

and the total liabilities, including deposits, to three times the paid-up capital. The ordinary security for loans is real estate or stock in the lending company.

An interesting table is given by Mr. Douglas shewing the rate of interest, charged between 1853 and 1884. There has been a steady decrease from 12 per cent for the first three years, 11 per cent for five years, 8 to 10 for 9 years, to 7 per cent, which is the present rate. It is Mr. Douglas's opinion that the original mode, of loaning, which was much on the principle of the French Credit Foncier, viz. by terminable annuities, including interest and security fund was found "bewildering to farmers," and that the instalment method has been largely, if not wholly, abandoned. Mr. T. Symons, in a letter in the *Toronto Globe*, takes exception to this statement, and affirms that the old system "proved the most simple and beneficial plan that was ever devised for their benefit." Mr. Symons pronounces the Canada Landed Credit Company's system to have been a great success, and ascribes the change to an opposition to the original directors, who were replaced by others, who were favorable to the change of system. We own that we are unable to perceive the justice of the criticism. It seems improbable that, if the annuity system had been found satisfactory, it would have been found practicable to substitute another in its place, or if the change had been made in the system of the original company to prevent others from adopting the system, which Mr. Symons contends is preferred by the farmers.

Mr. Douglas gives the year 1874 as the period when extensive borrowing commenced in England, the funds having been previously obtained from local sources. The amount borrowed on debentures now amounts to \$25,679,803, while the deposits have increased from \$4,335,674 in 1874, to \$13,161,506 in 1883, in addition to which \$3,591,466 have been raised on debentures sold in Canada, making an increase in 9 years of nearly 300 per cent. Mr. Douglas has drawn attention to a striking difference between Ontario and Quebec in respect to the capitals of the loan societies and banks. The Loan Societies in Ontario have capitals aggregating \$23,928,625, while those in Quebec have only \$2,870,821. The Quebec banks have \$36,298,700 and the Ontario banks \$18,764,500. It must be borne in mind that the head offices of the largest banks, such as the Bank of Montreal and Merchants, are in Quebec, while both do a large business in Ontario. The location of the head office is not a safe guide.

Mr. Douglas gave an interesting account of the aid rendered to commerce by science, which he illustrated by a reference to the transmission of money by cable to be invested on mortgage in Winnipeg, the transaction between London and Winnipeg via Toronto, which was commenced in London at noon, being completed before noon on the same day. Mr. Douglas did not touch on one important branch of the subject, which we have frequently heard commented on. We refer to the immense indebtedness of the farmers of Ontario to the loan societies and its effect on the commerce of the Province. That many farms have changed hands, owing to reckless borrowing, there is no doubt, but it may be that, on the other hand, the facilities for borrowing money on the whole have been beneficial. The public are indebted to Mr. Douglas for a very interesting paper on an important subject.

#### RECIPROCITY.

We must remind the *Toronto Globe* that we have more than once pointed out, not only the great importance, but the absolute necessity of urging the United States to come to an amicable settlement of their rights in regard to fishing in British waters. It was in consequence of a similar demand that the question was referred some twelve years ago to the Joint High Commission, which never even attempted to come to an agreement on the main point at issue. Until a decision shall be obtained from impartial arbitrators as to the meaning of that part of the treaty of 1818 which relates to the rights of fishing it is useless to attempt to negotiate on the subject of reciprocity. The late Mr. Caleb Cushing pointed out that "the British view would exclude citizens of the United States from a large part of the productive fishing ground on the coasts of British America;" and as he at the same time maintained the correctness of the United States view, the obvious solution of the difficulty is to leave the question to the decision of impartial arbitrators. We hope that the Dominion Government is not neglecting to take steps to procure the amicable settlement of this question, although we can readily believe that the Government of the United States may be inclined to postpone action until after the Presidential election.

We cannot at all concur in the *Globe's* opinion that the proper mode of proceeding would be for Canada to open negotiations for reciprocal free-trade in natural products, in the hope of obtaining con-

cessions by the surrender of the fisheries. We have already had experience of the slight value placed by the United States Government on the right of fishing in Canadian waters, and we ought to know that the chief cause of their want of appreciation of our fishery rights arises from their reluctance to acknowledge our claim. The question in dispute can only be settled by arbitration, and we readily admit that unless it is so settled there will be serious danger of international complications after the expiration of the treaty. It will be absolutely necessary, while proposing arbitration as the true solution of the difficulty, to adopt measures to protect our rights as we understand them.

When the question of right has been settled, the value of the concession of the right of fishing will be so clearly established that it may be found practicable to make it a factor in the treaty negotiations. We are, however, strongly inclined to think that even if the fishery question were decided in our favor it would be found difficult to effect any satisfactory treaty of commerce with the United States. There is a formidable obstacle in the way, which is that the great mass of the population have no interest whatever in Canadian trade. Those engaged in the fishery trade are a comparatively small portion of the people, and this is the chief concession that Canada has to make, while the agriculturists and lumberers of the North West are hostile to reciprocity with Canada, and not disposed to abandon what they think their own advantages in order to procure concessions for the fishermen of the North East. Our belief is that reciprocity will be found unattainable, but, if so, it is only the more important that our fishery rights should be ascertained.

#### OUR EXPORT GRAIN TRADE.

The continued stagnation of the grain trade at this port is the subject of general comment, and shippers are beginning to apprehend that the through traffic from the West for English and Continental account is about to leave the St. Lawrence altogether. From the opening of navigation to September 10 the total exports of wheat and corn were 3,995,929 bushels, against 6,005,927 bushels for the corresponding period last year, showing a decrease of 2,009,998 bushels; and the aggregate of all kinds of grain for the same period was 4,862,216 bushels, against 6,998,792 bushels last year, being a decrease of 2,136,576 bushels, as will be seen by the following shipments from the