will not pay, through traffic has to be carried at such rates as are obtainable; the latter should never be below the remunerative point. In recasting the Intercolonial tariff, the rate on first and second-class goods was lowered, while on third, fourth and fifth classes there was a slight increase. One complaint is that while on the three latter classes the freight to St. John has been increased, the rates to Montreal remain the same. If there is to be a valid ground of complaint concession is likely to follow. It is essential, however, that to mere clamor the manager should refuse to yield, and it is more essential that he should be unyielding when he is in the right, than that he should give way to pressure merely because it is strong. In the Intercolonial the system of Canadian Government railways is on its trial; the aim should be to obtain from such a road as this a reasonable return on the capital expended.

FINANCIAL REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of Feb., 1898. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, &c.

Canadian Bank Statement.

LIABILITIES.	Feb., 1898.	Jan., 1898
Capital authorized	$74,258,684	$74,258,684
Capital paid up	62,294,922	63,050,148
Reserve Funds	27,580,999	27,580,999
Notes in circulation	$35,823,923	$35,011,722
Dominion and Provincial Government deposits	6,819,130	7,437,798
Public deposits on demand	78,939,572	79,195,911
Public deposits after notice	140,799,375	140,704,038
Bank loans or deposits from other banks secured	......	......
Bank loans or deposits from other banks unsecured	2,821,895	3,300,764
Due other banks in Canada in daily balances	185,007	196,982
Due other banks in foreign countries	509,585	376,143
Due other banks in Great Britain	2,067,557	1,058,837
Other liabilities	731,345	551,358
Total liabilities	$268,697,468	$267,853,734
ASSETS.		
Specie	$8,619,198	$ 8,498,424
Dominion notes	14,873,224	16,422,068
Deposits to secure note circulation	1,883,067	1,883,067
Notes and cheques of other banks	9,775,768	9,168,922
Loans to other banks secured	....	....
Deposits made with other banks	3,918,650	4,485,359
Due from other banks in foreign countries	20,793,570	23,015,439
Due from other banks in Great Britain	12,109,646	15,101,061
Dominion Govt. debentures or stock	4,800,686	4,572,955
Other securities	32,819,699	30,577,201
Call loans on bonds and stock	21,497,983	20,001,729
	$131,091,491	$133,726,243
Current loans and discounts	211,659,749	207,532,321
Loans to Dominion and Provincial Governments	1,264,404	1,086,965
Due from other banks in Canada in daily exchanges	319,781	165,406
Overdue debts	3,232,918	3,230,417
Real estate	2,153,466	2,143,100
Mortgages on real estate sold	581,283	558,085
Bank premises	5,751,886	5,746,375
Other assets	1,520,786	1,708,421
Total assets	$357,575,974	$355,897,624
Average amount of specie held during the month	8,618,517	8,305,202
Average Dominion notes held during the month	15,592,966	16,590,821
Greatest amount notes in circulation during month	36,099,032	37,575,524
Loans to directors or their firms	7,581,920	7,712,397

The Bank Statement for last month has appeared at a reasonably early date this month, and the changes that are to be noted in it are a little more "up-to-date" than is the case sometimes.

The most noticeable change is in the item of discounts, which have increased nearly four millions and a half during the month of February, giving clear evidence of great activity of business. This is especially the case with the banks doing the leading business in British Columbia. As might have been expected, the extraordinary developments in the Klondyke region have already begun to affect the volume of business done by traders in Vancouver and Victoria; and the stories as to shops being open almost night and day, and clerks being, so to speak, worked to death, and proprietors at their wits' end to keep up the supply of goods, so fast are they going out, are no doubt in the main true. And yet, apparently they are only at the beginning of the great expansion, which must inevitably come when the full tide of Klondyke adventurers pours itself out upon the Pacific Province. The banks out there are fortunately able to provide all the accommodation needed so far, or that is likely to be needed in future, without the least difficulty. The Bank of Montreal, the Bank of British North America, and the Bank of British Columbia, have all of them been long established in that province, and have a firm hold of the business community there. The newer banks which have ventured into this field will find it not easy, for a time at all events, to attract a large amount of business to their offices, especially since the determination of the Canadian Bank of Commerce to occupy the two chief points, as an auxiliary to their Klondyke agency. With respect to this it is said that some of the banks are complaining that the arrangements made with the Bank of Commerce are too much of the nature of a monopoly, claiming that the banks generally should have the same protection for their offices within the walls of the mounted police enclosure that the Government bank has secured, and also that they be accorded the same protection when sending down gold from the mines to the cities. There can be no objection in the public interest to the Government making one of the Ontario banks its agent for Government business in the Klondyke, provided that the arrangements are not such as to keep out other banks altogether by making it impossible for them to do business safely and profitably. Representations are being made to the Government on the subject, and doubtless arrangements will be made of a satisfactory character to all parties. There can be no doubt it will be an enormously expensive place to do business in, and enormously expensive to send men both to and from. The Government therefore ought to deal reasonably and liberally with the banks that undertake to do business in that difficult field, and there can be no reasonable doubt that they will.

YUKON RAILWAY.

If the railway already contracted for be built this season, it can only be looked upon after all as a temporary make-shift. But even as such, it will be a great convenience to those desiring to get into the Klondyke country within reasonable time; and it must very greatly facilitate the transit of goods. Still, for some time to come, the bulk of goods going in will immensely exceed that of the gold coming out. The transit of merchandise is measured by *tons*. Now, a ton of coal is worth about five dollars; a ton of hay is worth ten, a ton of wheat is worth nearly thirty. And so we may go on valuing such articles as a ton of steel, a ton of iron and so on.

But a ton of gold is worth about *four hundred thousand dollars.*

An ordinary freight car will carry about ten tons