

found, by a British commission, that no amount of fishing near Great Britain, by any implements of destruction yet invented, has had the effect of lessening the quantity of fish. We have, therefore, in our fisheries what is likely to be permanent as well as valuable. No trading advantage we could get from the States could have the same element of permanence; besides, no treaty could be made absolutely perpetual. But if we cannot do everything, that is no reason for not doing what is possible.

Should President Hayes be empowered to appoint commissioners to treat on the question of reciprocity, Great Britain, on behalf of Canada, may be relied on to respond to the overture, and do all that can be done to place the trade and fisheries of Canada and the States, on a more satisfactory footing.

BANK MEETINGS.

We devote a large portion of our space this week to the reports of various banks, whose meetings have been held within the past few days. It is observable that the tone of all the reports, or of the speakers at the meetings, is conservative, but withal, hopeful of better times. The condition of mercantile affairs is spoken of by one gentleman of experience as unprecedented, while all admit that it is unusually difficult to avoid losses by bad debts, and to determine what business to accept as healthy and what to reject as illegitimate. At the same time, the favourable prospect for another good harvest is a circumstance of which the most is made.

The amounts which have been classed by the different banks as overdue, unsecured, and the estimated loss provided for, vary a good deal. The appropriations made to cover matters in suspense, must, we think, be large in times like these. There are many businesses which, in the present languid state of trade, are so nearly stagnant that no immediate return from the capital invested is possible, while compulsory liquidation would dissipate the assets almost wholly.

We have not found anywhere else so frank recognition of the excessive amount of banking capital amongst us, and the difficulty of employing it profitably, as is given in the address of the General Manager of the Bank of Montreal. That gentleman, in deprecating any sanguine views as to the near future by the shareholders he addressed, gave it as his opinion that the excess in the number of banks and in the amount of banking capital in Canada, was as great as the excess in number of persons and of the means employed in any other business.

This being the case—and these were words not lightly spoken, we may be sure—we might infer, if indeed we were not already quite well aware, that this helps to stimulate unsafe trading, for banking capital going a-begging generally means cheap and easy credit, which in turn results in slow pay and frequent loss. Our larger banks, which have been accustomed to use much of their money, in the United States, have now to compete, says Mr. Angus, with money offered at low interest in that country, and on this side of the lines, with the cheap money of Great Britain, which is finding its way amongst us more and more. These causes are at work to bring down the rate of dividend from the higher figures which our banks have been accustomed to pay; and it appears to us quite possible that as business matters gradually reach a surer basis, a good deal of private capital which has been for a year or two withheld from investment will enter the competitive field, only to assist in preventing high interest from being realized. This, while it may be a good thing for the development of healthy enterprise, will assuredly not tend to increase the prospect of bonuses or high dividends from our monetary institutions.

The Consolidated Bank has paid six and a half per cent. upon the business of the year, preferring, as was prudent, a reduced dividend for the last six months, to trenching upon its rest, which remains, as in the preceding two years, at \$232,000. With an increase of near a million in deposits, and of a quarter of that sum in circulation, there is also an increase in overdue debts, which was perhaps to be expected from the large discounts. The report states that the reduction of expenses of management, expected last year by the directors, has been effected. We trust, however, that it is not considered impossible still further to reduce the cost of administration without sacrificing its efficiency. A change in directorate, occasioned by the resignation of Mr. Hugh McLennan from a pressure of other engagements, gives Toronto another representative at the board, Mr. John L. Blaikie.

The report of the Bank of Toronto, whose shareholders meet next week, takes a very sober view of the commercial situation, enumerating increased competition; diminished volume of business; shrinkage in values; lower rates of interest; and the losses sustained, as causes, sufficiently numerous and grave, of the falling off in banking profits. Four per cent. dividend has been declared for a third half-year; and this, the report shows, is as much as was warranted after the provision deemed necessary for losses. The bank's discounts

and circulation were slightly less than last year, indicating restricted business; but the overdue notes are a sixth less, a fit subject for congratulation.

What the authorities of the Ontario Bank hesitated about doing in 1876, and began with a dainty hand to do in 1877, they have now grasped with more vigor, as is shown in the appropriation of \$365,000 for bad and doubtful debts. Of this sum, \$300,000 was taken from the Rest, and the remainder formed part of the year's earnings. This is a large amount to be swallowed up at one swoop, and we conclude that it would not have been taken if it were not needed. Still, it is something to have the assurance of the directors that the result of their earnest examination into affairs is the belief that the sum named provides for all ascertained losses, as well as for doubtful debts. The dividend has been reduced for last half-year to three per cent. A change of the date of annual meeting was adopted, from the second to the third Tuesday in June, to admit of copies of the report being prepared for circulation among the shareholders beforehand.

An institution, whose funds are employed in so large proportion in the lumber and timber industry, as is the case with the Quebec Bank, makes an exhibit which may properly be described as cheering, when it pays, in a time so unfavorable for its principal interest as the past twelve months, a dividend of seven per cent, maintains its rest intact, and retains at the credit of profit and loss a sum nearly as great as that of the previous year. This, "in the absence," as they state, "of any distinctive evidence of improvement in the trade of the country." A bank which has been able to effect this result, may be safely trusted to do what is most prudent for its shareholders and its customers.

The chief causes of the untoward state of business are well given in the report of the Eastern Townships Bank, whose directors consider that the evils, the effects of which are being felt, were too deeply rooted to be cured by one good harvest. Prominence is given to the absence of late of speculative business and to the lessened load of debt upon business men. The increase of deposits, amounting in their case to 25 per cent. over last June, is taken as an evidence of the cautious accumulation of money. The Bank was able to pay eight per cent. for the year, after providing for bad debts, leaving the rest of \$300,000 untouched. The discounts vary but little in amount from those of last year, indeed they have been kept for four years at remarkably near the same point. Over due