

## NEW BANKING SCHEMES.

We observe applications to Parliament this session for bank charters. Such things are to be expected, of course, and there are always people who will dabble in such charters; but it does not follow that Parliament would do wisely to grant the applications. This very session request is made that the capital of several Canadian banks may be reduced. True, some of them make the request because of losses, but the directors of another distinctly say that its capital is too great to earn dividends upon. What reason, then, is there for floating more bank schemes at a time when dividends are with difficulty earned upon that already in use? Money is being loaned to-day by banks in this city at  $8\frac{1}{2}$  per cent. on bonds and debentures. It is obtainable, we are told, in Montreal at even a less rate. Have the foster fathers of the proposed new schemes any patent plan for making new banks earn larger interest than old ones?

We know that some persons think it a light thing to "start a bank," and, if our legislators so regard it, why should not they? Readers of this journal will remember the airy way in which Mr. Robert Armour's letter described how he "put through" the Traders' Bank charter in 1884: Upon receipt of a telegram, he drafted a charter, made out petitions and got them signed by a dozen or more of his friends ("who had no interest in the matter and cared nothing for it except to oblige me") all in an afternoon and to catch a mail for Ottawa! Thus, and so easily, did our legislators accede, in a matter of commercial import, to the wishes of a dozen gentlemen who had no interest in the matter in hand but wished to oblige Mr. Robert Armour. Is it not a similar aim to that of 1884 which accounts for the present application? And will Parliament permit itself to be deceived again?

## PROHIBITION IN THE NORTH-WEST.

The commissioner of the North-West Mounted Police, in his annual report just issued, gives a discouraging account of the attempt to enforce the prohibitory liquor law, in the North-West. There is no decline in the illicit traffic. The devices resorted to to evade the law are numerous: zinc cases, made up to look like books, sardine tins, oyster cans, coal oil cans and barrels, trunks, and other receptacles are pressed into the service. "The majority of the people living in the North-West," Col. Irvine says, "do not respect, and do not hesitate to break the prohibitory liquor law. Men who were law-abiding citizens in the old provinces think it no crime to evade the liquor law and do so on every opportunity." Most of the adverse criticism to which the Mounted Police is subjected arises out of the attempt to enforce this law. Temperance people are in a minority, but they are loud in their censure when the police fail to bring about conviction; when convictions do take place the number of persons who abuse them is still greater. If we except treason-felony, a very large proportion of all the convictions in the North-West, during the past year, arose either

out of the liquor traffic or the abuse of liquor, in a country where, if the law could be enforced, no liquor would be sold.

Unfortunately, as the statistics of crime show, there is no reason for doubting the accuracy of Col. Irvine's statements. And they accord with others that come from the North-West. A private letter from a retired Col. of the British Army says the North-West is one of the worst places in the world for a young man inclined to indulge in spirit drinking; liquor being everywhere made plentiful by peddlers from across the lines. A statement published in a Toronto daily paper, a few days ago, puts the cost of the liquor smuggled into the North-West at six millions of dollars a year, or more than the value of the legitimate imports of every kind. To the same effect is the testimony contained in a letter from a settler's wife, dated Calgary, and published in an English paper. The writer, who is a teetotaler, had been in the country about a year. This witness, in a letter not written for publication, says:—"The liquor law is a fraud. Men drink badly and you can buy whiskey anywhere you like. It is a great pity the law is not altered, and allow a good brewery at Calgary. It would save many young men's lives who are drinking themselves to death on this bad whiskey." These accounts are extremely discouraging.

## CANAL ENLARGEMENT AND CANAL TOLLS.

Canal enlargement continues to have ardent advocates in Canada as well as in New York. The Erie canal and the Canadian system of canals do not admit of any close comparison. Our canals are comparatively short stretches which connect great bodies of water: the Erie canal is purely artificial and of great length. Nature has imposed limits to the extent to which the Erie can be enlarged; the Canadian canals are capable of enlargement so as to admit vessels of any size which are ever likely to be employed in this route. The question of water supply for an enlarged Erie canal is one on which opinions are divided. The only question analogous to this, and it is only slightly so, in connection the improvement of our great water way, the St. Lawrence, was as to the effect on the river above of the deepening of the canal in Lake St. Peter. But no serious inconvenience has resulted from the deepening so far.

With the return of the season of navigation, the question of making the St. Lawrence canals a uniform depth of twelve feet again comes up. It is difficult to understand the policy which gives precedence to the enlargement of the Welland, by which American commerce may profit more than our own. If we got in the shape of tolls a remunerative return, there would be some reason for the preference, but even then on national grounds the defence would be incomplete. The Erie canal, small as it is, is not without its uses as a regulator of railway freights. The rates by lake and canal are uniformly the lowest; the next lowest are on the combined lake and rail route, the highest are on the all-rail route.

This is made plain by the following figures put forth by the American Bureau of Statistics;

Calendar Year.	*By Lake and Canal.	Lake and Rail average per Bushel.	By all Rail.
1868.....	24.54	29.	42.6
1869.....	23.12	25.	35.1
1870.....	17.10	22.	33.3
1871.....	20.24	25.	31.
1872.....	24.50	28.	33.5
1873.....	19.19	26.9	33.2
1874.....	14.10	16.9	28.7
1875.....	11.43	14.6	24.1
1876.....	9.58	11.8	16.5
1877.....	11.24	15.8	20.3
1878.....	9.15	11.4	17.7
1879.....	11.60	13.3	17.3
1880.....	12.27	15.7	19.7
1881.....	8.19	10.4	14.4
1882.....	7.89	10.9	14.6
1883.....	8.40	11.5	16.5
1884.....	6.60	9.7	13.

\*Including Buffalo transfer charges and tolls.

But it must be remembered that the water competition exists only during the season of navigation. The rates on the all-rail route, taken without discrimination as to seasons of the year, are nearly double those on the water route, and those on the combined lake and rail route are nearly one-third more than the exclusive water route. A comparison which embraces the whole year is however of very little value, for the railways charge different rates in face of the water competition, during the season of navigation, from those that they demand when the ice puts an end to the water competition. The question should be what are the rates on the respective routes during the season of navigation, the only part of the year when any competition exists with the railways. One thing is certain, the route on which the lowest fares exist, is the one that is falling behind in the competition. Since the Erie canal became free, this has happened; but our own canals, which are not free, have obtained an increase of business.

These facts scarcely bear out the contention in favor of the abolition of tolls on our canals. Nothing can be more misleading than a comparison of our canal system with the Erie canal. There is scarcely anything in common between them but the name; both are canals and really that is about all. It cannot be said that free canals have proved a success in the case of the Erie. The precedent is not one which invites adoption. If success be any test, this precedent must be rejected, while we may claim that under our system very fair progress has been made. And yet, we constantly hear it alleged as a reason why our canals should be regulated by the example of the State of New York; but, judged by its results, that is an example rather to be avoided than followed. Without free canals we are doing fairly well; and no matter what our facilities might be there is a limit to what we could do. The country which has the largest import trade will do the largest export trade. The inland transportation must be taken in connection with the ocean transit; in the export trade, there is a combination of both, and the country which receives a large import trade can obtain cheaper ocean freights for export than one which has only a small import trade. If a large part of the grain trade of the Western States could be transferred to the St. Lawrence, vessels would have to