being divided amongst practically all the banks which have current loans outside Canada.

On the whole, the Bank Returns indicate substantial growth, no undue expansion, an increasing tendency towards larger cash reserves, and ample resources to enable the banks to give all the facilities which the rapid development of the country may require.

An event of some interest has been the suspension of the Bank of Yarmouth, which took place on the 6th inst. It was a very small institution—in volume of business the smallest in the Dominion—with a paid-up capital of $300,000, a reserve fund on paper of $35,000, and total liabilities to the public of $384,494. Its suspension will have little effect outside of its own immediate district, but the bank's depositors and, still more, its shareholders, will feel it keenly. The failure was caused by the connection with the insolvent W. H. Redding Company, Limited, which owed it $500,000, and will pay probably not more than 10 cents on the dollar. The probable loss in this advance alone will eat up the bank's capital and rest of $335,000, and leave a deficiency of about $125,000 to be collected from the double liability of the shareholders. A reference to the list of share-holders, as on 31st December, 1903, shows that 2,273 shares, or 56 per cent. of the total stock, were held by women or by trustees. When shrinkage in the remaining assets is taken into account, it is evident that depositors will be lucky if they escape without loss. The amazing recklessness of the officials of a bank with a capital of $300,000, who, out of total advances of about $650,000, lent $500,000 to one concern, can hardly be too strongly condemned. The bank is now in the hands of a curator appointed by the Canadian Bankers' Association, who will doubtless do their whole duty, unpleasant though it may be.

The failure will probably strengthen the present tendency towards consolidation and the merging of the smaller banks in those of larger size. The purchase of the People's Bank of Halifax by the Bank of Montreal is the latest instance. The former bank has a paid-up capital of $1,000,000, a rest of $440,000, undivided profits apparently $80,000, and total liabilities of $4,883,000. It has 27 branches, almost all in the small towns and villages of Nova Scotia, New Brunswick and Quebec. The price paid is to be stock in the Bank of Montreal of the par value of $400,000, taken as worth 253, or $1,012,000, and cash, $138,000, thus making a total of $1,150,000 for what is on paper a surplus of assets over liabilities of $1,520,000. Estimating that the cash portion of the price will yield a return of 5 per cent., the shareholders of the bank will find their annual return cut down from $60,000 to $46,900, but they will have the consolation of knowing that both principal and interest are more secure, while an occasional bonus may sometimes come their way. We hear that the notice sent to the shareholders of the People's Bank of Halifax states that the directors have made the arrangement in consequence of impending losses and keen competition; and in view of this the shareholders will doubtless ratify the agreement without question. The transaction should be of benefit both to the country at large and to the banking fraternity.

In connection, apparently, with the purchase, the Bank of Montreal has given notice of application to Parliament for power to increase the number of its directors. This is a move in the right direction. There is no apparent reason why a bank should be restrained from having more than ten directors, while it is easy to see that banks like the Bank of Montreal or the Canadian Bank of Commerce, with branches all over the country, and important business connections in all the larger cities in Canada, as well as in New York and London, could legitimately avail themselves of the services of a considerably larger number.

For some time past there has been an agitation for action by the Government towards replacing with Canadian silver the large amount of American silver now in circulation throughout Canada. We observe with pleasure that in answer to Mr. Bickerdike, of Montreal, the Minister of Finance, speaking from his place in the House of Commons, recently said that "There was a large amount of American currency in circulation at par in Canada, and he was aware that in the United States Canadian silver was accepted only at a heavy discount. It was not the intention of the Government this session to prohibit the circulation of United States silver in Canada, but the Government hoped to be able to displace American coin by the substitution of Canadian silver."

OUT OF DATE LEGISLATION.

Time was, from ten to twenty-five years ago, when in various parts of Eastern Canada communities and municipalities were averse to the coming of commercial travellers from a distance into their midst. These messengers of commerce were not wanted; the retail merchants had bought their goods in Halifax, in Quebec, in Montreal, for scores of years, buying like goods from the same people in the same way; and they did not want any change. They were shy of these men travelling with samples, glib talkers, courteous visitors, persuasive negotiators. Of course they had beautiful merchandise and offered peculiar terms, but it was generally concluded by the municipal authorities that such free-and-easy gentlemen should not be encouraged, that in fact they should be discouraged, and therefore a tax was put upon them. They must not sell nor offer their wares without payment of a license, and a heavy license, too.

This course of procedure was frequent in Eastern Canada. It was the case in various parts of New Brunswick, in Fredericton in particular; it was universal in Prince Edward Island, when travelling salesmen from Montreal and even Toronto would dare invade the territory theretofore sacred to St. John and Halifax importers. It was strongly adhered to in the city of Quebec, which resented the idea that any importers save its own should venture to sell goods to the old-fashioned retailers of the Ancient Capital. And yet the cheery commercial traveller, like Autolycus in A Winter's Tale, pushed on his way, singing, (if he could sing),

> Come, buy of me; come buy, come buy;
> Buy, lads, or else your lasses cry.

Like their exemplar in Sicilia, these salesmen had "an open ear, a quick eye, a nimble hand," and they had samples to offer which to many of these localities were absolutely novel. And many a suit at law resulted, whose effect was always in the direction of enlarging the freedom of trade, in breaking down the barriers of old custom and prescript.

After an interval of years during which the idea of the freest possible commercial intercourse between