

directors. Many directors have thus degenerated into mere dummies, whose names being known to the public in some connection or another are supposed to inspire confidence, the truth being that they have little direct interest in the affairs they are supposed to manage.

ANOTHER CANADIAN BANK ABSORBED.

A bank which has been established for thirty-five years in the garden Province of Canada, the Merchants Bank of Prince Edward Island, is about to be amalgamated with one of the largest banking institutions of the country. The Canadian Bank of Commerce has agreed to purchase and take over the business of that bank after a full and careful inspection by an officer of the purchasing bank, and on terms mutually satisfactory. This agreement awaits the formal ratification of the shareholders of the local bank on 13th April next. The business of the Merchants is to be carried on as usual in the meantime, and the same official staff employed.

We learn from the Charlottetown "Guardian" of last Saturday—an illustrated issue of twelve pages, giving a picture of the head office of the bank—that in the opinion of the gentleman who has had most to do with negotiating the purchase, Mr. Vere C. Brown, of the inspection staff of the Commerce, the affairs of the Merchants Bank have been administered in a manner which reflects the greatest credit on the directorate and management. Indeed, it has been made a condition of the purchase that those who have had to do with the administration of the Merchants Bank's affairs should continue to direct the business of the bank under the new conditions, and they are to be entrusted with the fullest measure of discretion.

In the year 1870 some of the leading people of the Island formed the Merchants Bank of P.E.I. Its first president was the late Robert Longworth, with Wm. McLean as cashier. Mr. Longworth died, and W. A. Weeks took his place, giving place later to Sir Louis Davies, whose removal to Ottawa caused the election of Ben. Heartz to the presidency, and he helped to increase the business greatly. His death in 1904 occasioned the reappointment of Mr. Weeks. The present board of directors consists of President W. A. Weeks, Vice-President F. R. Heartz (a son of the late president), Premier Peters, A. P. Prowse (of Murray Harbor, a son of the late Senator Prowse), and J. S. Hinton, of Summerside. Branches of the bank were, during the presidency of President Heartz, established at Alberton, Montague, Summerside, and at Sydney, C.B. For ten or twelve years the general manager of the bank has been Mr. J. M. Davison, who possesses the qualities of a successful banker, and has made many friends on the Island.

OUR AUSTRALIAN LETTER.

Business has been quickened during the last month, and retailers have done a much larger trade during the Christmas time than was expected—all indicating that improvement in business generally has really set in.

The "Monetary Times" has a statement that the lumbermen of British Columbia were taking no interest in this market. That was true, as noted in my previous letters, up to six months ago, but during the last six months a change for the better has set in, and there are now five cargoes for Sydney and one for Melbourne on the way from the Che-mainus and Hastings mills, and the number would have been greater had the mills been able to supply the timber. What is even better is that the mills have followed the suggestions in my early letters that they should arrange for agencies in Australia. Some years ago, products of British Columbia—fish and timber—were sold through San Francisco houses, involving extra commission and delays. The salmon trade two or three years ago effected a change, and the timber producers are wisely following their example. The Sydney

market is also improving. The demands for compensation for defective quality have become exceedingly small, and there are very good prospects that the evil reputation of this city in this respect will be a thing of the past.

Your columns also contain a sharp criticism upon Australian politics, which the writer of the article, Prof. Goldwin Smith, attributes largely to the female vote. A very large number of Australians will agree with him as to the effects of socialistic legislation, but not so many respecting the effects of female suffrage. The women, particularly of this State, have taken their political duties much more seriously than the men. The effect of their vote has not been as great as the moral optimist hoped for, nor as evil as the social pessimist feared, for to a very large extent it has been a duplication of the vote of the men.

Before the close of the session, the Commonwealth Senate passed a resolution empowering the Government to sign the debated agreement with the Eastern Extension Cable Co. As your readers have been informed, the Eastern Extension Cable Co. effected contracts with New South Wales, South Australia, West Australia and Tasmania, whereby it had the right to have private wires and open offices in the cities of these States for doing of business. Some of these contracts were of a most extraordinary character, and the result has been to very much injure the Pacific cable. Queensland and Victoria refused to make the contracts which they deemed to be dishonorable. The Eastern Extension Co. have endeavored to secure privileges in these States, and the first Commonwealth Government drew up an agreement which provided for the termination of the existing contracts at the end of ten years, more or less, upon notice being given. The Senate refused to assent to the contract until after the Pacific Cable Conference had met, but the Government permitted the Eastern Extension Co. upon its own authority to open offices in Melbourne and the use of a private wire. The majority of the Senate thought it was better to have an agreement that should terminate all contracts within a fixed time. The Senate's resolutions were not, however, referred to the House, and so matters are *statu quo*, with the Eastern Extension Co. in possession of offices in all the States excepting Queensland. It can afford to wait, as the delay is certain to ensure the life of its special advantages.

During the debate a very interesting statement was made that the expenses of the Eastern Extension Co. in doing the Australian business were over £150,000 a year, or very nearly its total revenue. This was three times the expenses of the Pacific Cable, and indicates a pretty liberal sum for miscellaneous expenditure, which is, no doubt, shrewdly entered into to promote its Australian interests. It is not surprising, therefore, that the slow and ineffective methods of the Pacific Cable had not procured a payable business.

There has been another instance of the inability of compulsory arbitration to prevent industrial troubles. In spite of the Act the wharf laborers engaged in loading wheat took advantage of full yards to demand an increase in wages, and the stevedores were compelled to give in to them, though they state that machinery has much reduced the hardest labor, and that they were already paying higher rates than in any other ports of Australia.

Large shipments of apples from Vancouver were brought over by the "Moana," which it is to be feared will entail a heavy loss upon the shippers. It has been pointed out in letters long ago that certain conditions must be observed for a profitable return on the export of apples to this market: (1) The fruit must be suitable to this market; (2) must be of a quality that will carry; (3) properly packed; (4) shipped in cool storage; (5) free from disease.

This shipment per "Moana" violated each of these conditions excepting with respect to packing. As a whole they were too large to bring the best prices. Some of them were not liked, and others were unfit to be sent such a distance. The apples were not shipped in cool storage, and were infected with codlin moth and black spot. The consignees rejected the shipments as they were condemned by the Government and much was decayed. All this involved heavy expense in handling, picking, fumigating and the destruction of