

than three years yet to run. An impression seems to have got abroad that the Act expires in 1890, which is a mistake. It comes to an end on the 1st July, 1891. There is no absolute need for legislation before the session of 1891; but it would be desirable, doubtless, that any renewal of the Act should be arranged during the session of 1890. Meantime the Government will do well to obtain all the information in its power on the subject; and it would be well probably to refer the whole matter to a joint committee of both Houses of Parliament.

ABSTRACT OF BANK RETURNS.

31ST MARCH, 1887. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up..	\$ 35,200	\$ 18,269	\$ 7,482	\$ 60,951
Circulation	16,049	11,154	4,318	31,521
Deposits	52,841	46,080	11,296	110,217
Loans & Discounts	88,025	68,142	16,304	172,471
Cash and Foreign balances (Net)...	17,439	7,654	3,838	28,931

31ST MARCH, 1888. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up..	\$ 35,213	\$ 18,283	\$ 7,930	\$ 60,966
Circulation	17,117	10,380	4,488	31,985
Deposits	58,414	42,158	13,447	114,019
Loans & Disc'ts..	93,014	63,169	18,990	175,173
Cash and Foreign balances (Net)...	20,000	7,333	3,997	31,330

OUR COMMERCIAL MACHINERY.

That something is wrong in our commercial machinery is, or ought to be, tolerably evident. Shop-keepers, importers, brokers, middlemen of all sorts, are too numerous in Canada for the business to be safely done. They jostle and antagonize one another, outbid and undersell each other. One class outbids another for custom, giving terms of credit that neither prudence nor experience can justify. Another class is guilty of the folly of underselling, to a degree which yields either no profit at all or too little profit to render business permanently successful. All classes of the mercantile community credit too freely; and this profuse and often indiscriminate credit tends to a lax observance of obligations, a condition of mind which, if continued, must prove subversive of mercantile integrity.

These considerations are brought to our mind afresh by the communication of a thoughtful merchant, whose language, although strong, conveys much that is unquestionable. He says: "The condition of affairs among the wholesale and retail store-keepers of this country is disturbing to the mind of any one who takes time to consider it. Along the whole line, from the small retailer in the country places, up through the larger retailers in the cities and towns, and from them to the jobber, the wholesale dealer, and the bank which advances to the importer and discounts his customers' paper, credit is excessive. If Canadian banks were to limit accommodation and throw out offered retailers' bills which were clearly renewals; if importers would refuse to sell goods on credit to men

who have already failed, once or oftener, and shown incompetence; and if the retailer, would only make a genuinely earnest effort to increase cash sales and decrease credit ones, depend upon it we should find an amount of healthiness and ease in the working of our commerce that would astonish as well as gratify us. I cannot refrain from alluding," he continues, "to what I can only describe as a wave of dishonesty that is washing the shores of our mercantile domain and threatening to immerse us. The revelations of some of the recent failures among general dealers in this very province are disgraceful, and even alarming, in that they show such a slight regard on the part of merchants for their relations to truth and abstract justice, to say nothing of ingratitude to creditors and wrong to friends."

This is a strong indictment. We should be glad if it were in our power to controvert it successfully. Our subscriber in the course of his lengthy communication dwells upon another matter which some of our people might with advantage lay to heart, to wit, national extravagance. Whether we have learned it from our lavish American neighbors or not, many among us have an unfortunate disposition to spend money before we have made it. We quote further: "I may mention, too, what appears to me a dangerous tendency. From habits of former extreme simplicity, many of our farmers, or perhaps I ought to say our farmers' families, have got into habits of extravagance and luxury. They find credit so cheap that they buy more farm machines than they can afford; their wives buy rich clothing and their daughters pianos and furniture that it strains their purses to pay for."

That this is at present a fine, free-and-easy country to do business in, may be gathered from a circumstance related to us this week by a woollens manufacturer. "I have found," said he, "that long-dating has not reached its limit yet. I am accustomed to sell to the wholesale trade at six months, and have sometimes given seven or eight months. But I am now asked to sell goods, made early in the year, deliver them in April or May, and give my customer four months from the 1st November next! I decline to do this, and am told: 'Your neighbor will do it; indeed he has done it.' What am I to do, when a big house that ought to know better talks so?" Another manufacturer of this province has a grievance respecting the matter of discounts. His statement is that he sells, as a rule, on six or seven months' terms, and is accustomed to take off a discount equal to eight per cent. per annum for cash. "Now," says he, "I find a disposition in the trade to take longer dating, and not only this, but to exact cash discounts of ten and even twelve per cent. per annum. This is unfair, and will only be submitted to by people who make slop goods or by those who are in a tight place for money."

—One of the largest cheese vats ever made in Canada has been sent to the Mount Elgin Cheese Co. It will hold 900 gallons or 9,000 pounds of milk, and is made of very heavy timber, the frame of oak and the planking of pine lined with galvanized iron.

THE C. P. R. MONOPOLY SURRENDER.

If the Manitoba denouncers of the veto had been in the service of the C.P.R., they could not have played its game better than they did, consciously or unconsciously. The company has a floating debt of five millions, and must have had recourse to some financial expedient to fund this amount. Besides, it now appears, the company was in want of ten millions more, to enable it to purchase additional rolling stock and erect elevators and granaries. In short, it required fifteen millions more capital; and no possible financial expedient would have served its purpose so well as a government guarantee. The C.P.R. is to get a guarantee of interest, at the rate of three and a half per cent., on fifteen millions of land grant bonds, on condition of surrendering its monopoly. It is easy to see that the company may have looked with a great deal of complacency on the agitation for abolition of the monopoly, which would do away with the necessity for further exercise of the veto in the case of railway charters.

The guarantee is to extend over half a century, almost the life-time of two generations of men. It is not to extend to the bonds themselves, but is to be confined to the interest. It will be necessary to have a very distinct understanding that the guarantee is not an undertaking to pay the interest absolutely, but only to advance it in case the company should make default, with the right of reimbursement. It is quite within the range of possibility that the railroad authorities might in future argue, if any loophole were left for their doing so, that it was intended the government should pay the interest on these bonds, out of its own resources, as a compensation for the surrender of the monopoly.

Three millions of land grant bonds have been issued already; and they are not yet due. The government will get only a secondary security, the outstanding bonds being in the nature of a first mortgage on the lands, which amount altogether to \$14,000,000 of acres. \$1,250,000 is due to the company on unpaid instalments on lands sold, and this amount, when collected, if collectable, is to go towards paying off the three millions of first bonds. Even supposing the whole amount of these instalments to be collectable—a rather violent supposition—there would remain to be taken out of future sales \$1,750,000 to complete the payment of the preferential bonds. There is no risk in the transaction, we are told; and this may be true, but it is not a transaction which any responsible commercial corporation would undertake. Our undertaking it is the price the country pays for the extinction of the C. P. R. monopoly. That is the commercial element in the transaction. The bargain will be of immense benefit to the company, which without the guarantee could not have raised the fifteen millions it requires, except at considerable sacrifice.

The lands are properly enough to be vested in three trustees, and it is thought to be an advantage to the public that one of them should be a member of the government. There is perhaps no great objection to this; though experience is rather against it than otherwise. After a trial of govern-