the public and loans to the Governments of the Dominion and the Provinces.

The column relating to overdue debts is now one instead of two. The distinction between such debts, "secured" and "unsecured," was about as misleading a one as could possibly be conceived, and it was well to abolish it.

But a grave mistake has been made in calling the dealings of banks with the public by the simple term "loans." This is bad classification. A large part of the transactions included in this column are not loans at all. They are discounts of mercantile bills. The column should have been headed "Loans and Discounts. But it is a mistake to comprise these two in one column. There is nothing connected with banking business that requires to be more distinctly understood than that between loans and mercantile bills. This distinction has long been well established in England and Scotland, and the confounding them together is a part of the bad heritage of banking ideas and methods which was derived in the early days of Canadian banking from the United States. An English or Scottish banker would no more think of confounding together his loan and mercantile bills than he would of confounding his deposits with his circulation. It would be desirable at some time to amend the Banking Act by changing these schedules so as to show how much the banks have *lent* to their customers, and what amount of *mercantile bills* they have *discounted* for them. The items relating to real estate, mortgages, bank premises, and assets not before included remain the same.

But an important modification has been made in the column showing the dealings of directors with their own banks. Instead of requiring a return of a sweeping and misleading character, which was practically valueless, the return now simply shows the amount of actual loans to directors and their partners. This is a matter which is tangible, definite and easily understood. The information will be valuable.

(6) The present return contains an item that is entirely new, viz., the amount deposited with the Government as security for circulation. The sum shown under this head amounts to $840,000, and is one-half of the total amount that will finally be paid in. The operation of this new feature in our banking arrangements will be tried whenever we have another failure of a joint stock bank, an event, let us hope, that is far distant.

(7) With regard to any comparison between former returns and the present one, it is difficult to make it with anything like accuracy, except in the case of circulation and deposits. So far as these are concerned we find a decrease of $800.000 in circulation, which is quite a common amount at this time of the year. Deposits have increased $2,600,000, which is not a matter calling for any particular note. With regard to loans and discounts, as far as can be ascertained from dissecting the items in the new return, there appears to have been a decrease of nearly $4,000,000. But this is not likely to have taken place in reality. This is simply an error in classification, and is probably accounted for, and more than accounted for, by the item of $12,500,000, which comprises the debentures, bonds and stocks held by the banks. In a similar way it is impossible to make comparisons between the available assets as they appeared formerly and as they appear now. So far as comparisons between one month and another are concerned a new series must be commenced, for which the present return will furnish the losses for the first.

Thus far about technical matters.

The country is full just now of the idea of magnificent harvests. A splendid harvest is assured in Ontario. There is a good harvest in Quebec. The centre of interest just now is the Province of Manitoba. There are the most magnificent crops on the ground in the North-West that have ever been known. The weather is being watched with intense interest day by day. The probabilities are that the larger part of the harvest will be secured in good condition and that even a slight frost would do but little damage. Even allowing for the possibility of this, it is tolerably certain that the harvest, in any event, will make a good average yield. But if the weather continues favorable, the return will be the finest ever yielded by the bounty of nature on a large scale on this continent.

RAW COTTON FIRES.

Respecting the "mystery of cotton fires" which are becoming more and more frequent, especially on shipboard, Edward Atkinson, of Boston, writes to the New York *Times* that the solution of such fires is to be found in the fact that American cotton is treated more barbarously, wastefully, and dangerously than any other great staple of any kind, from the time it passes the gin until it reaches the factory. "It is badly made, badly covered, badly cut, badly broken; it is rolled in the mud, it is exposed to the weather, and is always in a condition to become most liable to the impregnation of cotton-seed oil, and thereby become liable to spontaneous combustion." This oil, he says, is subject to very rapid oxidation. It corresponds to linseed oil in this. If a cotton bale becomes slightly saturated with cotton-seed oil it may take fire.

In a recent discussion in the British House of Lords, it was reported that Indian cotton on shipboard has been found much less liable to fire than American cotton. The reason is very plain. Indian cotton is better pressed, better packed, and better covered than American. Great precautions are taken at American cotton mills, we are told, in opening bales of American raw cotton, to see that all elements of danger are removed, such as oily locks or oxygenated fibres, and in view of the danger of fire from aeration when opened up. Not only this, but it is examined for such queer foreign bodies as cartridges, matches, broken pistols, beer bottles, grindstones, hammers (all these Mr. Atkinson gravely tells us have been found in bales). What he recommends is that a correspondingly careful supervision should be exercised over the packing as over the loading on shipboard or on cars, the latter to make certain that the bales have not become impregnated at sides or ends by the contact with railway cars wherein cotton-seed oil has been carried. But the baling and covering are done in so disgracefully careless a way that there will always be danger until it is improved.

MONTREAL TRADE FIGURES.

An increase of both imports and exports is shown by a comparison of the inward and outward foreign trade of Montreal for July of this year and last. This year's July imports entered for consumption were of the value of $4,210,722 as compared with $4,038,738 in July, 1890. And of this $1,654,000 worth was free goods, an increase of half a million in this particular over the previous July. Exports were nearly $100,000 greater during the month. A comparison of principal items of import at Montreal may be interesting.

	July, 1891.	July, 1890.
Cotton goods	$148,762	$130,120
Fancy goods..........	40,600	62,920
Furs	19,765	21,565
Hats, caps, bonnets ..	24,597	22,845
Silk goods	113,180	160,518
Woollen goods	575,641	614,091
Total dry goods......	$922,545	$1,012,059
Books and pamphlets ....$	23,413	$19,449
Brass and its m'frs.......	15,238	14,279
Coal, bituminous	21,522	14,379
Coal, anthracite	......	......
Copper, and m'frs of......	20,255	19,066
Iron and steel	450,989	508,766
Jewellery..............	17,886	26,391
Lead and mfrs. of	27,216	16,103
Leather goods	27,060	34,342
Oils......................	56,623	70,237
Paints	23,449	23,442
Paper goods	35,145	33,633
Spirits and wines	47,037	36,330
Tobacco and cigars........	9,403	18,474
Wood goods	25,552	44,183

From this list it will be seen that metals and hardware form a large proportion of Montreal's imports, the value of such goods brought in last month amounting to more than half a million.

Turning to exports, we find them increased by $91,660 last month as compared with the previous July, viz., $5,410,815 in value against $5,319,155. But a large share of these exports were not of Canadian produce. Meats and dairy produce to the value of $234,000; grain to the value of $890,000; manufactured goods valued at $21,814, were all shipped from Montreal last month. These were United States produce going eastward by the St. Lawrence route. The increase of $91,500 in value of exports does not seem to arise from particular products but from an increase in all branches, the increase being most noticeable in "animals and the products," and "agricultural products." The list we give below deals with Canadian products exclusively:

EXPORTS.

Produce of	July, '91.	July, '90.
The Mine ....$	176,715	$ 172,932
" Fisheries..........	10,058	5,851
" Forest	483,075	486,970
" Field (grain)......	473,744	213,227
Dairy produce	3,057,273	3,0[illegible]9,731
Manufactures	91,724	95,424
Total Can. products..	$4,292,789	$3,984,135

—A deputation from Three Rivers has arrived at Ottawa to ask the Government to authorize a further expenditure of $218,000 in harbor improvements by the Harbor Board of that city.