mission to regulate affairs with Canada. At Ottawa, where protectionism has not a dominant party force at its back, it is not in a position seriously to hamper the Government majority. In international negotiations for a commercial treaty no useful result can be expected without mutual concessions. If the commission realizes this we may hope for a satisfactory result.

In accepting the harbor plans of the Minister of Public Works the Harbor Commissioners of Montreal have apparently done a politic thing. There is no doubt that the port is not equipped for doing the business which in future may reasonably be expected if the best facilities for doing it be offered. The internal water carrying trade of the country has suffered in the past from the lethargic policy of some of those engaged in it, and if a little awakening at the port of Montreal was necessary we may congratulate all concerned that this has happened. It was quite time that something was done. The Montreal Herald mentions the fact that an "exporting firm were recently obliged to take 20,000 bushels of grain out of elevator in Montreal and send it to Boston for shipment to Bristol because they could not secure ship space from this port." Of grain alone the increase last year was over 8,000,000 bushels. And other traffic is similarly congested. Part of the opposition to the improvements, in the form prescribed, arose from the making the dry dock a charge on the business of the port. So far as the apparent departure from a different rule is real, the complaint was well founded. But, even here, there may be a distinction. The dry dock on the Pacific coast, as well as that at Halifax, was intended primarily for naval vessels, while that at Montreal is for the commercial marine. Mr. Tarte does not appear to have taken this distinction, but he did say: "Why should we ask the people of Canada to take the burden of carrying out this plan at the public expense?" When Mr. Tarte remarked that the harbor does not belong to the locality, but to the Dominion, there were people who, quite without warrant, assumed his meaning to be that ultimately the whole expense should fall on the public treasury. Quebec is the natural ocean port of the St. Lawrence; Montreal the artificial ocean port. The whole basin of the St. Lawrence above Montreal is interested in adding nearly 200 miles to the ocean navigation by enabling ships to come up to that city. For this purpose the country bore the cost of deepening Lake St. Peter. At first the interest on the cost of this work was borne by dues collected at the port of Montreal, and there are now people who suggest in no muffled tones that the same thing will happen, not only in the case of the dry dock, but in that of all the other harbor improvements. Some people, not entirely free from responsibility, have thrown out wild hints about future repudiation of the harbor bonds by the Harbor Trust, leaving the Government to shoulder the interest it had guaranteed. Such suggestions, however loosely thrown out, have a grave look on paper, and can bring no honor to those by whom they are uttered. This year the war in which our neighbors are engaged may cause an abnormal increase in the trade of Montreal; and when this happens it will be necessary not to mistake the fortuitous incident for a permanent condition of things.

Till October is postponed the time for the going into effect of the reduction of interest on post-office savings deposits, and even then is not to be made "unless the condition of the money market warrant the change." Is it expected that there will be a corresponding reduction in the interest which banks pay on deposits, or in the rate they charge for discounts, or both? Or is it the state of the money market exterior to Canada that is meant? When the change was first decided upon the state of the money market abroad could not have influenced the action of the Government. Why should it do so now? But if the reduction should take place, depositors of $1,000 are to be given the option of converting their savings bank certificates into Dominion stock, bearing three per cent. and drawn at five years date. The putting of a premium of one half of one per cent. on conversion, for five years, 2½ per cent. in the whole, shows a desire to secure a limited conversion at that cost. Is this movement tentative, having in view the possible conversion of the whole of these deposits at some future time, the rate having first been established by an appeal to the limited number of depositors whose deposits reached $1,000 each? If not, why pay more interest on bonds than on deposits?

FINANCIAL REVIEW.

Now that the bank meetings are over and another year has been entered upon, the banks are somewhat in the position of the captain of a ship which has arrived home after a long voyage, discharged cargo, rendered up accounts to the owners, and is about to sail on another voyage, which will last twelve months. Any captain under such circumstances who realizes the responsibility of his position will look out upon the coming voyage with a certain degree of apprehension, not unmingled with confidence arising from experience. He has been that way, or the greater part of that way, before; he knows something of the dangerous places to be guarded against, and the reefs, and shoals, and hidden rocks that have to be steered clear of; he knows also which are safe ports to put into and where he can take refuge in a storm. All this is of course well understood, but the primary factor of all is the ship itself, whether she is staunch and tight, and well found and in good condition. Another factor, also of importance, is the weather that will be encountered. Of the weather no one knows anything in particular, although the general laws that govern it may be understood to some extent. But storms may arise unexpectedly, and currents may reveal themselves that are not laid down accurately on the map. So that, what with looking after the weather and what with looking after the ship, the captain can never afford to relax his vigilance for a day.

Applying this simile to the condition of the banks we may consider that they themselves, at this moment, are in a sound and satisfactory condition, having recently undergone—all of them—a process of examination and expurgation more or less severe, which would leave them in a clean and healthy condition, ready to enter upon the business of another year with some confidence and reasonable hopefulness.

The last Bank Statement makes it evident that the banks as a whole have ample resources wherewith to meet any demands upon them by their depositing customers, as well as for the accommodation of the mercantile community. During the month ending 31st May these available resources increased to the extent of $5,000,000, which would indicate that the amount by which the resources of the banks have been depleted during the last six months is on the way to be made good again. The earning powers of the banks, as a whole, are considerable, though the amount employed in mercantile operations is not so large as it might be, and probably will be when the full effect of revived business has manifested itself. But this is the region in which, while the best of the profits of the banks are made from it, the risks are also in proportion. And no