

need of a multitude of counsellors to decide for him, or at least to help him to decide the choice between four alternatives: The maintenance of the present relation with England, or to exchange it for an alliance with the parent state, independence without such alliance, or annexation to the United States. One cannot help wondering what dire affront the future has put upon Mr. Longley that he should have formed the fell resolution of denying it the privilege of deciding for itself. He may continue to insist on giving to Clotho what belongs to Atropos; but the Mistress of Destiny will assert her own. At present, the discussion of annexation raises a factitious issue and holds out false lights which allure the Americans into the fatal belief that if they squeeze Canada commercially they can force her into annexation. This notion is injurious to both countries. The best thing Mr. Longley can do is to try the experiment of sitting still in a room.

#### A DANGEROUS FEATURE OF ENGLISH BUILDING SOCIETIES.

There are no less than 2,700 small Building Societies in England among which bankruptcies have begun. Their aggregate liabilities are set down at £50,000,000, nearly \$250,000,000. But the failures of which specific mention has come across the Atlantic are not of small, but of large companies. The small companies are often badly managed, being practically in the hands of working men, who have not the knowledge requisite for success. The banking element in all these companies, large and small, is liable to become a source of danger. Money taken on deposit, on condition of being returnable at short notice, and then locked up in land, if the operation be carried far, is obviously dangerous. What is locked up cannot be returned. The expectation is that it will not be called for, or, if called for, can be re-borrowed. The latter operation would be piling credit on credit. The so-called bank which acted as a trust company for these societies had been in the habit of advertising for deposits for more than twenty years. It was believed to be in a sound shape, and may yet come out all right. In England much farming has been carried on in late years at little or no profit. A business which undertakes to pay four per cent. for money and does not make two per cent. profit on the use of it, must come to grief sooner or later. And it is only a little less dangerous for the lender than the borrower. That danger has now been turned into disaster. The probability is that these Building Societies will be deprived of the right to do a banking business: to borrow money from depositors with the intention of locking it up in land. That is a transaction beyond the reach of credit in this form, except on a limited scale: long loans demand capital, not money obtained on short credit for their basis: money borrowed from depositors cannot be returned practically on call, if locked up in land for two, three or five years.

—A big raft on the Joggins pattern, containing 3,500,000 feet of timber, has been successfully launched at Fort Bragg, Cal.

#### COUNTRY STOREKEEPERS AS BANKERS.

The failure record has all too frequently disclosed one phase of a country merchant's life that has in itself been the cause of financial ruin not only to himself, but to many others. Not until an assignment has taken place is it known that there are other creditors besides the wholesaler who has been supplying goods. Not the relative with his preferential claim for money advanced, nor the dubious chattel mortgage that steps dramatically in at the last moment, but the farmer who has been in the habit of depositing his money with the now bankrupt individual or firm. The farmer-mind is peculiar in this, as it is indeed in many other respects involving money. The average husbandman doesn't know much about banks, beyond the fact that their bills will buy seed and horses and cattle and such. He is often the victim of the sharper who secures his signature to a printed form purporting to be an order for a book, or a new-fangled organ, but eventually turning out to be a demand to pay over a few hundred hard earned dollars. He knows, in fact, so little about business that it is not unnatural that he should feel a strong sense of security in the storekeeper with whom he has dealt for so many years, and always so satisfactorily. Smith & Jones, in their long business career, have built up an undoubted reputation for square and honorable dealing. Allied to this strict integrity is the important fact that they are known to be wealthy. Farmer Brown has had a good harvest. His wheat and barley and oats have been turned into hard cash. He hasn't any present need of all his golden gain. There's a branch of a chartered bank in town, but it only allows interest at the rate of four per cent. at the most. He remembers having heard Smith & Jones say once that they had to pay seven per cent. for money borrowed from the banker. Why not ask them to take his and draw the extra three per cent.? A reserve fund is so much Greek to him. Smith & Jones are as good as the wheat. That's enough for him and he constitutes them his bankers. From time to time he may make other deposits; again, withdrawing as his requirements demand. He can always get what he wants at a moment's notice, never very much, except, perhaps, when he builds a new barn or buys more stock. So long as Smith & Jones prosper this is all very nice. Seven per cent. is better than four any day. But reverses come in the various forms known to the business world. S. & J. are no exception. These deposits are gradually locked up. In them, it has so happened, there was a temptation to spread out unduly, to over-buy, to take chances which would not have been taken had the firm depended on the legitimate assistance from the bank. But it's an old story, and many a farmer has seen his good dollars lost to him for ever when the liquidator wrote the last chapter.

It's a matter that calls for only one kind of treatment at the hands of the country store-keeper. That is to firmly refuse to be made the depository of his farmer-cus-

tomers' money. Surely there have been examples enough in the past of the folly of doing otherwise. It is an enviable position in these days when a merchant possesses the confidence of the community to such an extent that he is asked to keep and use the savings of his fellowmen. But no merchant, however secure now and solid his standing, can afford to accept such a responsibility. He may some day pay the penalty, as others before him have done, by bringing disaster upon himself and his confiding friends. There is one thing he can do: advise the farmer to put his money in a chartered bank, which practically offers unquestionable security, even if the return be comparatively nominal. Or there is a long list of tried savings societies, with their personnel of reputable business men from which to choose, and which, also, offer some incentive to the thrifty farmer to lay by for a rainy day. In these his money is safe until some better investment presents itself.

The merchant who reads a reliable trade paper is in a position to give, and in many instances does give, valuable advice to the farmer. Every week some new scheme is floated which offers seductive plans for the accumulation of wealth almost as quickly as by the rubbing of the famed Aladdin's lamp, and their dupes are legion. The farmer who consults with the merchant is reasonably secure from such snares. In doing this he shows his good sense, and the merchant plays a legitimate part. But both should remember the advice that old Polonius gave his son: Neither a borrower nor a lender be; for loan oft loses both itself and friend.

#### THE COMMERCE OF THE LAKES.

It is proposed in a series of articles to present certain facts connected with the history and progress of the commerce of the Canadian lakes, a subject which at present is of no little interest. The data on which such information is founded is, perhaps, not as full as that which relates to maritime commerce, but an effort will be made to make the best use of it permitted by the circumstances.

It is almost needless to state that every commerce possesses a history and a beginning, and no matter how unpretentious the latter may be at first, it will generally be found to increase in volume until it reaches figures which represent millions of dollars, becoming, indeed, formidable, and presenting a marked contrast to the tens and hundreds which form the unit of commencement. Such, for instance, are those representing the grain trade of Chicago in 1868, at that time amounting to only 78 bushels. Although not quite so rapid, equally wonderful has been the trade of the Canadian lakes.

It may be stated in explanation that the statistics relating to inland trade in early times are partial and insulated. Beginning with the St. Croix River, Bliss gives the following as the fleet of open boats with their cargoes crossing that river from the American to the British shores of St. Andrew's:—