

The first time the bank's name appeared in the returns was in March, 1866, and its paid-up capital at that time was \$209,000.

NORTHERN RAILWAY.

The traffic receipts of this line, as shown by the half-yearly report, shows the same steady increase which has been maintained for many years. For the six months, the gross traffic amounted to \$333,423, as against \$310,012 in the corresponding period of last year—an increase of over seven and a half per cent. Working expenses were, however, larger, being 59.90 of the gross earnings, against 54.22 in 1869. This is attributable to more liberal expenditure in repairs, and an excessive outlay on account of the snow-storms of last winter. A balance of \$79,399 was available for dividends, which sufficed to pay interest on all classes of the Company's bonds, leaving a small balance to carry forward.

About a week ago the public were taken somewhat by surprise at the announcement that an agreement had been entered into with the directors of the proposed Muskoka line, to lease that road for twenty-one years, on certain specified terms. The surprise was, however, a pleasant one to the citizens of Toronto, since it assured to that city a new and most important feeder to its growing trade. In other columns the documents will be found, which set forth the details of this arrangement, and of the progress made in the Muskoka project. The provisional directors of this new undertaking have shown a creditable amount of enterprise, and they must view with satisfaction the degree of success which has already crowned their efforts.

MOVING THE CROPS—THE RACE OF "SCALPERS."

Moving the crops to market is a line of trade which employs large sums of ready cash. Because of this fact, and the circumstance that bankers may advance money on the security of produce with safety, and often realize speedy and handsome returns, the banking capital of the country is largely made use of to aid the movement. The usual practice is this: The bank advances money on the security of bills of lading, leaving a small margin of say 10c. on grain and 50c. per barrel on flour (these margins varying with circumstances) to be covered by security of some other kind. In the case of a trader whose position is at all doubtful, the produce is shipped, and consigned to the order of the bank making the advance, on whose account the produce is sold and the transaction credited with the proceeds, so that all the dealer

can get is the profit on the transaction, if any, which is placed to his credit, subject to cheque.

Now, the enticing nature of produce operations to persons of speculative minds, is such that great numbers are from time to time enticed into the business, although they have neither the necessary practical knowledge, nor the requisite capital, to carry it on successfully. But from the exceptional nature of the business, as just shown, these important deficiencies in the dealer are of no account to the Bank. The customer's character, antecedents, capital or credit, are disregarded, the sole condition of advances being the presence of the "margin" and the produce itself. The comparatively small margin on which a large transaction may be financed is a standing temptation to gambling in produce which thousands, have not the firmness to resist.

In Chicago the generic name of "scalpers" designates this class of operators. The title is due to the fact that they may make money by a transaction, but cannot lose to any extent; if a loss is to be faced that disagreeable duty falls on the party from whom they have borrowed their margin, or upon some one else who has something to lose. And it cannot be denied that the presence of these gentry in the produce market is solely due to the support they derive from the banks. By these institutions they are patted on the back, and in every way encouraged. The reason is, that money is made out of them. They are wholly dependent on the banks, whose word becomes law; they do not grumble about the rate of discount, about an extra charge on exchange, $\frac{1}{4}$ per cent. for commission, and another $\frac{1}{4}$ p. c. for collection; the insurances are also controlled by the bank on which, perhaps, a nice little perquisite is realized by the cashier, and all without grumbling. These "charges" the operator of capital and in good credit, would not submit to; perhaps indeed, he would carry on the transaction principally with his own capital. Hence these "scalpers" are encouraged till their name is "legion." As a banker said when the gambling career of one of his customers was pointed out to him, "Oh, never mind, let him play away as long as his money lasts." This is gambling, pure and simple. But if we were to charge the banker who encourages and facilitates it with keeping a gambling-house, we should give offense. Yet what is the difference? "Fighting the tiger" at faro is as likely to succeed as contending against such odds in the produce market with everything staked on the result. The difference is little else than imaginary, and the practice is about as demoralizing in the one case as in the other.

It seldom turns out that a bank which lends its funds to these "scalpers" loses them; for every precaution is taken to avoid that; but the owners of the borrowed margins, and others in the same line of trade—perhaps even the butcher, the baker and the tailor—are made the victims of an ignominious flight, while the real offender, the bank, escapes harmless. We contend that this policy is not a wise one; that the banks should not encourage these men as against the legitimate trade; that they are setting up men in business, contrary to all sound commercial doctrines, who know nothing, practically, of what they have entered upon; that the tendency is to promote speculation, and foster periodical panics, to render the markets unsteady, and in many other respects to do the country harm. Any system which operates against the man of character, capital and thrift, must be wrong, whatever temporary advantages it may offer, and it is because we believe the systematic encouragement of these "scalpers" in the produce trade to be such a system that we protest against it, and urge upon the banks its abandonment as soon as possible.

GRAND TRUNK RAILWAY.

Much fault has at various times been found with this line of railway. But it is gratifying now to be able to say that, from almost every point of view, the affairs of the Grand Trunk are looking up. The road bed is gradually improving, and the new freight and passenger cars turned out by the Canada Rolling Stock Company are rapidly increasing the capacity of the road to accommodate promptly and efficiently the business of the country. The fast trains which commenced running this summer, appear to have added largely to the passenger traffic. The number of through passenger, in particular, has recently been quite large, a fact which manifests increased confidence in the Grand Trunk on the part of our neighbours across the lines. We are also glad to observe that the traffic returns show a marked increase of receipts. The following figures embrace the total receipts for the months of July and August, and the returns for the corresponding months of last year:—

	Receipts 1869.	Receipts 1870.
July.....	\$657,120	\$701,967
August.....	547,690	474,280

The increase in receipts, as shown by these returns, is considerable; in July, the augmentation amounts to nearly \$45,000, and in August, to \$26,500. It is to be hoped this increased traffic will enable the Company to make still further improvements in their road. Although there are evident signs of improvement, it is scarcely in the condition