recognize that they are jostling one another. There is room enough for all, if they would but spread themselves; but when they insist on centralizing on small spots where there is not room for them to develop their full activities, where they are cramped by the pressure of their surroundings. The day is not far distant, when the foreign emigrants, who crowd the cities, will cease to be welcome, if it has not come already; and this fact shows that this part of the new world has entered on new social and economic conditions. The moral, not to crowd to cities, where there is not room for more, is obvious; but will it have a deterrent effect? This is very doubtful. The illusion of youth, which fosters false hopes the burning desire