

community. They consequently pay more in the shape of discount than they otherwise would. There is, however, another and a more important aspect of this question, and it concerns not bankers and merchants only, but the general public. The funds received by the Government from depositors are neither held nor invested. They are *spent*. To represent the thirteen millions or more which the government has received from depositors, it has absolutely nothing whatever to show. The money has been spent. It has gone; and the only source from which the Government could repay its depositors would be by borrowing elsewhere. This is the weak spot, and it is a very weak one, in our Government Savings Bank system. It is a radically unsound practice for the government to receive money to the extent of millions from depositors and then use it, i.e. spend it in carrying on the ordinary business of the country. A radical reform is needed here, and the Finance Minister should see to it before Parliament meets.

We append our usual summary of the figures of groups of banks, in a classified form, showing the banking condition and call the attention of our readers to it.

ABSTRACT OF BANK RETURNS.

30TH SEPTEMBER, 1883. [In thousands.]				
Description.	Banks in Que- bec.	Banks in On- tario.	Banks in Mari- time Prov's.	Total.
Capital paid up ..	\$ 36,771	\$ 18,220	\$ 6,579	\$ 61,570
Circulation	17,533	11,435	4,178	32,146
Deposits	54,957	41,203	11,264	107,424
Loans & discounts..	90,682	65,975	19,000	175,687
Cash and foreign balances (Net)...	23,458	7,895	1,986	33,339

30TH SEPTEMBER, 1884. [In thousands.]				
Description.	Banks in Que- bec.	Banks in On- tario.	Banks in Mari- time Prov's.	Total.
Capital paid up....	\$ 36,304	\$ 18,846	\$ 6,380	\$ 61,530
Circulation	17,192	10,326	3,938	31,456
Deposits	50,970	37,042	10,487	98,501
Loans & Discounts..	84,887	61,682	17,865	164,434
Cash and Foreign Balances (Net)...	23,303	8,362	2,930	34,595

THE CANADIAN PACIFIC RAILWAY AND COMMERCIAL DEVELOP- MENT.

The semi-official announcement has been recently made by Mr. Collingwood Schreiber, that the Canadian Pacific Railway will, by November, 1885, be available for a through train from Montreal to the Pacific terminus.

Leaving it to others to consider what influence the opening of the new route may exercise on the political and national future of Canada, we may endeavor to show the commercial development and possible changes in the channels of trade which may be expected to come about as a consequence. Along with the opening of the railway, however, must be considered the effect of the expansion of shipping, mining, and lumbering operations in British Columbia which must follow the establishment of an entirely new opportunity for reaching the markets of the North West Territories and the Eastern Provinces.

As regards the prospect of an extensive through traffic between Asia and Europe, which may be regarded as an essential factor towards rendering the enterprise a paying one for the company, pending the development of a greater volume of local business than can soon be looked for, it may be pointed out that the Canadian Pacific will enjoy exceptional advantages in competition with other transcontinental highways. These are: A shorter distance to operate, easier grades, and the existence of an inexhaustible supply of the finest steam coal at the Pacific terminus. In respect of the first point, the comparative distances in favor of the Canadian line may be stated, with a fair degree of accuracy, as follows:—

Coal Harbour to Montreal	2,862 miles
" " N. York, via Mont'l	3,241 "
" " Boston, "	3,197 "
" " Liverpool "	6,075 "
San Francisco to New York "	3,390 "
" " Boston "	3,448 "
" " Liverpool, via N.Y.	6,830 "
Yokohama to Liverpool via Can. Pacific ..	12,038 "
" " Can. Pacific	10,963 "

Having less mileage to cover, on the whole distance, the Canadian Pacific will have an immense advantage in competition for Asiatic through freight, as well as for business to be carried on between the Atlantic and Pacific oceans contributed from points in the United States. In addition, it may be expected that the Imperial Government will avail itself of the facilities which so direct a route, exclusively through British territory, will afford for despatching troops and the immense quantities of supplies for them that are required to be sent out to distant stations.

