

which bankers and economists have so much concerned themselves of late years. It is to Canada that The Financier of New York looks for a solution of much of the harvest difficulty experienced in the United States. The neighbourly assistance which the Dominion is to render is not direct pecuniary aid, but an example which, our New York contemporary urges, should be followed in certain particulars—though, necessarily, not in all respects.

The essential differences between United States and Canadian crop-moving financing are summarized by pointing out that Canadian banks employ credits which are created in ample volume for the intended purpose; while American banks are compelled largely to resort to cash in order to effect crop distribution, and when the demand for such cash is greater than the supply, the banks have to appeal to the Treasury to provide means for the increase of the volume of money and to so distribute it as to meet the most urgent requirements. The fact is referred to that through the Canadian system there is an automatic expansion and contraction of bank circulation, during the six months in which circulation is particularly affected, of about one-third of its volume. It is remarked, however, that the Canadian system has, as its most essential adjunct, a strong and extended banking system, with branches located wherever throughout the country they can contribute most effectively to the end sought. As without such branches the system could scarcely be a success, The Financier recognizes at the outset that Canadian methods are not applicable *in toto* to United States conditions, though it considers that "the system of financing is apparently so perfect in its operation that it is capable of being effectively used for almost every conceivable volume of crop requirements and under almost all possible conditions."

There are some important provisions of the Canadian plan which it would seem might be profitably incorporated in the United States system, and it is urged that these be discussed in the press and by bankers' associations with a view to their adoption. As is pointed out, the work of distribution of the Canadian crops—from the source of their origin to the outports—is done in great part, when the movement for export begins, through bills of exchange which are employed as collateral for loans by the banks. These bills are promptly negotiated in the broadest markets, such as those at New York; and the proceeds are employed temporarily on loans until they are needed by the home bank for the redemption of its outstanding notes which were issued originally for financing the crops during the stages of their primary distribution. A more general use, by United States

banks, of bills of exchange in the manner above indicated, is advocated; and the banks would themselves derive profit thereby in the almost constant employment of their capital and available resources while the crops were moving from the centres of secondary distribution, the chief markets, to the seaboard for delivery to European purchasers. Of course, the obstacle to increased use of bills of exchange is the imperfection of the laws providing for uniformity and negotiability of the bills of lading which accompany such exchange drafts. As to reforms in this matter the Interstate Commerce Commission is now concerning itself. When some satisfactory working arrangement is arrived at, banks in the United States will be enabled to finance the export distribution of crops with greatly improved facility. For the immediate future, however, relief for stringency will have to depend upon the Treasury—though the new financial bill of March last will make possible more ample arrangements than during previous years. It is hoped that the administration of the bill will be such as to provide for liberal aid to the banks, through public deposits as the basis for credits, and through the distribution of currency, the more abundant emission of which has been provided by the Treasury, so that during the crop moving season there may not be a dearth of money so marked as to seriously affect the entire financial fabric of the country.



Progress of British Columbia.

Mr. W. D. Matthews, of Toronto, one of the directors of the Canadian Pacific, after an extended tour of the West speaks with enthusiasm of conditions and prospects in British Columbia. The recent development of the fruit interests of the province call for special mention—the only likely difficulty to be feared being a possible lack in the labour supply. If this difficulty does not appear there is no reason why the province should not furnish all the fruit which will be used on the prairies and plains of the West. The fruit is fully equal to that of California, and all classes of it can be grown, including peaches, pears, plums, cherries, apples and all kinds of small fruits in abundance.

The first run of the salmon occurred while Mr. Matthews was in the province, and a good season was anticipated.

Regarding mining, Mr. Matthews reports that it is not too much to say that that industry is enjoying a period of much prosperity. General mining operations are being carried forward in a much larger way than ever before in the history of Canada, and in most cases with satisfactory results. This is due in considerable measure to the new methods of mining, and in particular to the use of the diamond drill. "The discoveries in Rossland were made at the time we were there, and I have reason to believe that they were as satisfactory as indicated. These discoveries were made at low levels, at the 1,200 foot level, I believe."