

## COMMENDABLE ENTERPRISE.

WE are glad to notice that the Brantford Board of Trade are moving in the matter of improving the navigation of the Grand River up to that enterprising town. Some years ago considerable business was done on the river, Brantford being connected by a canal with the head of navigation. Since the construction of the railways, however, the business has fallen off largely, and the works have got greatly out of repair. They are now owned by the town, the Navigation Company having failed some years ago, and it is now proposed to improve the works and commence business again. From a report recently drawn up by leading members of the Board of Trade, it appears that it would take \$11,641 to deepen the navigation to 3½ feet, \$163,233 to make it 6 feet, and a trifle over \$250,000 to make it 7 feet 9 inches in depth. The latter depth would undoubtedly be much the best, as it would do away with the necessity of transshipment; but we fear the expense would be rather heavy for a private Company—which it is proposed to form to carry out the undertaking. And from Parliament could not, we apprehend, be obtained for such a work at the present time.

The Grand River flows through an excellent tract of country, and for heavy freights, its navigation would be exceedingly useful. If an expenditure of \$250,000 were laid out upon it, it may be questionable whether the traffic would be sufficient for many years to pay reasonable dividends over expenses of management and wear and tear, but we think the work might safely be considered practicable at the 6, or even 7 feet. With the works in their present incomplete and imperfect condition, it appears that from 1860 to 1866 Brantford obtained a revenue of \$12,365 from the matter deducting expenses of management and repairs, that would give \$7,065 per annum. If this statement be correct, we see no good reason why a carefully managed Company might not take up these navigation works, improve them, and make money out of the operation, besides benefitting the whole country through which the river passes. The Buffalo and Lake Huron Railway would, no doubt, be strong opposition to contend against, but for certain classes of freight, the water route would have decidedly the best of it. We hope the contemplated improvements will be gone on with at an early day.

## UNION IN BANKING.

## THE COMMERCIAL BANK.

THERE are some things so self-evident that it requires no argument to prove them. For instance, who needs any demonstration that "union is strength," or that "of two evils, we ought to choose the least." Well, then, if the proposition is made as to whether it would be better for all the Western Banks to unite, or to remain as they are to allow themselves to be knocked over like nine-pins by Mr. King and the Bank of Montreal, the decision must be in favor of union. Mind, we do not advocate such a scheme. All we say is that if Mr. King is bent on smashing the Western Banks and if the Western Banks cannot singly protect themselves, then they ought to unite and see what they can do then. In all this we make no charge against Mr. King and his bank. Charges, however, of a serious nature have been made in influential quarters. It would even appear that through one public organ or another the Western Banks themselves have been complainers. Well, if they have, are not such complaints, no matter how well founded, a confession of weakness? Further, did not all the Western Banks in the most unambiguous manner give evidence of their own weakness when they all met, and they all desired to help the Commercial Bank, and yet because the Bank of Montreal chose to oppose them, they had to abandon their good intention and to leave the Commercial to its fate? That was a confession of weakness. The Bank of Montreal against all the Western Banks, and the latter beaten. What stronger proof could there be of the strength of the one and the weakness of the other? What stronger motive could there be for the Western Banks to bestir themselves and place themselves in such a position that they need fear no rival?

We do not argue in favor of monopolies when we adduce no more self-evident fact, namely, that the tendency of the age is in favor of large institutions, and yet another such fact is that it is in the nature of things that those institutions that are greatest and most powerful should exercise considerable influence over smaller and weaker ones. There is nothing

blameworthy in this. Satellites revolve round the sun, and if they have not strength to remain in their own orbits, they are irresistibly swept into the blazing luminary. Is the sun to be censured for that result? In terrestrial affairs the same rule works in the same way. Large houses swallow up the business of small ones, and strong banks will extend their influence to the detriment of weak ones. And as weakness in banking is a fatal disease, it becomes the duty of such banks as are endangered or harassed by the Bank of Montreal to strengthen their position, so that they need fear no storm, no matter from what quarter it may blow. Of course, if there is a convenience or danger to be apprehended from the Bank of Montreal, there will be no necessity for extreme defensive measures on the part of the Western Banks. But if the danger is imminent, the remedy ought not to be delayed.

In connection with union in banking comes up the subject of the Commercial Bank. It is well known that its charter will not be forfeited until sixty days from the day it closed its doors. It is also evident that there is a vast amount of money in the bank which is at stake. The question is how to save this money from being a total loss, and how to invest it in such a manner as that it shall do most good to the public, to the shareholders, and to the other creditors of the bank. Without expressing a choice for one mode above another, we can yet say that any plan, whether the cutting down of the stock and the increasing of the capital, or the amalgamation with another bank, or, indeed, any scheme by which the bank will be re-suscitated in part or wholly, in its original condition, or joined to another institution, would be better than to allow it to go into liquidation. It need not be pointed out that when a bank is wound up its assets are sacrificed, and its liabilities increased. This would not fail to be the case with the Commercial. In favor of its amalgamation with another bank, much may be said. Putting off all its liabilities, enough will remain to form a considerable capital. Then it has good connections, and in the course of time its good customers would come back to it again. The losses it has sustained, and the trials it has gone through, would enable it to steer clear of all mistakes in future. Properly managed, there is no doubt that if amalgamated it would bring strength, wealth and influence, to the institution with which it would be joined. These remarks are made on the supposition that a union of the Western Banks will not be thought necessary. Should such an event take place, however, the argument in favor of amalgamating the Commercial with the rest would be ten times stronger.

