

terms; but perhaps any treaty which the two countries most concerned could agree upon, would be better than the present condition of commercial war and cross-purposes.

THE FEDERAL BANK.

Since we last wrote an unlooked-for step has been taken by the authorities of this bank. The appointment of Mr. Ingram as general manager did not, it was found, produce the effect desired on the public or among the other bankers. And at a meeting of the Board of Directors held on Saturday last, at which representatives of seven banks were present, the suggestion was made that Mr. George W. Yarker, manager of the Bank of Montreal branch in this city, should replace Mr. Ingram. Mr. Yarker, it appears, declined to accept the position until the other Banks had made an inspection of the affairs of the Federal, sufficient for the moment to convince them that depositors and note-holders were safe, and that there was ample capital to enable the bank to continue business on a restricted and business-like basis. The run at the counter has been completely stopped and offers of assistance from other banks to the extent of about \$1,500,000 were promptly given, which, up to the present have not been largely taken advantage of, Mr. Yarker's policy being to get in money as much as possible from the Federal Bank itself by even transferring, where necessary, large discount accounts to other banks. This policy, we are informed, will be pursued until the discounts come down in proportion to capital, and a number of small and exhausting branches will be promptly sold out to other Banks.

The directors practically left the control of the bank to Mr. Strathy, at first cashier and latterly general manager. A collapse comes, and instead of finding a way out of the difficulty themselves, they set frantically to work to find some one as new manager, to save them from the consequences of their own neglect. Their policy of practically abdicating their functions and leaving their duties to be discharged by a manager has undergone no change. When the wrong man is got, under such a system, things go to the bad, and in any case the procedure is a perilous one for men bearing the responsibility of directors of a bank with \$3,000,000 capital. The Federal directors cannot get out of the rut; and though their mode of procedure cannot be justified, on general grounds, their dependence upon experts is the only thing open to them under the circumstances. And if success be possible, it is likely to succeed.

BANK MEETINGS.

There are one or two points which have for some little time past formed subjects of discussion among Canadian bankers. One is the virtual competition of government with the banks in such matters as the rate of interest on deposits. We are aware that the rates of discount charged by our banks to their customers have been criticized as excessive compared with the discount rates in Great Britain. The answer to this is that,

so long as the Dominion Government pays 4 per cent. to depositors on daily balances, which is above the average current rate paid by banks, the rate of bank discount cannot well be reduced. We believe that the banks would be quite satisfied to reduce, by one per cent. the rate charged their customers if their deposits could be had cheaper, and that the rates of the Loan Companies on land would readily be reduced on the same terms. But the Post Office Savings' Bank rate stands in the way of such a step.

Two more of the banks have issued their yearly statements, the Canadian Bank of Commerce and the Imperial Bank of Canada, and their net earnings are, the one a little over and the other a little under nine per cent. There is observable in the statement of each a decrease in non-interest bearing deposits, and in the case of the Commerce a decrease in deposits at interest as well. But this bank has still an aggregate of deposits approaching twelve millions. The annual meeting of proprietors of this important institution is to be held next week, and we venture to repeat the suggestion made in these columns a year ago that its president take occasion at the annual gathering, to express with some fulness his views upon the financial and commercial situation. We have good reason to believe that the opinion of so experienced a man as the President of the Bank of Commerce would be received with interest and benefit by all classes of our business world.

The Imperial Bank has earned net profits of \$143,000, which with the balance brought forward suffices to pay eight per cent. dividend, to add sufficient to the Rest to make that fund 45½ per cent. of the capital, and to carry forward \$17,000 after applying \$4,600 in reduction of bank-premises account. The directors, while dwelling upon the depression in the North West and the over-production in manufactures in the older provinces, refer to gratifying signs of improvement in both districts and are led to hope for a better state of things in the year now current than in that which closed with May.

BETTER BUTTER.

Any one who has to do with the export of dairy products will have heard of Cork butter, a brand which ranks among the choicest coming into the English market. How this extra quality has been reached, with what scrupulous care the food of cows, the very soil on which they graze, the position of the factory, are each chosen, is illustrated in the following description of a Cork factory as fully as in the sketch of a New England creamery, which we quoted the other week. Canadian butter dealers may find it instructive, and dairy men even more so.

A recent visitor to Mr. T. J. Clanchy's butter-factory, at Cork, says that the butter is received fresh from the dairies, and is brought in and prepared in the evening, and at night so as to avoid all exposure to heat. The greatest neatness and care are observed in all the processes of its preparation, every minute detail being provided for, so that the butter shall not suffer in its quality or keeping properties. "The first care is with regard to selecting for preserving, for which

purpose the butter must be the produce of land not over rich. That of good, sound, stiff land, has the best keeping qualities, and in no part of the world, we believe, can there be found a district more suitable both in climate and in the character of its pastures for making such a product than the district from which the supplies for this factory are drawn." Next as to manipulation, the butter has to be thoroughly freed from milk, but this must be done without over-handling or too much working, which would injure the grain. "It is in this process, 'the correspondent states,' and in the packing into tins, that Mr. Clanchy's system and appliances are most perfect. The butter is by them made to form one solid, homogeneous body, completely filling the tins without crevices, and it is of uniform make, colour, and body throughout. The tin-plates used are the very finest charcoal plates, costing more than double the price at which inferior tin could be purchased. These insure a perfect coating of tin inside the can, so that at no part shall the iron come into contact with the butter. To such particularity is this carried that even the cut-edges of the cans are re-tinned after the can is formed and before filling it with butter. It is then hermetically closed, with only one seam at the closing edge, thus giving the greatest security from leakage or air holes."

Our Canadian country shop-keepers if they desire to explain to their customers why Cork butter commands a hundred and forty shillings per 112 lbs., when best Canadian will bring only a hundred, can give them some valuable hints from the above description. They may not like the term "scientific" butter making—some of them do not—but they may call it what they like, if they will only adopt the methods which produce good butter.

THE CANADIAN PACIFIC RAILWAY.

A report of the operations of this company to the end of the year 1883, drawn up now, contains some general information of a later date. The announcement is made that the line can be completed out of the loan and subsidy; so that Parliament will not again be asked for further aid. This is welcome intelligence; and we trust the agreeable prospect may be realised. The statement is made very positively by the directors, and they ought to be in a position to know. The original estimates of the cost of construction have not been exceeded; while locomotives are now being manufactured at the company's workshops, Montreal, for less than the locomotives previously purchased had cost. Within a year, from the present time, the section from Callander to Port Arthur, the directors believe, will be completed. There will then be a continuous line from Montreal to beyond the Columbia river, a distance of about 2,500 miles. The earnings of the road, in 1883, were \$5,473,897.64, against \$3,326,920.41, in 1882. The mileage earnings, however, decreased, as the road has been pushed on through an unsettled country. The construction of the telegraph is being rapidly pushed on, and by the end of the season, the directors expect to have a continuous line from Montreal to beyond the