

1st May, 1891, with interest at four per cent, payable half yearly. As a part of such loan, it is proposed to pay at once the sum of not more than \$7,500,000 to extinguish present floating debt of the Company; and the balance of the loan to be paid to the Company on the same terms as those provided for the subsidy. As security the Government is to have a first lien on the entire property of the Company, real and personal, including the main line of railway, the extensions and branches, rolling stock and plant, vessels, etc. and also on the land grant of the Company now earned or to be earned, saving the rights of mortgagees of the Canada Central and the Montreal line, and saving also the interests of the holders of land grant bonds. Provisions are made for the extinguishing of interests on the loan, and the Government has power to make expedient arrangements for securing the payment to it of the proceeds of land sales; and it is provided that in case of default of payment of principal or interest on the loan, the subsidy shall not be payable, and the property of the Company shall *ipso facto* become the property of the Government. Such is the gist of the proposed agreement.

Any judge of financial matters, who is prepared to consider the question of the first agreement with the Canadian Pacific Railway Company from an unbiassed standpoint, cannot but admit that its terms were by no means liberal. While it would be a generous policy for the Government to render further assistance to the Company at this critical period of its history, it would also in the present state of affairs be a wise one. The road has been pushed rapidly forward. The energy and enterprise displayed in its construction is unparalleled in the history of this railway age, and every true Canadian must feel a sense of pride in what has been accomplished in so short a time. A large amount of money has been spent and now much depends upon its early completion; so much is this so that were serious obstacles now to be thrown in the way of the Syndicate carrying out their plans it might perhaps lead to results as disastrous as those which overtook Jay Cooke & Co., and the Northern Pacific in 1873, at the very thought of which we may well shudder.

While we approve of the Government coming to the rescue of the Company in its present embarrassment, we notice with

regret that no mention is made in the agreement regarding the abolition or modification of the monopoly now held by them. THE COMMERCIAL has hitherto supported the monopoly clause of the agreement on the ground that the honor of the country was bound up in it, and that the terms of a bargain between a government and a company are as sacred and inviolable as between private individuals. Had the Syndicate carried out the terms of their first arrangement in their entirety, we would, for the reason we have mentioned, have found no reason to withdraw from the position we have thus far taken. But now that the tables have been turned and the public purse has to be further consulted on behalf of the Company, it seems only reasonable that some concession should be made on their part. As representative of the trade interests of Manitoba and the Northwest we hold that in this matter at least the claims of the pioneers of this country should be considered first. That the Northwest is now suffering under the burden of monopoly is amply exemplified by the strong agitation now prevalent among all classes, commercial or agricultural, and it would have been only common courtesy on the part of the powers that be at Ottawa, to have urged at this opportune moment a redress of our grievance. Dame Rumor says that the objection of English stockholders is the chief barrier to the removal of the monopoly, and for that reason the Dominion Government seek to continue it. But when these capitalists come and ask assistance from the people of the Dominion to carry out their scheme, they reach the level of beggars, and are no longer patrons. "Beggars must not be choosers," is an adage which explains the position, and we ask the Government and Syndicate both to take it to heart. It seems altogether probable that Sir John with his large majority in Parliament will carry through the new arrangement in its entirety, and ignore the claims of the people of Manitoba and the Northwest. If it is so, it will only furnish another proof of what we have more than once asserted, that the people of this country need never look for friendship and assistance from political parties at Ottawa.

CANADIAN BANKS.

A comparison of the condition of the banks in Canada at the end of 1883 with

the close of 1882 shows as satisfactory a state of affairs as could be expected, considering the quiet state of trade which has existed, failure of the crops in the Eastern Provinces of the Dominion, and the consequent reduction in volume of exports. At the close of 1882 the circulation of the banks was \$36,501,694, as compared with \$33,589,154 at the end of 1883, a reduction of about three millions. Loans were decreased over thirteen millions during the year, the figures being \$176,560,774 for 1882, and \$163,441,869 for 1883. The decrease in loans cannot be considered an unfavorable sign, indicating as it does that imports are being contracted and home manufactures are being brought down nearer to what the demand calls for. As regards cash resources the position of the banks is stronger by over eleven millions, and at the same time the liabilities have been decreased from \$149,749,536 to \$145,812,744. The condition of foreign exchange has also improved, the net balance in favor of Canadian banks having increased from \$11,392,490 in December, 1882, to \$20,700,757 in the same month in 1883. This is an increase of nearly 100 per cent. Notwithstanding the partial failure of the harvest in Ontario, the volume of deposits has been well maintained, the falling off being less than three quarters of a million. The total of Government and public deposits at the end of 1882 was \$107,539,817, and at the close of 1883, \$106,818,489. Such a satisfactory statement ought to go a long way towards restoring confidence in trade circles, and should soon dispel the depression under which the country is now laboring.

We find that in our remarks in a recent issue, in which the attention of the License Inspector was called to the number of transient traders in the city, we were slightly in error. That official has, we understand, done all in his power to bring this class of illegitimate traders to time. But the by-law under which he has to proceed is useless, as was proven by a test case last summer. The by-law is in itself inoperative, and it is further contended that no authority is given under the City charter to pass such a law at all. In fact there is scarcely a by-law in the city that is of any use. The blundering incapacity of those who framed the City charter and of those who have been placed in positions of municipal power in the past is to blame for it all. The want of a by-law such as we have referred to means not only unfair competition to legitimate traders, but direct loss of revenue to the city.