

There may, undoubtedly, be exceptions. There is still a remnant in the banking fraternity which asserts a style of doing business that has repeatedly brought disaster in former years. The follies and mistakes of judgment that brought down the Federal Bank, the Exchange Bank, the Maritime Bank—not to speak of older and larger institutions—have still their counterpart in the country, although only to a small degree. But even a small degree of such folly is too much. It is too expensive to be permitted to go on without notice. It is, in fact, dangerous.

It is satisfactory to note that while the liabilities of the banks have been extending of late, their available resources have been extended too. It is worthy of note in considering the question of the security of our bank notes that, taken as a whole, the available cash, and money convertible into cash at a few days' notice, belonging to the banks, is nearly double the whole amount of their bills in circulation. The banks of Canada, taken as a whole, could redeem every note they have out within a week and have more than thirty millions of money still left. But while saying this, we must distinguish. The banks could do this as a whole; but every bank in the country could not do its proportion individually by any means. We have pointed out over and over again that some of our banks keep far too slender resources for the liabilities they incur. And we purpose continuing to say this until the evil is remedied. It is too serious a matter altogether to be allowed to go on without a continuous protest against it.

ABSTRACT OF BANK RETURNS.

31st October, 1891.

[In thousands.]

Description.	Banks in Que- bec.	Banks in On- tario.	Banks in other Prov's.	Total
Capital paid up..	\$ 34,501	\$ 17,079	\$ 9,445	\$ 61,025
Circulation	18,299	12,515	6,368	37,182
Deposits	77,022	56,785	20,993	154,800
Loans Discounts & Investments	101,165	72,164	31,262	204,591
Cash, Foreign bal- ances (Net) and Call Loans	36,006	20,591	6,403	63,000
Legals	5,157	3,855	1,450	10,461
Specie	8,890	1,944	906	6,240
Call Loans	4,583	6,137	1,919	12,639

31st October, 1892.

[In thousands.]

Description.	Banks in Que- bec.	Banks in On- tario.	Banks in other Prov's.	Total
Capital paid up ..	\$ 34,686	\$ 17,417	\$ 9,706	\$ 61,809
Circulation	19,310	13,885	5,998	39,193
Deposits	87,739	65,175	23,219	176,133
Loans, Disc'ts & Investments	109,417	76,312	33,357	219,086
Cash, Foreign Balances (Net) & Call Loans	40,143	26,476	6,308	72,927
Legals	5,548	4,242	2,023	11,813
Specie	8,611	1,979	1,119	6,709
Call Loans	9,115	9,061	2,216	20,392

—Mr. Alexander Lang, assistant general manager Bank of Montreal, will shortly leave for London, England, to take charge of the London branch of that bank during Mr. Ashworth's prolonged leave of absence.

CANADA AND NEWFOUNDLAND.

Union between Newfoundland and Canada has strong geographical reasons in its favor. The island stands directly in a line between Canada and Great Britain. For defensive, or offensive purposes, it forms a natural outpost of this part of America. Considerations of this kind relate more to the future than the present; but in the question of union, raised once more at the Halifax conference, they are not out of place. If union should take place, as a result of the understanding come to at Halifax, other considerations would determine the event. From present appearances, however, it looks as if the accession of Newfoundland to the Canadian Confederation was at some distance of time. Any attempt to hasten it would probably have the contrary effect. The men who control the fishery want to retain the island in its isolation, for fear that some damage might come to their interests from a change. And it seems there is a manufacturing interest, small but resolute against any change which, however it might benefit the islanders as a whole, would endanger their privileges. Anything that would enlarge the commerce of the island would probably be welcome to the mercantile class, provided it did not introduce competition by which profits would be reduced. On a popular vote, the determination of the question would rest largely with the fishermen, who have no reason for exclusiveness, since Canadians can fish in their waters at present, but who might possibly act more from prejudice than on grounds of enlightened reason. The combined elements of opposition to the islanders joining their fortunes to those of Canada have hitherto been strong enough to sway the constituencies. In the past, political interests and passions have played a part in determining the question; a proposal for union with Canada made by one party met the opposition of the other; and unless these tactics are to cease and both parties act together for a common object, the renewed project would be likely to suffer defeat.

Much, it is admitted, would depend upon the fiscal conditions of the proposal presented for acceptance. The demands of Newfoundland, as we understand them, appear to be excessive. They embrace two proposals: that Canada should grant to Newfoundland an annuity or lump sum, as a means of equalizing the debts of the two countries, and that the Dominion should complete the railway across the island to Hale's Bay. If all the items which go to make up equivalents could be determined by an arithmetical calculation and be settled by the payment of ascertained amounts, a scientific basis for the determination of the fiscal problem of union would have been found. But this is not possible. The public improvements, which the debt of Canada stands for, and which it has purchased, are something quite different from an annuity, which Newfoundland asks under the name of an equivalent. The Public Works yield their benefits chiefly in an indirect way: the annuity would be direct. It is impossible to tell the indirect return of the canals and subsidized railways

of Canada; but without them the country could not have been settled at all, on anything like the scale now possible and in part achieved. Newfoundland, in joining Canada, would have the right to share in the benefits which the debt to be equalized has purchased; though it must be admitted that her isolation would not enable her to become an equal partaker. But even this objection must not be pushed too far; for if union secured to Newfoundland the stream of travel between Canada and Europe, including that from the East, through the connection of the Canada Pacific steamers, her share in the indirect benefits of the cost of the Canadian Pacific Railway and its belongings, would be great. A mode of calculation which left all such indirect benefits out of the account would not be fair. If the difference of debts were adjusted in the way proposed, it is clear to our minds that Canada would get the worst of it.

Equivalents on one side pre-suppose equivalents on the other. If an allowance ought to be made to Newfoundland to equalize the item of debts, Newfoundland ought, on her part, to be able to contribute towards the payment of the interest, in the same ratio as Canada, man for man. Unless this theory could be carried out, Canada would be left in the lurch. And then, if she got an adjustment of debts, on the basis proposed, and Canada handed over nine millions of dollars or the equivalent in the form of an annuity, on what ground could Newfoundland expect that we should in addition complete the railroad for her? Where would be Canada's equivalent for this expenditure? If we paid a sum of money to equalize the debts, we might fairly require, in return, that Newfoundland should be enabled to offer to Canada the benefits of public works equal to the amount of money paid. Otherwise there would be a payment of money by Canada without return to her, direct or indirect. It would be no justification to say that such things have been done before: the attempt to change two wrongs into one right would fail. Whatever sum Newfoundland would, on equitable grounds, be entitled to, for the equalization of debts, she ought to be required to expend on public works, as the money representing the Canadian debt has been expended; and probably no better object of expenditure could be found than a railway across the island, which could be made a link in the trans-atlantic passage. Such an expenditure and such a work would be in harmony with the object of the creation of the stupendous public works of Canada.

THE COUNTRY ROADS.

Persons who have occasion to drive through the country at this season of the year find their journeys, as a rule, very uncomfortable by reason of the poor character of the roadway; especially if they use our ordinary turnpike roads. And in the spring, just after the frost has left the ground, many of these become almost impassable. Good roads are a matter of vital importance to all classes, to none more so than the farmer, and yet it seems that the