

duce any appreciable results in the direction desired, and it may even spur on the Socialists to aggressions on which they might otherwise not so soon have entered. If one object of the Conference was to appease the Socialists and to emasculate their energies, its failure was visible almost from the start.

Against the *modus vivendi* agreed upon by England and France for the regulation of the fishery on the west coast of Newfoundland, loud protests are being made by the islanders. But it seems that the matter is treated as one of Imperial policy, and that the arrangement cannot be subjected to the veto of the Newfoundland Legislature. France was accorded certain rights on the west coast of the island, first by the Treaty of Utrecht, and again by the Treaty of 1788, and questions have arisen under these treaties of the respective rights of the two countries. The questions involved are the interpretation of treaties, and the maintenance of treaty rights. In such a case the Imperial jurisdiction is necessarily evoked. The colony has frequently been allowed a consultative voice, which in expression has more than once assumed the form of a veto on the joint action of the two nations with which the treaties originated and which are responsible for their observance. But there comes a time when, in the opinion of British statesmen, the supreme authority of the nation must be asserted and maintained. The first result of the exertion of this power is an explosion of colonial wrath, mingled with threats which to outsiders appear the simple offspring of puerility.

BANKING REVIEW.

If the statement of the condition of the banks as given in our last issue is compared with that of the preceding month, it will be seen that the drain of available resources is still going on. The total now reaches a lower figure than has been known for a considerable time back. To appreciate the change that has taken place, it is only needful to compare the present resources of the banks in cash and foreign balances with what they had but fifteen months ago:

Cash and for'gn bal's,	30 Nov., '88,	\$42,500,000
"	28 Feb., '90,	27,007,000

The percentage to liabilities in the first period was 24½, and in the second it is only 15½. This actual decrease of fifteen millions in the available resources of the banks in so short a period shows, in a striking manner, to what heavy fluctuation the banking business of Canada is subject in the ordinary course of events, without legislative interference. The reduction that has already taken place has made money decidedly scarce.

If we have the misfortune to have a deficient harvest it is certain the resources of our banks next winter will be still further depleted. In that case the present tightness of money will be aggravated and intensified. Up to this time, the tightness of money has not been felt as a great practical inconvenience for bankers have supplied their customers with all the money that was really necessary. But if the available resources are drained off a few millions

more, the pinch will be felt severely. Not only will there be a rise in rates; but good transactions and safe loans will have to be refused. Men will then find it impossible to get money to meet their engagements, and failures will arise to a number and amount of which we have had no recent example.

Now then, let us suppose that it were necessary for the banks to provide a very large amount of money to purchase Government securities to cover their circulation, say thirty or forty millions, the same effect precisely would be produced as we have indicated above. Even if by force of ordinary circumstances the resources of the banks were maintained or increased, the enormous sum required for the purpose of covering their circulation would take all the resources they have and leave nothing wherewith to pay their depositors. We indicate these things, not that the question is likely to be a practical one at present, but in order that the true bearing of this phase of the circulation question may be perceived.

From present indications it does not seem likely that radical or fundamental changes are to be made in our banking system. The Financial Minister has not brought down the bill *in extenso* for renewing the charters. But he has indicated sufficiently the broad lines upon which new legislation will proceed. The bills of all banks are in future to be made current all over the Dominion; and in case of insolvency of a bank its bills are to bear interest, so that the holders will not lose by being compelled to realize them at a discount. The Guarantee Fund is a further provision for ultimate security. But we apprehend that with notes as a preferential lien on every assets of a bank, they can hardly fail to be paid out of those assets, double liability included, under any circumstance. There does seem at first sight a sort of injustice in compelling large and well-managed banks to provide a fund out of which the notes of an insolvent bank—insolvent because of bad management—shall be made good. But it should be remembered that the whole banking interest of the country is bound very closely together. It is no uncommon thing in time of trouble under any circumstances for the strong to help the weak. The banks of New York have all joined together in a time of difficulty to pool their common resources. And it may not be too much for the country to expect that institutions chartered for the purpose of carrying on its business shall enter into arrangements for self-protection and mutual help. It certainly follows, if such arrangements are entered into, that well-managed banks will have a right to exercise some moral influence of a wholesome and conservative character over institutions which are inclined to do a reckless business. The reasonableness of this goes without saying.

Other features of the bill will have our attention when it is brought down and printed.

—Three or four or five-line advertisements are all right for a ten or fifteen cent article, but we believe the more information given in a newspaper advertisement the more numerous will be the replies.—*Agent's Guide.*

THE IRISH LAND PURCHASE BILL.

Public credit is the magic influence which is to be used to convert Irish tenants in congested districts into freeholders. The price of the land is to be fixed at twenty years' rental, that is the present rent, free from rates or taxes. A yearly payment for forty-nine years of four per cent. on the amount of the purchase money will make the tenant the owner of the land he occupies. If the tenant had to borrow money on his own credit, the operation would be impossible, because he would have no adequate security to give. People who pay six or seven per cent. for money borrowed on the security of real estate, will be able to understand the enormous advantage given to a tenant by the intervention of the State, by means of which a four per cent. payment for forty-nine years not only pays the interest of the purchase money, but redeems the whole capital and makes the tenant a freeholder. To enable the purchases to be made, £1,500,000 is to be taken from the Irish Church surplus. So far the operations of Irish land purchase and the conversion of the tenant into a freeholder are plain. There remains to be provided security for the capital advanced. And here the method of procedure gets somewhat out of joint. The persons to be benefited are the tenants: the contributions of the British exchequer to local Irish purposes are to be converted into a guarantee fund. The beneficiaries of these contributions might be made to suffer vicariously for the benefit of the farmer, if the ultimate responsibility were not thrown on the county authorities, and in spite of the additional remove this may still be the effect in a greater or less degree. To some extent the tenant converted into a landowner is necessarily confounded with one of the units that make up the county authorities, and to that extent guarantors and beneficiary are the same. In this element there is equity, but only the responsibility that is implied when a man becomes his own nominal security.

In the administration of the Irish land bill the element of compulsion will enter. When the landlord and the tenant cannot agree, the difference is to be referred to the Land Department which the bill creates, and which presumably will be empowered to settle it. The bill marks an extraordinary step in the march of State Socialism. The State intervenes with the capital to make the purchase of land possible, the object being to convert the tenant into a landowner, and besides furnishing the capital it holds itself ready to name the price, when the seller and the buyer cannot agree. The law is to fix the scale of prices in advance—twenty years' purchase—and to provide that a certain proportion of the amount paid by the tenant purchaser is to form a fund for the erection of laborers' cottages. In fact, the State is to do everything. The principle of a Bankrupt Act is introduced, with a difference, when purchase is made to wipe out a year's back rent; the difference being that the bankrupt is converted into a capitalist and has the real estate which he before rented vested in him as proprietor, with the obli-