

of their reserves drained away, they must of necessity call upon borrowers to take up paper as it matures, and fresh loans, unless from absolute necessity, are out of the question.

These are, of course, most elementary and simple principles, and it may seem to some of our readers a waste of time to dwell upon them. But such simple principles are often the most difficult to bring persons to understand. And when the carrying out of such principles causes a refusal of accommodation, every man questions their reasonableness. At all events, he thinks it hard to have them applied to himself.

Bearing these points in mind, we can at once see the reason of the present state of things. Bankers have found an enormous amount of money drawn from them by depositors. Their funds on hand ran down from \$34,000,000 on 1st January, to \$28,000,000 on 1st March. As this drain went on, it was absolutely necessary to attempt curtailment of accommodation. The first course was to call in loans on stocks. These have responded to the extent of \$1,000,000. Doubtless far more has been called for, but this is all that has been got. Borrowers on stocks have been offering as high as fifteen per cent, in vain under the pressure of the banks calling their money in. They have, however, managed to pay a million. The mercantile people, however, have found it impossible to respond; indeed, the banks have found it necessary to comply with their demands for more money in spite of the urgent reasons for curtailing. Discounts of this class have actually increased from \$127,000,000 to \$129,000,000. The only resource of bankers and their only protection was a sufficient enhancement of rates to compel mercantile customers to borrow as little as possible.

Here then is the whole mystery of this stringency. The banks have been between two fires. Their depositors and note-holders have drawn out \$8,000,000 of their money, and at the very same time the mercantile public had engagements maturing which compelled them to borrow more. There can be no ease until more money comes into the country from abroad. This, however, may not be permanent. There must be a decrease in importations and a lessening of those enormous stocks of goods of which there are far too many in the country.

**AN EVASION OF THE WASHINGTON TREATY.**—The country has learned with surprise of the recent action of the American Government, in regard to the admission of canned fish, under the terms of the Washington Treaty. The matter was brought

before Parliament, by Mr. Jones, of Halifax, last week, and excited a short but interesting discussion. It is well known that the Treaty provided for the admission of Canadian fish into the United States free of duty. Nothing can be clearer, that if these articles are to go in free, that the cans, in which they require to be forwarded, ought also to be so admitted. It appears, however, that the American Government have put a tax on the cans which contain the fish. The tax is 1½c. on each can, which is equal to about 10 per cent. of the value! As our shipment of canned fish, particularly lobsters, amounted to \$511,000 last year, and is rapidly increasing, it will be seen that there will have to be paid about \$50,000 of duty annually on articles which, according to the view of the matter generally taken here, the Treaty of Washington stipulated should go free. If the principle is correct that packages can be taxed, what articles which are free under the Treaty may not be taxed as heavily as if it did not exist at all? It appears that the attention of the Government was called to the matter some time ago, and it is to be hoped no time will be lost in remonstrances being made to the Government of the United States in regard to the matter. But it is clear that such remonstrance can only be made by the Imperial Government. Canada was not a party to the making of the treaty and can take no part in enforcing it. She is unknown at Washington in the matter and would not be listened to there.

**THE CULLING OF TIMBER.**—The shippers of timber, *via* Quebec and the St. Lawrence, will be glad to know that an important reform is about to be made in regard to the culling of timber. That duty has heretofore been done principally at the port of Quebec, great have been the complaints of shippers in regard to the past management of the service. This remark does not apply so much to the cullers of deals and of staves, as of timber, there being some 46 persons engaged as cullers, whilst 15 really good men could have done the whole work. The rule was, too, that these persons should be engaged as cullers in turn, although many of them from old age and inefficiency, were quite unfitted for the duty. The quantity of timber culled each year is about 10,000,000 feet, and the value thereof about \$2,000,000. The trouble and loss from inefficient cullers can, therefore, be easily understood. Under the Bill now going through Parliament, the culling of timber is to be made a branch of the Inland Revenue department, and we understand it is intended to decrease the

cullers from 46 to 15 or 20 persons, who will be selected according to their efficiency. We have no doubt this change will result in making the culling service more efficient, and will relieve shippers from much of the annoyance and loss they have suffered in the past. A good deal of timber is no doubt being taken out in Ontario this season as usual, and those engaged therein will be glad to learn of this reform in the culling service.

**MARINE TELEGRAPH BILL.**—We have watched the progress of this measure with some interest, affecting as it does the Anglo-American Cable monopoly, which at present bars the way to cheap ocean telegraphy. The Bill passed the House of Commons without much trouble, but in the Senate it has received some pretty strong opposition from some Senators. We have hardly yet attained to the dignity (?) of what in Washington is called a lobby, but Lord William Hay and Cyrus Field, Esqs., of New York, have been at Ottawa for several weeks, using every influence in their power to defeat the measure. They have been successful in enlisting several Senators very actively in their support, and a strong fight was made against the Bill when before the Committee of the Senate. At the time we write there is almost a certainty that the Bill will become law, provision having been made that if the Anglo-American Co., have any legal rights in Nova Scotia, they shall be respected. There can be little doubt that no legal rights exist, and, consequently, when the Bill becomes law, the Company will either have to yield up their monopoly of Newfoundland for Telegraphic purposes, or withdraw their Cable from the soil of Nova Scotia. Whilst this action is being taken by our Parliament, intelligence comes that Newfoundland itself is now likely to terminate the monopoly, as by law it was empowered to do at the expiry of twenty years from the time the charter was granted. We may, therefore, expect to see the Direct Cable Co., land their wires on Newfoundland before many months, and it is to be hoped before the close of the year we shall enjoy the advantage of another Telegraph line to Europe. The effect of this competition must inevitably cheapen the rates of messages. The Anglo-American Co. have already announced a reduction to 50c. per word, but the rate will doubtless soon fall to 25c., and we hope before many years that it will fall to at least 10c. per word. The increased business at these rates would make the returns of the different Companies quite sufficient, we believe, to afford a reasonable return on the capital invested.