

ernment to urge the Dominion to carry into effect at once the construction of the Esquimalt and Nanaimo Railway and to commence that on the mainland was thrown out. A proposal to abide by an arbitration, having for its object "such modification of the settlement of 1874 as will fulfil the spirit of it if it be found impracticable to carry out the letter of that agreement," was ruled out of order.

The Carnarvon terms, as they are called, were necessarily subject to ratification or rejection by Parliament. One House did refuse to ratify them and they became null. This is no more than sometimes happens between two independent nations. A generation has not passed away since France and England negotiated a treaty intended to settle the Newfoundland fishery dispute. The Legislature of Newfoundland, by its opposition, was permitted to defeat the treaty, even after it had obtained—premature it would seem—publication in the *Bulletin des Lois*. Want of concurrence, like that of the Senate, is not not to be put down as wilful bad faith. We are willing to admit that an agreement was previously made by the Dominion with British Columbia, which it has been found impossible to carry out. However disappointing such a result may be, the situation cannot be improved by wild threats of renouncing allegiance. The fact that the bargain was a very hard one for Canada, and made with a very slender knowledge of the facts, is a reason why some consideration should be shown to her. Access to the Pacific coast through Canadian territory is in some sort a necessity to the Atlantic provinces. But the cost of getting there, by rail, across the Rocky Mountains, will be enormous; and the value of the intervening country may easily be estimated.

Mr. Cambie, District Engineer in charge of the Pacific Railway survey, who spent eight months out of the last four years in British Columbia, gave some important evidence on the capabilities of the country for settlement, before the Committee on Immigration and Colonization, last session. From that evidence, we learn that the country is generally mountainous, though between coast range and the Rocky Mountains, the high plateau is seamed with deep valleys. On the higher parts of the plateau, the bunch grass affords good pasturage. But of this plateau, the average height of which is 3,000 feet, "a very small proportion"—such are the words of Mr. Cambie—only, could be made available for agricultural purposes. In carrying produce to market, it is a serious matter to have to traverse two miles of barren to one of good land. Only small isolated portions

of the country are fit for settlement. Mr. Cambie seems to doubt whether more than two or three times the small amount now settled by farmers could be brought under cultivation. Many of the valleys, which are fit for cultivation, are not more than half a mile wide at the bottom. North of the 53rd parallel of latitude, the height of the plateau diminishes to about 700 feet, a circumstance favorable to cultivation. Some parts of the Lower Frazer Valley are suitable for settlement, but the immense size of the timber makes it difficult to clear, and there alone, on the mainland, can continuous settlements of any extent be made. And even there, below Yale, a large proportion of the valley is subject to inundations; and where these occur, nothing could be raised without diking out the water at great expense. In fact, no one attempts to cultivate the lands subject to an annual overflow.

Between the mountain ranges there is very little rain-fall, and agriculture on the high plateau implies a costly system of irrigation. Successive settlements will have to be planted at increasing distances from the water supply; and the cost of conveying it to the arid places will be proportionally great. The water will have to be carried along the lower steppes, some of which are half a mile wide, toward the valleys. These steppes, which were once river bottoms, are generally fertile, the upper as well as the lower. Even "in the valleys which intersect the plateau," Mr. Cambie says, "nothing is at present growing without irrigation;" but with irrigation, wheat, barley, oats, and other cereals are successfully cultivated. Forty bushels to the acre is an ordinary crop of wheat. But there is a limit to irrigation. The western slope of the Rocky Mountains, where the bunch grass grows, is too high for irrigation; and if the water supply could reach it, the crops would be destroyed by frost, which everywhere outside the valleys, is a serious obstacle to cultivation. On the whole, Mr. Cambie is constrained to say he does not consider British Columbia a favorable field for settlement. Recent returns show that British Columbia does not grow nearly enough wheat for her own consumption.

There are valuable timber, valuable fisheries and a great extent of mines, the economic value of which is as yet but imperfectly known.

Except as a gateway to the western ocean, it is evident that this country is not what it will cost Canada in the construction of the Pacific Railway. We think this consideration should moderate the demands of our Westernmost province and bring

them within the compass of reason. If we build the mainland railway, which we doubt not is fully intended, we ought not to be expected to add the projected Esquimalt, Nanaimo road. We appeal to the reason of the British Columbians not to expect the whole Dominion to face pecuniary ruin on their account.

BANKING REVIEW.

Below we publish the return for August, of the banks of Ontario and Quebec to the Government, together with that for July of the present year:—

LIABILITIES.			
	July 31, '78.	Aug. 31, '78.	
Capital authorised ..	\$63,966,666	\$63,966,666	
Capital paid up.....	58,050,540	58,070,426	
Circulation	16,528,026	17,337,962	
Government Deposits	5,577,180	5,611,944	
Public Deposits on demand	33,320,090	32,886,978	
do do at notice	26,059,050	26,657,848	
Due Banks in Canada	1,384,644	1,599,339	
do not in Canada	1,628,084	1,857,864	
Sundries	147,821	201,480	
	\$84,644,895	\$86,153,415	
ASSETS.			
Specie & Prov. Notes	12,631,282	12,491,366	
Notes & Chqs. of other Banks.....	3,411,539	3,073,479	
Due from other banks in Canada.....	3,426,325	3,405,360	
do not in Canada	5,594,830	5,572,435	
Available assets	\$25,063,976	\$24,542,640	
Government Stocks ..	1,881,461	1,881,461	
Loans to Government	1,152,843	1,138,885	
Loans to Corporations	3,686,438	3,768,590	
Discounts current ..	112,463,723	114,823,450	
Notes Overdue.....	6,006,782	6,007,740	
Real Estate	1,895,704	1,907,923	
Bank Premises.....	3,105,662	3,128,173	
Other assets	1,466,714	1,524,074	
	\$156,723,303	\$158,772,935	

The general election is now an event of the past, and if the prognostications of politicians are of any value, the country is on the eve of a fresh era of progress. The banks will certainly be first to reap the advantage of improved demand in the profitable employment of capital now lying idle or invested at a nominal rate of discount. There has already been abundant evidence of a firmer feeling in the stock market, and a consequent advance in prices. This, however, should be regarded merely as the result of feeling, for facts that would warrant such a tendency have not been adduced.

New enterprises will doubtless be launched, and it will be for the banks to discriminate between such as should be fostered, and such as would glut our markets with a class of merchandise of which the supply is already equal to the demand. The August return of the banks is the most encouraging