

were not so bad as expected. In case of all members of the clearing house the loan contraction was \$10,157,000, and the cash loss was \$5,038,000. The surplus reserves fell from \$5,089,100 to \$4,631,350—a matter of \$457,750. The banks alone reported a cash loss of \$9,800,000, loan contraction of \$11,601,000, and decrease of \$4,700,000 in surplus.

It is to be remembered that the banking institutions at New York were obliged last week to finance the September dividend and coupon payments, the Southern Pacific—Union Pacific stock sale, and the movement of currency to the interior for crop purposes. Under the circumstances a drop in reserves was to be expected. The currency movement has now reached large proportions and no diminution of the weekly drain is to be looked for at present. But there should be a certain amount of return flow of funds in connection with the other two items mentioned.

TARIFF BILL PASSED.

The United States senate this week finally passed the Underwood Tariff Bill—the majority for the measure as amended in the Senate being 7. It now remains for the Senate and the House of Representatives to reach an agreement regarding the amendments made since the bill left the House. This agreement may be reached in the course of 10 days or a fortnight; and the prospect is that the new tariff with its sweeping reductions will be in effect by the 1st October at the latest. How the change will affect the business situation and the money markets in the United States and Canada remains to be seen. But in both countries there is a strong undercurrent of confidence. An active and prosperous fall is looked for on both sides of the boundary.

The Quebec Steamship Company, which *inter alia* runs a service from New York to Bermuda, is to enter the Canadian Transportation merger.

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The Bank of Nova Scotia has recently closed the following branches:—Norton, N.B., Clarke's Harbour, N.S., Hantsport, N.S. The last has been made a sub to Windsor, N.S.

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The list of Government legislation for next session of Parliament will include a bill affecting the incorporation of trust and loan companies. The measure will be prepared by the Minister of Finance, Hon. W. T. White.

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Directors of the Dominion Steel Corporation met on Tuesday, and declared the regular dividend on the common stock, thus putting an end to gossip concerning the possibility of some change in policy. Mr. Plummer says that the Company is pursuing the even tenor of its ways, and business is by no means disappointing in volume.

CO-OPERATIVE BORROWING IN SASKATCHEWAN.

It appears that there are likely to be established in Saskatchewan co-operative borrowing societies for farmers, modelled after the *Landschaften* of Germany. In brief, the *Landschaften* are syndicates of borrowers for supplying capital to their members at low rates and easy terms. In the majority of instances a member is responsible not only for his own borrowings, but for those of his fellow-members. As a rule the societies have no share capital. The man who wishes to get a loan asks that debentures be issued against a mortgage on his property, and, if the advance and the security are approved, the organization issues debentures and they are placed on the market, the funds thus obtained being handed over to him, although in some cases he himself is allowed to sell the debentures. These are secured not merely by the particular mortgage upon which they are issued, but by the entire assets of the society, namely, by the whole volume of mortgages for which it has been responsible, together with the individual property of all the members, the reserve fund, and even the sinking fund. The debentures are therefore regarded as gilt-edged, provided of course the concern is in good standing; and ordinarily, when the money market is easy, the 4 per cent. ones sell at or above par. The advances to the borrower are repayable by amortization, that is, by the borrowers returning a little of the capital every year along with the interest. The interest rate is usually something over 4 per cent., because money is required to pay for the cost of management; and the loans run for periods ranging from 10 to 50 years.

CAN IT BE TRANSPLANTED?

This system of co-operative borrowing has been developed to its greatest extent in Germany and France, and the assumption is made by those now supporting the scheme in Saskatchewan that it can be successfully transplanted to Western Canada. We doubt whether those who are at the present time so energetically engaged in pushing the scheme have made sufficient allowances for the tremendous differences of environment between these old countries and western Canada. In Europe, the strict supervision which a paternalistic government employs over operations of this kind is not resented because it has been long exercised; the farmer is practically a fixture; he is famed for an amazing thrift and is singularly free from that impulse to add land to land and field to field, which as well authenticated report says, is not entirely an unknown quantity in the West; and he knows nothing about land booms. Assuming that those responsible for these new borrowing associations are able to overcome these differences of temperament and environment—a large assumption—there remains the question of finance. The provincial government will at the outset be asked to