wealth of the country had been inflated, while its real wealth had not increased. Imaginary property cannot long serve as actual property. It has been customary in Canada to frown down upon the practices of our American neighbors in the matter of "watering" stocks. But the signs of the times suggest that human nature in our own country may find it a temptation to emulate, though perhaps in a less bold degree, the methods which have brought sudden wealth to so many promoters on the other side of the line; and we deem it timely to warn investors against being too ready to take hold of schemes offering great advantages to flow from the combination of a number of separate concerns into one big one. The experience of shareholders in some of the great industrial companies floated in the past few years has been that the expected advantages from concentration of management proved illusory, and that management by directors or superintendents, instead of by owners, has not always turned out to have been in the interests of economy or efficiency.

Reciprocity Convention. The people of the North-west seem to be giving more earnest heed to a discussion of the desirability of greater freedom of commercial relations with the United States than are the business men of the Eastern provinces of the Dominion. The Winnipeg Board of Trade appears to take quite seriously the recipiocity convention announced to be held this month in St. Paul, Minnesota, as the outcome of a meeting held in Dakota last autumn. We do not think, however, that the last presidential election is going to show that the party now in power will be in much greater haste about breaking down artificial barriers to trade than its predecessor. Free trade was a fine theme for the hustings. But there is a great difference when the interpretation of that phrase is minimized into a reduction of tariff for revenue only, for the interests of opposite sections of that country are so diverse, that the difficulties of pleasing all without provoking troublesome party dissensions at unexpected points, makes any administration hesitate about radical changes to in any way disturb the status of manufacturing interests particularly. Such conventions as the one alluded to may in time accomplish an educational work by bringing business men of these adjacent countries into fraternal discussions of matters of common interest. If the Cleveland administration were to follow the lessons of the last campaign, a policy of reducing duties at home rather than seeking reciprocity treaties and tariff compacts with foreign countries is what should be looked for. So far as Canada is concerned, there seems to be an under current of disappointment over her business interests, and chagrin that population does not increase by immigration to any very perceptible degree Most men agree that something ought to be done to afford relief; but the remedy is the rub. Sentiment thinks it *infra dig* to talk about greater intimacy with the United States; and so a vent is found by denouncing the political methods of the party now in charge of Dominion affairs. The fact remains, nevertheless, that tariff reductions in Canada cannot be the "cure all" for every grievance. It may help in some cases, but does not alter the fact that our business interests are circumscribed by inability to cater to more than five million people in the country.

Bank of Montreal. The most notable Bank statement of the year is naturally that of our largest Canadian institution, the Bank of Montreal, whose Annual Report for the twelve months ended 30th April was made public last month. It was a curious coincidence that, with so extensive a business, the earnings of this and the preceding year should have resulted in but $70 difference. The profits of the year have been $1,325,810, which enabled the usual 10 per cent. dividend to be declared, and added $125,810 to profit and loss, making a total carried forward to profit and loss (including the sum at credit of the account on 30th April, 1892) of $691,425. The increase in note circulation over 1892 was $212,962, the total being $5,125,377. The net gain in both classes of deposits by the public, either demand or subject to notice, amounted to $568,717, and the item under the head of current loans shows $2,018,903 more than corresponding date of last year. It looks as if attention had been increasingly directed during the past twelve months to an extension of foreign and British business. While the outcome of the year appears to be satisfactory to shareholders, it is not improbable they sometimes query that an institution possessed of such immense assets, does not show greater profits. Occupying a position of national importance it would be reasonable to suppose that a considerable proportion of their earnings must come from the negotiating of municipal and railway loans in lump sums; and in that event, the amount of profits resulting from ordinary commercial loans and discounts do not seem adequate to the amount of capital employed, the large line of deposits, a note circulation reaching nearly fifty per cent. of the capital, and a magnificent rest of six millions of dollars. Apparently rates of interest are rapidly approaching a point where the Bank would be quite justified in discontinuing the payment of interest even on deposits subject to notice Of course with a Savings Bank this is a different matter. But we very much question that such a strong Bank would suffer much in its commercial deposit line by declining to pay interest, as the adoption of a liberal policy in accommodating mercantile customers would probably be deemed an equally satisfactory *quid pro quo*.

THE APRIL BANK STATEMENT.

The April returns of the Banks of the Dominion do not furnish much matter for special comment. Probably the exceptionally unfavorable weather of that month this year has not admitted of such a trade movement as would make any specially good showing. We notice a large increase in Specie and Dominion notes in the hands of the public; an augmentation in Discounts to the public; and a reduction of Bank