

great undertaking. And the time has been when the pushing through of the enterprise seemed almost impossible. But the company went on its way, its courage rising with difficulties. The C. P. R. people have now constructed a road almost without parallel for the engineering difficulties surmounted. As to the road itself it is in respect of the length entirely without parallel. The enterprise is exciting the attention in Europe which it deserves; and next year when it will be opened for passenger traffic a stream of travel will pass over it which will surprise Canadians if it do not surpass the most sanguine expectations of the road's projectors.

ABSTRACT OF BANK RETURNS.

31ST OCTOBER, 1884. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in Maritime Prov's	Total.
Capital paid up..	\$ 36,305	\$ 18,880	\$ 6,380	\$ 61,565
Circulation	18,423	11,612	3,963	33,998
Deposits	51,285	37,237	10,485	99,007
Loans & Discounts	65,381	61,869	17,902	165,152
Cash and Foreign balances (Net)..	23,121	9,439	3,106	35,666

31ST OCTOBER, 1885. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in Maritime Prov's.	Total.
Capital paid up..	\$ 35,916	\$ 17,526	\$ 6,383	\$ 61,671
Circulation	18,048	11,852	3,762	34,576
Deposits	53,148	39,142	9,953	104,309
Loans & Discounts	82,006	59,764	15,962	159,726
Cash and Foreign balances (Net)..	23,006	10,717	3,937	39,061

CASH TRADING.

One of our correspondents touched, last week, upon an important point in cash trading, viz.: that a merchant must put a living profit on his goods, and not fritter away his whole mercantile existence for the sake of furnishing a community with cheap goods.

The point was well taken in endeavoring to secure custom. There is danger of overlooking the main point for which, after all, custom is sought, that of making a living out of it. Is it of any use for a trader to secure the cream of the trade in any town or district, only to end his career in the hands of an assignee? The wrecks of such ill-advised traders are to be seen all along the way. They have done ill for themselves, ill for the creditors, ill for their neighbors in the trade who have honestly striven for a profit. It should never be forgotten that the primary object of all trade is to earn profit; and the successful traders or companies are those who take care that their operations yield such profit as will not be wiped out by the necessary expenses of the business done.

A man who sells \$10,000 worth of goods in a year, at a gross profit of 20 per cent.; who pays \$500 rent, \$500 for clerk hire and \$1000 for household expenses, is making nothing by his business. And if for competitive purposes he marks his goods down to 15 per cent. advance, he is losing money "hand over fist," for he has insurance, taxes, fuel, light and other things to pay besides those named above. Suppose that

by selling five per cent. cheaper he has increased his sales one third, he may still money, for he only earns \$2,000 where he spends \$2000 or more.

We repeat, that it is needful for every trader to keep track of his gross profits year by year. Many a man, we are convinced, is self-deceived in this regard. Having said thus much, we turn to a circular issued last month by a trader in Barrie, which argues sensibly in favor of cash trading as follows:

"The time was, in the early settlement of this country that it was necessary to give credit to new settlers who were starting to make a home for themselves. There are many well-to-do farmers to-day that can and do congratulate the old firm for giving them a helping hand in their early struggles for a home. These difficulties and hardships belong to the past and we have to adapt ourselves to the present requirements of the people. Knowing that our many friends will cheerfully aid us in carrying out this new mode of business, we would say in conclusion, that if the times required the credit system we would be happy to continue it, but we are convinced that its usefulness is gone and so we are compelled to adopt the Cash System, as infinitely better for both seller and buyer."

There is too much timidity among retail merchants in Canada in making the experiment of selling for cash or ready pay in kind. Country storekeepers are afraid of giving offense, of losing custom. They conclude that the thing is impracticable without having tried it. We can only say that the experience of scores in Canada, who have made the plunge, after having carefully and intelligently prepared for it, justifies the conclusion that the cash or ready-pay system is not only operative but capable of yielding profit and satisfaction when conducted with proper regard to the considerations mentioned in the outset of this article.

NEW TRUNK LINES AGREEMENT

The trunk lines included in the passenger and traffic arrangement are eastern lines of which the western termini are as follows: Toronto, Suspension Bridge, Niagara Falls, Tonawanda, Black Rock, Buffalo, Buffalo Junction, Dunkirk, Salamanca, Erie, Pittsburg, Bellaire, Wheeling and Parkersburg. And the trunk lines in the combination are: the Grand Trunk, the New York Central and Hudson River railway, the Delaware, Lackawanna and Western railroad, the New York, Lake Erie and Western railway, and the Baltimore and Ohio railroad companies. The western connections of these roads have not hitherto been controlled by trunk line agreements. Now, however, the eastern trunk lines assume the duty of maintaining through rates over their western connections not less than over their own roads. And the trunk lines are to be responsible, though they may have nothing to do with the breach of agreement. The trunk lines can always detect a breach of agreement by their western connections, and for that reason, perhaps, they are made responsible for the

peace. The object is of course to give the trunk lines greater power over their western connections.

Each trunk line binds itself not to enter into any time contract, but to quote rates only from day to day. This provision would probably be held by the courts to be void as being in restraint of trade. A man who contemplates any transaction involving railway carriage would be at a great disadvantage if he could not tell what rates he would have to pay a week hence. The contract between the trunk lines is of such a nature that it would not be enforceable by law; and the difficulty, from a legal point of view, of compelling the western connections to carry out agreements equally would legally be quite insuperable. This is the weak point of the whole arrangement; and it is extremely improbable that legislation will ever be obtained to enforce contracts on which, however reasonable they may be, the general public cannot be expected to look with favor.

The tariffs which this combination proposes to establish and maintain are to apply to eastbound dead freight and live stock and dressed meat traffic; westbound freight to the seaboard cities to the western termini of the trunk lines and beyond; competitive passenger traffic, first and second class; immigration traffic. Specific divisions of each class of this traffic will be made between the trunk lines. Separate contracts are to be made for securing to each road its allotted percentage of traffic, and any excess is only to be paid for, if at all, at a rate which will tend to restrict each road to its assigned proportions.

The western connecting roads are required to make an arrangement for a division of traffic among themselves. But it will be nearly impossible to enforce such an arrangement, especially as the law will not lend its sanction. It is believed that the difficulty will be greater with the western connections than with the trunk lines. The latter lie in a much narrower compass and can more easily watch each other's movements. Whether any such arrangement will be made at all is the first question; and the next question will be whether there will be any hope of enforcing it if it be made. All experience shows that among the trunk lines it has been much easier to make agreements than to enforce them; and this is likely to prove true of the new arrangement as it did of the old ones. A heavy penalty, dismissal from office, is attached to the breach of this contract by individual officials; but in practice this deterrent will be less formidable than it looks on paper. If any official cuts rates he will do it in the interest, real or supposed, of his company, and his company would not be likely to dismiss him for obeying its orders, unless obliged for appearance sake to do so.

Under the agreement fast freight trains are to be reduced to the "lowest possible number consistent with the proper conduct of the business;" soliciting and advertising agencies are to be "reduced to such number as may be deemed necessary for the convenience of the public and the proper conduct of the traffic." If each company is to decide these points for itself, these elas-