

## EDITORIAL NOTES.

found the only men who wish the long vacation was over.

The disastrous results of the failure of the Glasgow Bank have given rise to a Bill which has been favourably received by the Imperial Parliament, and appears likely to pass into law in England. This Bill alters the position of unlimited joint-stock banks. It enables the shareholders of such a bank to limit their liability, should they so desire. At the same time, unlimited banks are not obliged to come under its operation; if they think it more to their advantage to remain unlimited, and if the shareholders are willing to face the risks. In the words of the *Saturday Review*:—"An unlimited bank will be able to register itself as a limited bank, and it may, of course, choose any kind of limitation it pleases. It may have half or a third only of its capital paid up, and then, in case of liquidation, the uncalled capital will be payable for the benefit of creditors. But unlimited banks that seek to limit their liability will, under the Bill, have another course open to them. They will be able to register as banks with reserved liability or limited by reserve. In case of disaster, the shareholders will be liable not only for the amount of their shares, but for a further sum, which is always to be a multiple of the amount of each share they hold. Every bank may choose what this multiple shall be. Some banks will choose to multiply by one, and then the reserve liability will be equal to the amount of the share. Others will multiply by two, and then the reserve will be equal to twice the amount of the share."

In his recent speech at the Mansion House, Lord Beaconsfield made the somewhat paradoxical assertion that, in his

opinion, no tenure of land could be devised except on the condition of furnishing three incomes from the soil. We are wont to congratulate ourselves upon the fact, that whereas in the mother-country the soil has to support three classes of men—the landlord, the farmer, and the labourer—in Canada and America, the land is mainly in the hands of freeholders cultivating their own land, and therefore has only to furnish one income, in the place of three. If his Lordship is right, however, we are not really so exceptionally fortunate as we suppose. And certainly the way he sets to work to prove his point is most ingenious. First of all, he says, the freeholder has to purchase his land. This he will do, say, by selling out any stock he may hold in the funds, or more probably by borrowing. The first income, then, his land will have to furnish will go towards paying the interest on the money borrowed, or supplying the interest he would otherwise have derived from his moneys invested in the funds. Then, having purchased his farm he must stock it, provide implements, a cart and horse, and build, at all events, some sort of shed. This is the floating capital and demands the second income, which in England is enjoyed by the farmer. Lastly, having purchased and stocked his farm, he and his sons proceed to work it. But they have to be fed and clothed and lodged, and this is the expenditure answering to wages under the system in England. This, then, is the third income which the land is obliged to produce under the tenure of peasant or freehold proprietorship. Lord Beaconsfield, perhaps, scarcely contemplated such a state of things as exists in the Red River Valley so well described by Mr. Vernon Smith in the *Nineteenth Century* for July last. We read of land in that district which produces from 40.