

business of the city scarcely feels the shock at all, and even those wounded by the collapse of the boom are so scattered, in point of time, that they attract only a passing notice.

BANKING REVIEW.

The condition of the country, as reflected in the monthly banking return, must certainly be considered satisfactory. There is nothing so good but it might be better, and it cannot be said that every interest in the country is as prosperous as it might be; still less that every individual in it is doing well.

We have called attention before to the remarkable increase in deposits which has been going on steadily for some time back. An increase from \$153,000,000 last year to \$171,000,000 this year, is noticeable enough, and when to this last sum is added about \$70,000,000 for deposits in savings banks and loan companies, we get the very respectable total of \$240,000,000 as the property of the people of Canada in the form of available cash. To persons accustomed to the large figures of English and Scotch banks this may seem a very moderate sum. But the way to estimate it is by comparison. Within the lifetime of many persons now living the whole amount of deposits belonging to Canadians was less than \$10,000,000. When Government banking statistics were first instituted some thirty-five years ago, the whole amount was less than \$15,000,000, of which the greater part was in chartered banks. It is this growth which can be pointed to with the greatest satisfaction, for the growth in the past is undoubtedly an earnest of probable growth in the future. The growth may not be so extraordinary as in the last thirty years. We have evidence before us in these returns that growth is steadily going on—that is, that the people of Canada as a whole are accumulating more and more wealth in the shape of cash, in addition to all other forms of accumulation, which are undoubtedly very great.

Referring to deposits in loan companies, it is well to point at such a time as this to the failures of this class of corporation in England and Australia during the present year. Many of these corporations were mis-called banks, and many persons have been deceived by the title, especially in Australia, where the *bona fide* banks are nearly all very strong and prosperous institutions. Australia is sadly in need of a general banking law, and England itself would be all the better for a consolidation of the various statutes bearing on the subject. There is nothing in those countries to prevent a loan company giving itself the title of "bank," and some of them—witness the Birkbeck Bank—virtually become banks, though this could not be done in Canada. Consequently, as the word "bank" is a title which, in the eyes of some, carries more weight than "building society" or "loan company," a number of corporations, whose business was concerned with real property and buildings, took this title. Their failure seemed at first to cast a

cloud upon the position of the bank, but the truth soon came to be known. And one most important lesson can be gathered from these failures, namely, that loan companies which receive deposits should be very careful what they do with them, should avoid locking them up, and above all should keep abundant cash reserves or reserves of easily convertible securities. Our own loan companies, as a rule, are carefully managed, and the good judgment shown in selecting the properties on which to loan money leaves little to be desired. But it is a question with some persons if there is not in many of them a weak spot in this matter of being provided against a drain of funds—perhaps not so much so now as when the practice of receiving deposits on call was more general. They have, however, never been put to the test, so far, and it remains to be seen what would be their experience in the event of a steady drain or a sudden run. An immunity, extending over many years, from such casualties is apt to breed over-confidence. The events of the last few months may well be considered by the managing boards of our loan companies.

With regard to the banks, taken as a whole they are in an exceptionally strong position. Against \$204,000,000 of liabilities to note holders and depositors, they hold \$70,000,000 in cash and what can be turned into cash at short notice. This is as strong a position as the most conservative financier could wish for. But all the banks are not equally strong, and we repeat what has been said in former articles, that some of them constantly "sail too close to the wind." A vessel that is persistently steered in this course is almost certain, at some time or other, to be overturned by a squall.

ABSTRACT OF BANK RETURNS.

31st August, 1891.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up..	\$ 34,501	\$ 17,023	\$ 9,415	\$ 60,939
Circulation	16,027	10,016	5,969	32,012
Deposits	76,192	57,103	20,455	153,750
Loans Discounts & Investments....	100,930	70,695	29,826	201,471
Cash, Foreign balances (Net) and Call Loans....	33,085	19,288	6,340	58,713
Legals	5,423	3,843	1,477	10,743
Specie	3,461	2,023	971	6,455
Call Loans...	4,274	5,412	1,956	11,642

31st August, 1892.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up	\$ 34,525	\$ 17,413	\$ 9,702	\$ 61,640
Circulation	16,382	10,692	5,572	32,646
Deposits	85,471	63,908	22,509	171,888
Loans, Disc'ts & Investments...	105,579	73,444	31,077	210,100
Cash, Foreign Balances (Net) & Call Loans..	38,240	24,918	7,823	70,981
Legals	6,174	4,213	2,070	12,457
Specie	3,528	1,973	1,203	6,704
Call Loans...	7,452	7,961	2,074	17,487

—Notice is given by the Dominion Bank of a half-yearly dividend of five per cent.

SOME PHASES OF THE IRISH QUESTION.

To the Irish landlords the Nationalists are attributing what they call a plan of campaign for effecting clearances on their estates. It is pretended that Mr. Balfour's personal interference prevented the landlords using the power of eviction to get rid of tenants who failed to pay their rents, under the Salisbury regime, and that now the landlords are making wholesale evictions for the purpose of bringing the new Government into disrepute. These assumptions, taken in bulk, obviously cover more ground than the real facts. A suspension of evictions for some years must have postponed this disagreeable business and caused large arrearages to accumulate. Forbearance would cease to wear a merciful aspect, if it became permanent; and it would not be good for the tenants themselves, if they became possessed with the notion that temporary inability or refusal to pay could be made the basis for cancelling on one side the obligation which the relation of landlord and tenant created. The Government is called upon, in some way, to bring the machinery of the law which works convictions to a stand. On the kindred question of what is to be done about evicted tenants the Government has decided to appoint a commission, which might cause delay, if delay were desired, but which in this case is likely to furnish an excuse for action. On another subject, that of the so-called political wrongs, Mr. Morley, Chief Secretary for Ireland, has not fallen in with the full demands of the Nationalists; but though he has refused to grant a wholesale release to the convicted dynamiters, he is willing to consider the case of each prisoner separately, with a view of recommending a pardon whenever plausible grounds for doing so are found.

THE COMMERCE OF THE LAKES.

SECOND ARTICLE.

It is interesting to note what the early writers on the trade of the lakes say as to its future. Bliss, who is quoted because he possesses the merit of accuracy and moderation, in one of his passages says:

"Great Britain has opened her colonies to every nation who will either open its ports to them or its colonies to her. The Americans among other powers have accepted these terms. But nature and situation have hitherto offered such obstruction that with their new plantation of the west, the richest and now also the most populous part of their dominion, we have hitherto enjoyed little intercourse except through the old Atlantic States. Now, however, new channels of communication are opened. By the canals of Canada a direct and easy access is given to a coast and frontier of immense extent."

The most sanguine expectations were entertained as to the future of this "lake intercourse," a familiar phrase with early writers on this subject. Perhaps the language is not so extravagant as that of the modern optimist, but there was a confidence accompanying it which was