As regards the mineral deposits of British Columbia, it is necessary to state that the extent of the wealth of that province in "black diamonds" has by no means yet been ascertained or even fully investigated. The rocks of the extensive coal areas which Vancouver Island possesses are certainly known to extend from the vicinity of Cape Mudge to within fifteen miles of Victoria, a distance of about 130 miles, and these are of the cretaceous, not tertiary, age. The product of the oldest mines, situate at Nanaimo, is well known to be a valuable bituminous coal, superior for all practical purposes to any coals yet met with on the Pacific coast. Vancouver Island coal has for thirty years past been in large demand at San Francisco for steamship and domestic purposes, notwithstanding the hostile protective tariff of the United States, and it ranks with the West Hartley coal. On an average nearly two thirds of the sea-borne Pacific coal received annually by California come from Vancouver Island. Indeed, the output from the pits at Nanaimo rose from 81,000 tons in 1874 to 282,000 in 1882, which is a remarkable showing. The Americans have, of course, done their best to discover a substitute source of supply south of 49th parallel, but hitherto without success. Coal formations of the tertiary age cover great tracts of the mainland opposite, and have been worked in Washington Territory, for San Francisco consumption, in places when they occur in thick accessible beds; but coal has not yet been worked, or even bored for, on the adjacent mainland of British Columbia, owing to the fact that the before-mentioned tariff has operated as a

hindrance to the profitable development of the resources known to exist. There is further an immense area in the south-eastern portion of the province, which will be traversed by the railway, that has not so far been explored for coal at all.

In comparing the position that Coal Harbour (the western terminus of the Pacific Railway) will have in competition with San Francisco as the sea-port whence various lines of steamships engaged in the Asiatic and Australian trade will radiate, it is most important to remember that the latter must import from British Columbia or Washington Territory, or yet more distant sources of supply, every ton of fuel that such steamers require for the outward voyage, while whatever quantity is brought from Nanaimo or other foreign points for the purpose is chargeable with duty in addition. Steamers arriving at Coal Harbour, however, will have an unlimited supply of the best kind of fuel available, almost from the mouth of the pit and entirely free from duty. This difference constitutes in itself so great an economical advantage in favor of commerce centering at the Canadian Pacific port that San Francisco may find her maintenance of a line of steamships to Hong Kong, Yokohama, or Sydney troublesome after the Canadian Pacific Railway, with its connecting lines of ocean steamers on the Pacific, is once fairly in operation, unless indeed the outward voyages of such be made *via* Vancouver Island. In any case, the logic of coming events points to the development of a great commercial port at Coal Harbour, which will in due time become a point whence the products of Asia may be distributed over the Pacific coast, and perhaps over all North America.

Another important point is the attractions which the coasts of British Columbia and Washington Territory offer to sailing vessels arriving on the Pacific coast with Asiatic or European freight. One of the essential conditions to the building up of a strong shipping business is that facility should exist for obtaining return cargoes. From this point of view, Coal Harbour will enjoy an advantage over San Francisco, owing to the immense extent of the valuable and largely virgin forests which cover a region once designated somewhat contemptuously by a prominent Canadian statesman as a "sea of mountains." A sailing ship arriving at the Canadian port will not have occasion to go far for return freight or suffer delay in obtaining it. She may either sail right under the hoppers at Nanaimo to receive coals into her hold, proceed to a British Columbia mill to load lumber or spars, or drop down in a single tide to Puget Sound, where even a larger supply of the latter freight awaits her. At the present time, numerous sailing vessels which arrive at San Francisco are compelled to proceed, *in ballast*, to British Columbia or Washington Territory, a distance of 800 miles, (generally increased to 1,600, owing to the necessity of giving the rock bound coast, without a single good harbour, a sufficiently wide berth) in order to obtain a fresh cargo; she cannot, therefore, hope to draw away the increase of shipping arriving at the Pacific coast which the opening of the Canadian line should induce. Even in the present day the forests of British Columbia