

responsible position to fill. Mr. Macpherson will be able to give some practical advice about the Pacific Railway matters.

Mr. John Fraser asked and received permission to withdraw his petition against the trustees for the Fraser estate, and is content to get off with paying the costs of fying the petition. This is certainly a rather ignominious ending of Mr. John Fraser's heroic policy of obstruction. For years he has posed as the friend of an abused public; he has gone through court after court of justice and appeal; he has been the means of enriching the lawyers to the impoverishment of the estate, and now withdraws from the whole affair. What has brought Mr. Fraser to this determination? It must be either that he despairs of getting justice done, or is convinced that he has made charges against the trustees which he cannot substantiate. After a careful reading of the "Report of the Fraser Institute," which has just been issued, I am satisfied that Mr. John Fraser has had no just cause for complaint in this matter. It is within the range of possibility to conceive that the estate might have been better managed. The trustees might have looked more carefully into matters, and it is probable that they might have found a more competent secretary than Mr. Menzies; but it is quite certain that they could not have found a more determined and persistent opponent than Mr. Fraser.

I can hardly imagine a more unwise policy than that pursued by the press of Canada in the matter of Ingersoll's visit. Clergymen were weak enough to wait upon newspaper managers to beg that the lectures should not be advertised, and some papers were actually silly enough to refuse the insertion of his name in the ordinary list of hotel arrivals. Such an expression of weakness is inexpressibly pitiable. We shall learn by and by that there is a better way of meeting infidelity.

Mr. Wharton Barker's open letter to the Hon. George Brown on the subject of a Zollverein between the United States and Canada was evidently more than the expression of one man's opinion. There appears to be a very prevalent notion among the business men of the States that the policy which drove us to adopt a protective tariff was a mistake. The pressure of it is just now being felt; they find themselves shut out from their second best market they had for many of their commodities. The matter was brought up for serious consideration before the House Foreign Affairs Committee at Washington on Saturday last. The facts of the case were fully recited, showing that the former Reciprocity Treaty had been broken because of political complications which had arisen during the rebellion; that the theory which had been held by many for fifteen years—to the effect that if the United States would refuse to make another commercial union, Canada would be forced into the union under the stress of commercial circumstances—is now exploded, and that as the United States are responsible for breaking the former treaty it should take the initiative in bringing about a new one.

Certainly the United States should take the initiative, and there is no reason why a commercial treaty, or Zollverein should not be formed in the interest of the people on both sides of the line. It need have no political significance whatever, and Canada would remain in her present peaceful relations with all countries.

The steady migration westward is very good for the West, but it means a most serious depletion of Ontario and the Eastern Provinces; and the question comes, how much is Canada profited by this mere change of residence? Special trains every week are taking away some of the most skilled and industrious part of our population, and their places are not being filled by new comers. When statistics are given of the number of settlers going into the North-west, it would be just as well to say where they have come from. When the Pacific Railway question comes up for debate in the Parliament House at Ottawa, and stress is laid, as it will be, upon the numbers of people settling every year in the North-west, it may justly be asked whether that is a real and substantial increase of Dominion population, making the burden of taxation lighter and justifying such enormous outlays as are proposed, or whether the enriching of the new part of the country does not mean impoverishing the old?

EDITOR,

TRADE PROPHECY.

Business men frequently find it needful to forecast the future, and when they do so accurately their trade speculations are apt to be successful; but only seldom do they venture upon the role of prophets. To do so would certainly do away with these profits exactly in proportion to the truth of the prophecy.

But there are at present two phases of commercial legislation the one completed, the other in process by the "collective wisdom" which almost demand that some one should prophecy in order that all may be warned to avoid disaster. These are, the abolition of the Insolvent Act, and the projected banking legislation. It needs no special gift of prophecy to discern folly in both and thus to foresee as a result both evils and miseries of a practical kind. It is always folly to shut our eyes to facts. Yet it is well known both to legislators and experienced merchants that many traders have not taken advantage of the opportunities for "whitewash" inherent in the late lamented Insolvent Act, who are still practically insolvent. To declare such by law solvent, and "Insolvency" a legal impossibility is simply to shut our eyes to facts in the vain hope that they will cease to be when we no longer see them. There must surely be some truth after all in the Darwinian theory, and legislators may probably be in a more direct line of descent from the ostrich than are some others of us.

The proposed Banking Act partakes of the same cowardly and childish spirit. Afraid to face the fact of an unjustifiable expenditure our Government fails to adopt the rule of righteousness by justly declining to implement agreements which it cannot justly carry out save by a forced loan in an over-issue of currency. True, it describes that over-issue as a guarantee to the public of greater safety in the currency they use. Government says, and what a government says must of course be true that such guarantee is as good as if gold were held for the whole issue instead of a portion only. Government may be right in its conclusions as regards that. It remains to be seen. In any case the proposed over-issue is a forced loan, based on a forced conviction, all the same.

The forthcoming results of the first mentioned step are, will be, these. Seven different "distribution of assets" acts instead of one Insolvent Act applicable all over the Dominion will inevitably curtail credit and consequently clip the wings of trade. Chattel-mortgages and bills of sale will again be widely known in the land. Bye and bye the intelligent British merchant will begin to hear and know of their beneficent effects after a few failures to pay him have brought him wisdom, and he too will follow the goods he sells our importers with a chattel-mortgage. Then if the Canadian banker continues to do business on his present system what will be the effect as regards value of a note he discounts given by a chattel-mortgaged trader to a chattel-mortgaged merchant, neither of whose stocks are available as a recourse to the holder of their joint "promise to pay"? Banking will and must, take a new form. It must advance the importer letters of credit or cash wherewith to buy his goods, and hold the interesting and instructive "bill of sale" of the goods so bought itself, and when it discounts the paper drawn upon that merchant's customer for these when sold it will be apt to demand that the "bill of sale" the merchant holds or ought in such case to hold upon this further transfer of goods be attached to it. He will require also to know how many other chattel-mortgages are already issued by the acceptor of the bill. Will the expenses of conducting a banking business be increased thereby? Let the banker answer.

Behold further the effect upon the amount of trade possible under such a system as contrasted with our former one. Hitherto credit has been obtained largely from other countries. It is not too much to say that at least half the stocks of goods held by importers represented a credit from Foreign capital. The banks have hitherto only extended credit upon the basis of transactions between local buyers and sellers trading in these stocks. Can they suddenly stretch their resources so as to hold these stocks and at the same time extend the same credit as at present on paper representing sales effected? Again—let the banker answer; nor omit to reckon on the further drain which Government contemplates making upon his resources.

As regards the effect of the forced loan by means of currency, the finger of prophecy points to an utter failure on the part of Government to effect it. Their currency can only be got out and kept out at the expense of the banks' present issue or by continually paying it out on further public works as fast as it comes in. In view of the added needs of the merchant already depicted, and the consequent necessities of the banks to maintain their circulation at least at its present point, the banking currency may have to change its form, but it will be maintained; and the government currency will not. The banks will hold or circulate not a dollar more of it than they can avoid, while their own currency will more than probably take many new shapes in circular letter credits, drafts &c., one upon another, and an encouragement to customers to use cheques even for the smallest amounts. The memory of the Cheque Bank of London (England) may possibly revive at such a juncture and some of our banks may justly enough offer to depositors ten cheques of ten dollars each for each hundred dollars deposited with them. Nor is there any harm or danger