

their duty to their shareholders, ought to adopt. It is admitted that Manitoba merchants are overstocked with goods, the reason assigned being that farmers cannot get the same money accommodation as in older communities. Their lands cannot be mortgaged for enough to materially assist them in purchasing, and in many cases cannot be mortgaged at all because of incomplete titles. It is said that in the East farmers are allowed by the banks to fly kites, or to get accommodation by bills based on prospective crops. Eastern bankers, we apprehend, will not admit the correctness of the allegation that they are in the habit of making loans to farmers on prospective crops, and the admission that their agents in the North West have declined such loans will cause no surprise. We find a truly deplorable account of the state of affairs in Manitoba in the *Winnipeg Free Press*. It is admitted that there have been quite a number of adventurers who have obtained goods "beyond all proper proportion to their resources, credit, and opportunities for making sales," but then the necessary insolvencies of such men should not have led to the general restriction complained of. On the contrary it is held that while the stocks of those properly made bankrupts are being got rid of, "unusual liberality should be shown to traders of good capacity, good character, and good assets." Now, it is clear from the foregoing admission that there has been serious inflation in the North West, and that credit has been given to parties who were not entitled to it. It is quite possible that one of the consequences of this improvident credit has been what is described as a disturbance of prices by bankrupt stocks, "the rush of buyers to forced sales, the consequent withdrawal of cash custom from sound traders, the tendency of housekeepers to hold off in anticipation of future 'bargains' when bankruptcies are numerous," but it by no means follows that the banks who are but slightly, if at all, responsible for the improper credits, should incur any unusual risks. We are told that "every compromise causes new slaughtering, that each additional bankrupt stock takes cash, or good custom from merchants struggling bravely," but the remedy is that the "banks should not refuse the small increase of credit necessary to steady trade." There is an admission that an "increase of credit," beyond that which the banks had been previously asked to give, has been demanded, and this completely demolishes the position of the complainants. We venture to hazard the assertion that the

banks having agencies in the Province of Manitoba have not withdrawn from it any of the capital which they have hitherto employed there, and as they all have agencies in a number of other places, it is hardly reasonable on the part of their customers in the North West to claim that they should curtail their loans elsewhere, in order to increase them in places where it is admitted there has been overtrading. The relations between bankers and their customers are of that character that it is simply impossible for writers in the press to undertake to give advice to the former. The banks must of necessity be guided in each case by circumstances of which they have a cognizance, of which the press cannot pretend to form even the faintest idea. We doubt if any legitimate business paper has been refused by the banks notwithstanding all the complaints that have been made.

#### THE COTTON TRADE.

Cotton manufacturers seem no less impressed with the necessity of regulating the product of those lines of goods which have hitherto received most attention in Canadian mills, and those who possess the requisite capital, skill and machinery are applying themselves more than ever to the production of lines heretofore chiefly obtained from Great Britain and the United States. The errors of the last year or two are not likely to be repeated. The bleached goods now made at some of the mills compare with the very best fabrics of New England. We have already alluded to some of the new brands quoted elsewhere, notably the "N. P." Hochelaga; the "Night Gown Twill" made at the same factory is pronounced by the trade superior to the best imported article. In dress fabrics some excellent goods are being turned out at other mills.

It has hitherto been somewhat doubtful whether some of the smaller mills would find it possible to take part in the effort to reduce the product of grey fabrics, to which they are almost necessarily confined. The Coaticook mill has led the way out of the difficulty by devoting one hundred looms—about half their number—to the manufacture of the class of light greys required for print goods, an arrangement entered into for supplying the Magog Print Works which begin operations in February next. This diversion will make a difference of some 1,200 bales or 24,000 pieces per annum. This, however, should prove but a small proportion of the requirements of the Print manufactory.

Notwithstanding the still prevailing hand-to-mouth purchases of grey cottons, the demand for a few brands has already overtaken the supply, and in one or two instances have stepped beyond it. The XXX Hochelaga Standard Sheeting is scarce, and some orders during the present week could not be filled. Nevertheless, wholesale men are buying only in small quantities, some of the larger houses preferring to send orders three times a day rather than stock up.

The condition of things in the domestic cotton trade, which is gradually being remedied, is one that can scarcely be profitable to either the manufacturer or the retailer. The consumer has both at a disadvantage but little contemplated by honest party journalists and their disciples only a few years ago. Were the thousands of operatives now employed in the various cotton mills of the Dominion still moping the winter months at home, a burthen on the family, or were they employed at Lowell, Biddeford or Lewiston, the consumer would be obliged to pay much higher for every article of clothing or domestic need made from cotton, and the retailer be deprived of many a dollar which would pass over the counter of the storekeeper in the towns referred to and other places. As it is, a large amount of money is sent out of the country every season to purchase certain classes of wide bleached sheetings, as well as towelings, muslins, and other goods, which our leading manufacturers will probably enter upon ere long, so that it is extremely probable that out of the evil of the last few seasons will arise a new state of things more beneficial to the country, as well as to the enterprising manufacturers.

#### ARGUMENT NOT FORTHCOMING.

Such is the heading of an article in the *Toronto Mail* on the disputed boundary, and it is added:—"What we desire is frank argument and honest confronting of facts." The *Mail* likewise declares that "when our facts are met and our arguments are answered, there will be an opportunity for fair meeting." We own that we have failed to find in the *Mail* anything deserving of an answer. It is said that the arbitration was "a wanton waste of time and money," because Ontario has always maintained that she had those territorial rights, which Sir John Macdonald's Government had invariably contended for, up to the time when Colonel Dennis made a report to him, dated 1st Oct., 1871, describing wholly different boundaries, and which