

will be satisfied with nothing less than bridging the Straits of Dover. Already two leading engineers have wrought out the details of the plan, and, like good practical men of the time, put the result into figures. The cost of the bridge is to be, they tell us, \$150,000,000, and the quantity of iron to be used, 2,000,000 of tons. True, these numbers are round, and a little formidable in size, even in these days when we count by millions as readily as did our grandfathers by thousands or hundreds of thousands. But, though the project seems colossal, almost beyond the bounds of the credible, it would be at the least hasty to scout it as utterly impracticable. It is not so long since the stupendous structure that is now being thrown across the Frith of Forth would have seemed more wildly visionary than the projected highway over the Channel can possibly appear to those who know that the former wonderful engineering dream is rapidly being transformed into sober reality. The designers of the Channel bridge are even now contemplating applications to the French and English Governments for the requisite concessions. It seems almost absurd to conjecture that the bridge will be opposed in the British Parliament with the same arguments which proved so effective against the tunnel. And yet one can hardly see why the one might not prove as dangerous as the other. It may be added that the projected viaduct is to be high enough to admit of the passage under it of masted ships, and that it is to be a roadway, railway, tramway and footpath, all in one. Even the cyclists are to be provided for.

HAVING completed her great Southern railway to Samarcand, Russia is now turning her attention to the North. Siberia is next to be opened up to trade and civilization. We have all of us had from childhood indefinite conceptions of this vast land as a dreary, inhospitable region, a land of terrible frost, fathomless snows, and interminable wastes. All these features have existed in our minds but as the background for dark pictures of the miseries endured by wretched exiles, doomed by a cruel despotism to all the horrors of a living death in a region of absolute despair. In the light of the better knowledge now afforded by such writers as Mr. Kennan, who is describing the country in the *Century Magazine*, we find the truth of some of those pictures fully confirmed, but we have at the same time revelations of a very different character. Siberia is now known to be a country of vast, though practically undeveloped, resources, having immense tracts of fertile land, regions of impressive and often beautiful scenery, and, in some parts, of already advanced civilization. The opening up of this vast domain, a continent in itself, will be an event in the history of European civilization. Of course, with the entry of the railroad the system of political exile must come to an end. The Government is already taking steps for its abolition. The Administration Council of the Penitentiary Department has recently reported in favour of abolition of transportation to Siberia as a judicial punishment, and in all probability the system is doomed. As the prisoners will henceforth be shut up in dungeons at home, instead of being sent into Siberian exile, it does not appear that they, or the cause of humanity, will be immediate gainers by the change. But the spirit of change and of emancipation is manifestly at work, and will not cease till the whole land has come under its influence. When political exile has died, political imprisonment cannot long survive.

#### THE BANK OF MONTREAL.

The Bank of Montreal has completed the seventieth year of its existence, and its annual statement, and the remarks made thereupon by the President and General Manager, deserve careful attention. One marked feature which renders this country an unfavourable field for banking enterprise is simply and clearly stated by the General Manager. He says, "With all our care, every year tells us that losses cannot be escaped. The system of long credits, which prevail in Canada, adds materially to the hazards of business." We have here an old story, and it is easier to admit that this blot is a disgrace to the intelligence of our business men than to suggest a workable remedy. The banking interest is more than any other in a position to cope with the evil, inasmuch as our whole commercial system revolves round our chartered banks. Mr. Buchanan felicitated his hearers upon the fact that we are less dependent upon our crops than was the case even within a recent period. Sir Donald Smith, however, distinctly recognized the crop prospects as the principal factor in forecasting future financial probabilities, and he warns us of the danger attending the growth of our industries. There is no inconsistency in all this. The circumstances which alone make the development of our manufactures a source of danger may be stated in a sentence. They are largely carried on upon borrowed capital, and the goods produced are largely sold upon credit.

The banks are relied upon as the main source of supply in both classes of operations. It is equally unimportant whether this unhealthy state of affairs is a cause of our backwardness or a result of it. Such abuse of credit as we see around us is ruinous from a material point of view, and it has a direct tendency to lower the moral tone of those engaged in business. We do not dispute the wisdom of leaving economic laws to work out their own results, if by this is meant that legislative interference is likely to do more harm than good. Yet, if excessive competition be, as is alleged, a cause of our present evil plight, it is surely within the discretion of our legislators to render negative help when special charters are applied for. In the case of banking institutions, for instance, no public inconvenience would be felt should no new charter be granted during the remaining years of this century. There are grounds for the belief that such a restriction would be a positive benefit.

The Bank of Montreal controls one-fifth of the paid-up banking capital of the country. Its "Rest" is more than one-third of the total of this fund. Its annual statement shows total assets, exclusive of bank premises, (speaking in dollars) of forty-eight millions. The annual dividend of ten per cent. upon its capital is, therefore, equal to two and one half per cent. upon the entire amount controlled by the bank. In round figures the situation may be thus stated:

1st. The bank deems it prudent to hold in Canada nearly five millions in coin, legal tender notes and the obligations of other Canada banks.

2nd. Nearly ten millions on call in the United States, and over one million in Great Britain.

3rd. The remainder, thirty-two millions, is the fund employed in Canada.

Thus, one third of its assets are, from prudential motives, kept practically unproductive. Turning to the other side of the account we have:—

1st. The Bank's circulation of five and a half millions.

2nd. Non-interest bearing deposits of nine and a half millions.

3rd. Interest bearing deposits of fourteen millions, and the funds of the shareholders, nineteen millions.

It will be seen from the above that the Bank could discharge every liability to the public by curtailing its Canadian business to the extent of forty per cent. It is only by comparison with banks outside of Canada that we are able to realize how strong a position this really is.

The case of the Bank of England is of course unique. The returns of the Bank of Ireland are so classified as to render an exact comparison impracticable, but they compare favourably with those of the Bank of Montreal. With these two exceptions, there is no bank in the Empire in so strong a position. To prevent misunderstanding, we hasten to say that this is not necessarily a matter for unalloyed satisfaction. In no other part of the Empire (the poorer Provinces of Ireland not excluded), is there an instance of an equally well managed bank failing to attract from the public larger deposits in proportion to the investment of capital by the shareholders; so that the strength of the Bank under consideration in this regard merely indicates the comparative absence of unemployed capital in Canada. This condition of affairs should not be lost sight of in any attempts to place our credit system upon a sound basis.

The General Manager briefly referred to the policy of the Government in respect to the savings of the people. Happily this subject has at no time been made a party question, neither has it heretofore received anything like the attention it has deserved. There is a general agreement that the employment of the Post Office Department as a means of facilitating smaller savings is a wise one; but if the Executive undertakes the functions of banking it should at least conform to sound banking practice. Were a bank to give a high fixed rate for deposits at short notice the final result would be disaster, and the continuance of such a practice by the State is economically indefensible. It is good policy to extend the system of banking within the reach of the working classes; it is not good policy to provide a means of permanent investment based upon an unsound principle. The locking up in permanent public works of forty millions of the savings of an impecunious community is in itself an evil. To attract or to retain them by imposing upon the State a direct loss of interest in addition to the expenses of management is mischievous folly. The object aimed at by the Government in undertaking to receive savings is the prevention of waste it is not surely to prevent such savings from fructifying themselves in the community. In connection with this matter the establishment of a system of annuities simple enough to be popularly understood should be considered. It would be out of place here to discuss the point whether this should be done directly through the Post Office Department or by means of the machinery of a National Debt Commission, which should have as an object the reduction of the debt.

We heartily congratulate the management upon the success of the Bank. It is a Canadian institution: here its stock is mainly owned: here, too