

time is not long passed when so defective a harvest as that in England in 1871, and the doubts which now exist as to the coming one being up to the average would have produced a serious disturbance of commercial operations. The stores of floating wealth now are so vast that in spite of these serious drawbacks there is unparalleled activity in the industries of English trade and at no previous period were so many schemes afloat for utilising this Capital by investments in almost all parts of the world.

Canada is likely to absorb a portion of this plethora of money. Her rich mines of copper, iron and other ores, are attracting the notice of capitalists and active measures are being taken for opening up these deposits. We trust that all who are engaged in negotiating these properties will discountenance any attempt to mislead investors by exaggerated reports of their value, or by dishonest suppressions of facts as to difficulties of transport, labor and other details. The mineral wealth of this country is just about being realised, but if foreign investors discover that reliance cannot be placed upon statements emanating from Canadian experts, they will shun our enterprises and leave the parties concerned to discover that in finance as in other affairs "honesty is the best policy."

We note with great regret that a prospectus has been placed before English capitalists of a Phosphate Company which contains a flagrantly dishonest estimate of the value of the property to be secured. Professor Chapman, on whose report the Prospectus is based, has done himself infinite credit by publicly repudiating the misrepresentation put forth, and although holding an official position under the Company has exposed the falsity of the figures placed by the promoters before the public. This manly conduct will have a most salutary effect on others who may be tempted to make tools of our scientific men.

The extraordinary price ruling for iron is encouraging the anticipation that we shall be able to manufacture it here so as to compete with the English mills. It must not be forgotten that the present price is an inflated one: it may drop heavily as in 1857 and from a similar cause. There is indeed at present, every indication of its production being stimulated by superabundance of capital and the political quiet which exists; this will go on until a slight disturbance will produce a serious check, when prices will run down like the barometer before a storm.

Every interest in Canada is now prosperous, labor is in great demand and good prices rule for produce, lumber, timber and

wool. The latter has advanced remarkably during the last year. After the repeal of reciprocity no article was affected so much as wool. Prices dropped from 40 cents to 25 cents per lb. and remained depressed several years, though with an upward tendency. Last fall the price shot up rapidly to 60 cents, holders realized large profits, and manufacturers obtained a corresponding advance for their goods. This year 55 to 60 cents ruled as the season opened, but the market is being affected by American buyers holding off so that only about 50 cents is now obtainable, at which figure wool pays the farmer so remarkably well that production is certain to be stimulated.

From present indications the spring crops will yield a splendid harvest, and although clover and fall wheat are much injured, the yield of produce is likely to be most satisfactory.

The official return of the Ontario and Quebec Banks to 31st May is as follows:—

LIABILITIES.		
	April 30, '72.	May 31, '72.
Authorized Capital	\$46,566,666	\$47,816,666
Subscribed " "	43,631,926	44,399,966
Paid up " "	41,662,318	42,087,985
Notes in circulation	21,759,426	21,053,840
Government deposits	10,313,901	10,977,984
Other deposits.....	47,632,771	48,664,320
Due to Banks in Canada.....	964,960	879,312
Due to Banks not in Canada.....	2,248,251	2,082,150
Sundries	64,974	201,560
Total Liabilities	\$82,984,283	\$83,859,166
ASSETS.		
Specie	\$6,524,048	\$6,538,467
Provincial notes...	6,825,358	6,480,509
Notes and Cheques of other Banks	3,973,171	3,614,473
Bal. due from Bks. in Canada	1,289,767	1,566,015
Do. not in Canada	12,604,750	12,856,630
Total av'ble assets	\$31,217,094	\$31,056,094
Govt. debentures.	1,379,104	1,422,004
Loans to Govt....	501,793	501,793
Loans to Corp'ns.	1,542,514	1,728,946
Notes dis., including notes over'de	97,813,243	99,355,525
Real Estate	765,259	696,315
Bank Premises....	1,813,211	1,842,422
Sundries.....	1,434,484	1,751,668
Total assets.....	\$136,466,702	\$138,354,767

The official return for April is practically useless for comparison, the figures being published in a very careless and imperfect manner. The increase of authorized capital is in that of the Banque Nationale enlarged \$1,000,000, and Eastern Townships Bank \$250,000, a proportionate increase has also occurred in paid-up capital. While the discounts have increased since 31st March \$3,000,000, the circulation has diminished

\$2,200,000. The funds for the enlarged advances have been made up by the increase of capital and deposits, the latter having since March advanced from \$57,030,000 to \$59,640,000, the whole of which appears under the head of "Public deposits." The relation of liabilities to assets still continues steadily to show a gradual movement in favor of the financial strength of the Banks, the liabilities since March have gone up some \$900,000 only, while the assets have increased \$3,200,000, that is, the banks have increased their discounts by \$3,000,000 in the last two months without incurring additional liabilities beyond 32 per cent of that increase, while a fair reserve of available assets is still maintained. If this process were general throughout all departments of our trade, and in the financial position of the country as such, we might look forward with confidence to attaining such strength as might rival in proportion to our numbers that of any nation in the world. One significant feature of our prosperity, to which we have already called attention, is the number of new banks which have obtained charters, and are about—it is to be supposed—to commence operations. One in Halifax, two in St. John, N.B., two in Montreal, two in Toronto, one in Hamilton, with another in Manitoba, are all making arrangements for business. Some of these have doubtless a good local standing, and fair prospects of success. It may be questioned, however, if others will not be attempting to enter fields already well occupied, in which case they will encounter the same dangers which beset eager storekeepers in pushing business. There is no royal road to banking success, and we know by experience that banking disasters are certain to follow unless high professional ability, and wide mercantile knowledge are combined in the management.

FIRE INSURANCE REFORM.

Within the past week a circular issued by the insurance companies at Montreal has reached us, in which it is stated that "inasmuch as the results of the fire insurance business in Canada have been found during the last few years to have been extremely unsatisfactory, it is now expedient that some joint action be determined upon by the companies whereby more satisfactory results may be obtained." A resolution embodying the above was unanimously adopted, and a constitution proposed for an Association to be composed of two Boards sitting at Montreal and Toronto respectively.

We are not surprised at this action, on