

not come in better for Canada than at the present time. We have been importing so largely of foreign goods for some seasons back, that there must be a good deal of Canadian indebtedness in Great Britain, and even on the continent, and nothing clears such an encumbrance off, and keeps the wheels of business moving prosperously like good crops, and consequent prosperity among the farming community.

FALL PROSPECTS.—The outlook for fall trade is encouraging. We have taken some pains to ascertain the feeling of merchants and bankers in this and other cities, and we find from the rate at which orders are coming in, from the reports of traveling agents in the West about the crops, and from the manner in which payments are met, much reason to anticipate a good autumn trade. Some drawbacks there are, such as the heavy East wind and cold rains in Eastern Quebec, preventing sowing till within a few weeks, and retarding vegetation of all kinds. The winter-killing of the fall wheat in some sections of Ontario, where the soil was less sandy. A short crop of hay in the extreme Western, and complaints of potato-bug in some of the South-western counties of Ontario. But these are small and exceptional compared with the general prospect. On the island of Montreal the hay crop is most luxuriant, and in the Eastern townships, even in parts where grain is unpromising, hay looks well; and in the South-eastern counties root crops give good promise. In Eastern Ontario, say from Brockville down, we hear no special complaints, while we do hear in general terms that crops are looking very fairly indeed. In Western Ontario, that garden-land known in commercial parlance, and for purposes of trade-gauging, as "the West," the appearance of barley, of oats, of hay, and of root crops generally, is excellent, while a good area of chilled fall wheat has been resown. From the Maritime Provinces we have no definite information as to the fall yield, we do hear, however, of stagnation in business in localities where the new railway work has about ceased, and where probably too many goods have found their way. A damper has, of course, been put upon retail trade in the cities by the chill and backwardness of spring, the continued cool weather also lessens American travel, which is a large item in city trade. But manufacturers are getting liberal orders for the fall, and an improved feeling is observable in most lines. With the lessened imports of the past six months, the favorable yield of wool and country produce, and the gladdening prospects for

roots and cereals that we have mentioned above, we are justified in looking for a sound and satisfactory autumn trade.

—Vol. VII. MONETARY TIMES, neatly bound in boards, with index complete, is now ready; price \$3.50. Also a few copies of Vol. VI., price \$4.

We have received from Mr. A. B. Beach (formerly a resident of this country), at East Orange Station, St. Paul and Sioux City Railway, some genuine specimens of live grasshoppers, also a letter from which we extract the following:—

"Thinking it might possibly interest you, I enclose per box some heads of wheat and three or four grasshoppers of the species that are proving a plague to this fine country. I believe you are aware of the fearful ravages committed by this insect last season on the grain crops, and probably have also learned that they have returned this season.

The wheat heads were taken from a field close by, and show the manner in which they work. As yet the damage in this vicinity (Sioux Co.) has not been serious, being principally along the edges of fields, taking a strip from 10 to 18 yards wide. For the last five or six days large numbers have been flying over, always going with the wind, and that generally north. Yesterday they appeared as if the air was filled with snow. They resemble when high in the air a snow flake very much, the sun shining through their wings giving that appearance, and at a certain height as plenty as I ever saw snow. To the north of us about 100 miles, they have taken all crops, eating stalk and all, until the fields are as bare as if recently plowed. Along the Des Moines River in Southern Minnesota, is where they have done most damage, but as it is still two to four weeks before much grain will be cut here, there is yet ample time for all to be ruined. Reports to-day say they are leaving, not being nearly as plenty as yesterday.

Crops through here look magnificent, and should they escape destruction from this plague, the yield will be abundant. 100 to 300 acres of wheat in one field and for one man, can be seen quite frequently, but as most of our farmers are new comers with little or no capital, a failure of crops would compel numbers to leave, seeking a living elsewhere. So far, we have had very favourable weather, with sufficient rain to prevent anything suffering, and the growth of vegetation has been very luxuriant."

Correspondence.

BUILDING SOCIETY LEGISLATION.

To the Editor of the Monetary Times.

Failing to disprove one of my statements and obliged to confine himself to the drawing of inferences, I am not surprised at Mr. Mason's disinclination to go on with a correspondence on the subject of the recent extraordinary powers granted to Building Societies. I cannot, however, allow the matter to drop without calling your attention to an unaccountable misstatement in Mr. Mason's last letter, to the effect that the recent Act rather restricts than enlarges the class of securities which these societies may hold. Section 22 of the Act of 1859, reads as follows:—"Every such society may, in the name of the President and Treasurer for the time being, invest any surplus funds in the stocks of any of the chartered banks or other public securities of the Province,

and all dividends, interest, and proceeds arising therefrom shall be brought to 'account and be applied to the use of the society, according to the rules thereof."

Section 4 of the Act of 1874, substituted for the foregoing, reads as follows:

"Any such society may purchase mortgages upon real estate, debentures of municipal corporations, school sections and school corporations, Dominion or Provincial stock or securities; and they may re-sell any such securities as to them shall seem advisable, and for that purpose they may execute such assignments or other instruments as may be necessary for carrying the same into effect; they may also make advances to any person or persons or body corporate upon any of the above mentioned securities at such rates of discount or interest as may be agreed upon."

In the one case you will observe that only the surplus funds, (meaning as I understand the expression, the actual surplus of assets over liabilities, not the unemployed funds, as Mr. Mason would have it understood), could be invested in bank stocks and public securities of the then Province of Canada; under the new Act the whole capital and surplus funds of the society may be invested in or loaned upon the debentures of one or more of the many school sections of the United States, or of the flourishing city of Pekin.

I wish to correct Mr. Mason in one other particular. I did not say that I was desirous that the Building Societies should become more successful competitors of the chartered banks for deposits than they are at present, but I do think that if Building Societies have to exist at all it would be safer for the country and better for themselves in the end that they should exist on a sound basis, and in this connection I might add that I am more concerned for the future of Building Societies under the new Act than I am about their present management and condition.

I am glad however, that my letters have opened Mr. Mason's eyes, and I trust also those of the public generally, to some of the dangers of the present Act, and that even Mr. Mason himself is in favour of placing some restrictions in the way of the organization of new societies, and of raising the minimum capital required to be paid up before deposits can be accepted. I am also glad to hear from him that in future the annual schedules of affairs will present a much more searching exhibit of the state of each society than they do at present. My suggestions as to the propriety of a double liability clause, of monthly returns instead of annual returns, of holding a proportion of their deposits in Government stocks or bonds, and of limiting their sphere of investments in debentures to those of the Dominion and Provinces of Canada remain to be taken up by those who are more interested in the public welfare than in the advancement of the interests of any one particular society.

I am, sir,

Yours faithfully,

ECONOMIST.

BANK RESTS.

To the Editor of the Monetary Times.

"The accumulation of a large Rest or Reserve, after writing of all bad debts, has for some years been a cardinal point in Canadian banking, and the policy cannot be too highly commended in view of the immense complications of our banking system, and the widespread operations of some of our banks, not in Canada only, but in the great centres of the United States."

The above is an extract from the instructive article on the Banks of Australia and Canada, in your issue of the 5th inst. In connection