

Settlers in Manitoba who live near the frontier, where there are no grist mills on the Canadian side, ask liberty to take their grists to the American side to get ground. Their request has been laid before the Minister of Customs. It is a reasonable one, and it seems that a precedent for granting it can be found in the Eastern Townships.

Several snow slides in the Rockies, on the line of the Canadian Pacific Railway, have recently occurred very near to passing trains. Luckily there have been no accidents. The well-known energy of the company may be relied upon to do all that is possible to ensure the safety of their trains, and we may expect soon to hear that further means of security have been taken.

The question of American fishermen transshipping fish from Nova Scotia ports has come up in a new form. Until recently the privilege of transshipping by rail was the only one asked. A short time ago, a fishing vessel, claiming that she was in need of repairs, was allowed to reship her fish by steamer from Halifax; and now, when a similar privilege is required for another vessel, also alleged to need repairs, the American consul at Halifax, Mr. Phelan, on the strength of these special cases, raises the question of the general right to transship, which has been fully discussed between his Government and ours. For our part, we desire to see this privilege dealt with in a comprehensive and liberal spirit; but till this is done, special cases must be dealt with on their own merits.

BANKING REVIEW.

The year 1888 ends well. The country as a whole is reasonably prosperous. Money is sufficiently abundant to enable all legitimate wants of our men of business to be satisfied; without its being present in such plethora that the banks find difficulty in employing it. The rate of discount is one per cent. less than a year ago, and lower than the average for some years back. The business of the banks has been well maintained on the whole, and their losses have not been serious. The mercantile community have responded to the warnings given against over-importation a year ago, and the unreasonably heavy stocks of goods then carried have generally been reduced to businesslike proportions. In banking circles the cutting out of a cancer in the shape of a villainously-managed bank whose headquarters were in this city has resulted in much better health to the whole financial system.

The developments connected with this institution, and its coming into operation as it did, furnish a powerful argument against the indiscriminate granting of bank charters which has prevailed for some time back. The fact that this concern has been cleared out of the way and that two others have been put into liquidation without the slightest embarrassment or restriction of discounts shows convincingly that two years ago there were too many banks in the country. We trust that when the application of the persons who want to get up another bank

in this city comes before Parliament, these facts will be remembered. It should be the business of the authorities of existing banks to watch any new applications for charters and resist such as are illegitimate.

The changes that have taken place in the deposits and discounts of the banks during the last year have been very marked. A year ago, the pressure which had been developed during the late summer months and the fall was beginning to be mitigated, and the enormous sums of money borrowed in England and brought over here have done away with the pressure altogether.

The year now closing has been passed in comparative ease. But the ease, as we have before pointed out, has been brought about, not by the operation of natural causes, but by immense borrowing abroad. This adds to the annual burdens of the country, so that the ease in money is purchased at the cost of an increased annual outflow. So much more, in fact, of our total product in future years will be consumed in paying interest, instead of being added to our wealth.

In considering the deposits of the banks, it must be borne in mind that a sum of about five millions deposited by the Government with the four leading banks will be withdrawn early in the month of January. This five millions will reduce the cash and foreign balances of the banks to a lower sum than was held by them in November, 1885.

A bird's-eye view of the working of the four leading items of our Banking Returns may be obtained by glancing at the following figures. They are given in even thousands, and in considering them the five millions above mentioned must be taken into consideration:

	Nov. 85.	Nov. 86.	Nov. 87.	Nov. 88.
Circulation	\$ 33,703	\$ 35,260	\$ 35,163	\$ 36,061
Deposits	108,425	112,169	111,993	134,314
Discounts and Mortgages	162,016	170,166	174,598	183,938
Cash and For- eign Balances (net)	38,808	34,318	30,798	42,505

There have, however, been some drawbacks to the generally favorable position as above indicated. The long-continued rains which prevailed during the last part of summer and the whole autumn in the Province of Quebec did most serious damage to the crops, and inflicted great losses upon the agricultural community there. This community, though exceedingly thrifty, is not a wealthy one, and is ill-prepared for such a failure of crops as has taken place. It is true that in other productions that part of the Dominion has had an average of success. The great industry of the Eastern Townships is dairying, and in this respect wet weather is rather an advantage than otherwise. The hay crop also is one of the standard products of that part of the country. It was well gathered in, and realized good prices.

The Manitoba wheat crop, it is to be feared, will turn out disappointing, i.e., in the quantity available for export. In the multitude of reports current about the time of harvest, there was a general agreement that the exportable quantity would reach at least ten millions of bushels (possibly twelve millions), out of a total production of fourteen or fifteen millions. The quantity that was so damaged as to be unfit for

export was an exceedingly difficult one to estimate. There was no doubt that a certain proportion of the damaged wheat was only slightly touched, and the truth of this has been demonstrated by the fact that considerable amounts have been sold at better prices than the very best realized a year ago. But no one could tell how much of the grain that was damaged was so far deteriorated as to unfit it for sale. It appears, from the deliveries taking place, as if the quantity of saleable wheat would turn out less than was anticipated. The winter will probably decide the matter. Meantime many farmers have sold their product at such high prices as almost to have realized the whole value of their farms in a single crop. Throughout the North-West there are large preparations for sowing next year. The crops in the regions beyond Manitoba have generally been better than in that province. The ranching industry has turned out fairly well. The interests of British Columbia are in a prosperous condition; coal, lumber, and fish are steadily exported in large and paying quantities, and preparations are being made for developing the mining interests of the mountains.

The country on the whole then ends the year well. Our leading interests are sound and healthy—a steady demand exists for all we produce, and at good prices—our manufacturers are learning every year how to manufacture at profit, what to manufacture, and what to let alone. With prudence, foresight, and industry, the year 1889 to all who live to witness it should turn out well. Our best wishes are for the prosperity of our friends.

THE INTERSTATE RAILWAY LAW.

Two years' trial of the Interstate law has now been completed; and the second annual report of the Interstate Commission presents some points worth considering. Uniform compliance with the clause which forbids the charging of a higher rate per mile for a short than for a long distance has not yet been enforced. In the Southern and Southwestern States, the slowest progress in this particular has been made; while north of the Potomac and the Ohio and east of the Missouri, this feature of the law has generally been carried out.

The commission does not admit that the Interstate law has inflicted injury on the carrying interest; at least evidence to that effect has not been laid before it; on the contrary, it claims that the result has been beneficial. The railways did not anticipate such a result when the law was passed, and it might have been expected that had the law inflicted injury on them, evidence of the fact would have come before the commission, in one form or another. Of course the commission is not the body before which an impeachment of the law would be laid; the duty of the commission is to administer the law, not to repeal or amend it. But it could receive complaints with a view to amendment, and has in fact, in both its annual reports, suggested amendments.

Whether the rates mentioned in the statute as reasonable and just would