## BEWARE OF THE BREAKERS!

THE ship Confederation has now been fairly launched. A gallant ship she is, and gallantly has she set sail. Everything at present betokens a prosperous career. From East to West the country is prosperous, and the hearts of the people are big with hope in regard to the future. Our Dominion possesses very varied and valuable resources, and as inhabitants and capital flow into the country, these will be developed with greater rapidity than could ever have been experienced in our former isolated position. We have already sufficient territory to accommodate fifteen millions of people, and when we add on the great North-west and the Pacific colonies, our country will be large enough to satisfy the wildest national ambition. The important public works which the general Government is about to commence will give our new Dominion an impetus in the path of progress, which must render Confederation a great success. Is thus our new ship of state sets out on its voyage?

But are there no breakers ahead? Many a noble craft has started from port with colours flying—everything indicating a successful voyage—only to be dashed upon some breaker and hopelessly lost. How stands it with our new Dominion, from which so much is expected? With all its bright prospects, are there no breakers in its pathway? We answer, yes; but there is only one which has really to be dreaded, and that one we propose to point out. It is not the difficulty which exists with Nova Scotia, or which is supposed to exist. We have sufficient faith to believe that the statement of that noble Province, now that the excitement of a fierce party contest is dying out, will not be so extreme as to advocate the disruption of the Union now so favourably begun. If we are disappointed in this expectation, we have confidence that the people of Nova Scotia, when the great issue of Union and strength, or separation and weakness, is squarely

placed before them, will not consent to go back to their former isolated and insignificant position. No. It is not Secession privileges on the part of Nova Scotia that we consider the greatest danger of our new Dominion, but something very different.

What is this breaker then? It is simply the danger that, as in the case of the Great Eastern, the expense of running our ship of state may be made too great. Cheapness is a necessary element of good government, and no greater danger in our opinion, lies in the way of the Dominion of Canada, than that the burdens of the people may be too rapidly and heavily augmented.

There is reason to apprehend that, unless economy is practised by our public men, the expense of Confederation must prove considerable. First of all, the machinery of our new Government is somewhat complicated, requiring a large number of officials to keep it in motion. The general Parliament is comprised of 131 members, and the Local Legislatures of a still larger number in the aggregate. There are thirteen Cabinet Ministers at Ottawa and five in each of the four local cabinets, making a total of twenty, besides a few without portfolios. Each of these Ministers is surrounded by the same number of deputy heads of departments, and numerous other officials, none of whom are able to live upon nothing. There is no denying that summing all these up together, they make quite a formidable establishment, and that the expense of keeping them up will amount to a large sum annually.

But this is not all. There is certainly looming up before the Dominion a large increase of public indebtedness. The total amount for which the central Government was responsible on the 1st July last, when it commenced business, was about \$75,000,000. This put on an annual charge for interest to the tune of about \$4,250,000, but it could not be considered a very great burthen. Before ten years, however, we should not be surprised if this debt and interest were doubled. There is the expense of the Intercolonial Railway, say at least \$30,000,000; then there will probably be \$5,000,000 or \$6,000,000 for the North-west territory and opening it up, if the St. Lawrence and Welland canals are deepened, or the Bay of Verte canal made, at least \$10,000,000 more may be set aside, then the defence measures which some advocate, will absorb several millions more. These expenditures, with the increase of our means of communication with the Eastern provinces, and several other contemplated improvements, would make our public debt a heavy incumbrance.

This, then, is the breaker ahead! The Dominion must not be run too rapidly into debt. Territorially, the country is large. But it is yet only sparsely populated. Our resources are great, almost inexhaustible, but these resources are yet largely undeveloped. The different governments, therefore, should be conducted with the strictest economy. Extravagant Ministers should be at once cashiered. Public improvements, however desirable in themselves, should not be undertaken too rapidly. There is danger in moving too fast. It should never be overlooked that we scarcely number 4,000,000 souls, and that to increase our debt and the cost of government, too much at first, may seriously check the advancement, if not ruin the bright prospects of our young country. The rock of extravagance may endanger the ship, if skilful pilots do not guide her off so dangerous a breaker.

Shall this breaker be guarded against? The people look to their rulers to do it. It can easily be done if true patriotism rules in the councils of the country. But if our politicians are careless and indifferent, if they allow party necessities to gauge our expenditures instead of the wants of the Dominion, then serious consequences may result. We expect better things from the gentlemen whom the people have elected to our various Legislatures. But it can do no harm to point out their duty. If Confederation is to prove as successful as we expect it to be, this rock of expense must be shunned. The people must not be heavily taxed. Let our rulers then "beware of the breaker!"

PETROLEUM AS FUEL.—The *Guelph Advertiser* states that two mechanics of that town, Messrs A. Smith and A. Robertson, have perfected an invention for employing petroleum as fuel for the generation of steam, which promises to work most advantageously. For this object numerous experiments have been made, and much inventive genius expended for the past year, and we hope that the announcement may not prove premature, as many similar ones have. The *Advertiser* further remarks that Mr. Swinyard is about to give it a personal examination, to learn whether or not it would be advisable to introduce the patent in lieu of wood on the Great Western Railway.