

The Banks and Corners in Produce.

One aspect, at least, of "corners in the produce market was overlooked by the committee of the New York Legislature that recently investigated this subject, namely, the relation which the banks sustain to "corners" or to the men who are engaged in running them. This feature of the cornering business has a very important bearing on the commercial and financial soundness and prosperity of the country.

There is probably not a town in the United States east of the Rocky Mountains doing business enough to support a bank which has not customers who speculate in produce, their number varying largely by their distance from speculative centers and business relations with them. Such speculators are generally engaged in legitimate business in their own localities, in the conduct of which they are accommodated by banks there located. These institutions not unfrequently also furnish the sinews for speculation, while in the larger cities, where, cornering operations are carried on, many of the banks are heavily interested in the same way.

But in the latter case, banks sometimes go much further, because some of the heaviest speculators are directors, or have great influence with others who are concerned in the direction of these institutions. Indeed, it is a current saying on commercial exchanges that there is a wire between every corner and the back door of some bank, where the clique running it get all the money they want.

The small receivers, on the other hand, who are engaged in moving the crops in a rightful way, are unable to obtain their usual accommodations, as the banks engaged in helping the speculators "have no money to lend." There is seldom a tight money market without frequent and loud complaints of this kind. The manipulators and their first cousins, the "pawn brokers," who carry speculative articles for the smaller speculators, take the money of the banks we have described at call loan rates and loan it over their own counters at "pawn-broking" rates to these small receivers on the same collaterals offered by them to the banks and which the latter refuse. These collaterals consist of bills of lading and warehouse receipts at 75 to 90 per cent of the real value represented by these instruments, instead of fictitious or "corner" values, on which money is loaned by the banks in question to the favored cliques. Not unfrequently, though, these banks loan to the favored ones solely on their credit. When the markets go against the cliques, the banks are so deeply involved that they are sometimes obliged to carry their borrowers through in order to save themselves. At times nothing stands between them and ruin except the solvency of the house—or houses—"running" the "deal." This was shown in the failure of Kenyon & Co., of Chicago, on the "long" side of the wheat deal last spring, by whose failure a national bank was also ruined.

Of course, there are many banks which are not engaged in such business, but those that are, clearly pervert the objects for which they were created. Special powers have been granted to them, and it is expected that they will foster legitimate trade and assist in mov-

ing the crops and aid manufacturers. To run them for the benefit of speculators and cornerers who are doing their utmost to injure legitimate trade, derange the movement of the crops and render extra hazardous the great branches of manufacture, is to do exactly contrary to what was expected of them. This evil is not only great, but it is becoming greater. The danger to our banks, and also to our banking system from such operations is apparent, and if something be not done to check the evil our next panic will perhaps begin in commercial circles and carry down our financial institutions.

These "deals" and cornering operations in all the produce markets of the country have become so frequent and enormous, and are encouraged and aided so largely by this class of banks, that one effect of their operations is to drive merchants out of legitimate business and transform our commercial classes more and more into a community of gamblers in the necessities of life.

Without the aid of banks "corners" could not be "run." Their charters are derived from the people for the benefit of the industrial and commercial classes who are being crushed under the juggernaut of speculation. The banks aiding the abetting "corners" are in the position of a faro bank, pure and simple. They "back the game" for these faro dealers in corn, wheat, oats, pork, lard, meats and cotton, and the public are the victims.

This huge whirlpool has already encircled the commercial, financial and industrial interests of the country, and is drawing its prosperity into the vortex. This has as much to do with the growing depression as the shrinkage in values which has been going on for several months past.

How can this evil be remedied? How can the banks who have thus departed from the object for which they were created be led into rightful way? Certainly the comptroller of the currency should require all the national banks to abandon these illegal and harmful operations without delay. The matter is worthy his most serious attention.

We do not include all, or, by any means, a majority of the banks in the foregoing indictment but the few who are thus indicted are subjecting every other bank and its customers to the heavy risks and losses accompanying these great speculative operations.—*New York Bankers' Magazine.*

North-west Postal Development.

The report of the Postmaster General which has been laid upon the table of the House of Commons is a very interesting document. The development of postal facilities in Manitoba and the North-west is dealt with at length, and traced from the early times up until now. There are now 877 miles of railway over which mails are carried, made up as follows: Rat Portage and Thunder Bay route, 300 miles; Rat Portage and Winnipeg, 136; Stonewall and Winnipeg, 20; St. Vincent and Winnipeg, 65; Virden and Regina, 180; Virden and Winnipeg, 176. The daily services by bags in charge of company's servants is 1,094 miles. The number of miles of railway over which mails are carried by pos-

tal car is 245; by baggage, 631; the number of miles in construction which were to have been completed this year is 407. The total number of miles of railway at the end of the present year is set down at 1,717, or 841 miles additional to be put in operation this year. This addition, at the rate of 4 cents a mile, will entail an additional outlay of \$20,038.64, Sundays being excepted. The total additional expenditure required is set down at \$53,000. Mail communication is essential to the convenience and prosperity of the newly settled country, while at the same time its cost is much greater in Manitoba and the North-west than in the older parts of the Dominion. In view of these considerations the inspector asks for a liberal appropriation for the establishment of new offices and mail routes. He also proposes that, in lieu of the existing arrangements, by which there is no provision for return mails to Windsor and in the working of which losses have occurred, should be discontinued, and that the mail matter for and from Maple Creek (whither the Fort Walsh station is to be removed) Fort McLeod and Calgary be carried via Winnipeg. To this end a post office should be established at the western extremity of the Pacific Railway track, to move with the westward extension, and from it once in ten days or a fortnight sub-offices at Fort McLeod and Calgary should be served. This "western terminus office" would be placed in charge of Mr. Fauquier of the Mounted Police and a small detachment of that body would exchange mails with the traveling post office between Winnipeg and Virden. The annual cost of this arrangement (for a distance of 535 miles) would be \$11,144.80. After the track crosses Seven Persons' River, 60 miles west of Maple Creek, it is proposed that couriers should run between Regina and West terminus by railway between the latter point and Calgary and between Calgary and Fort McLeod, a total distance of 535 miles, at an estimated annual cost of \$12,637.20. By this plan it is believed that the transit of correspondence to and from Maple Creek will be considerably expedited, while there would also be a reduction of \$2,266 in the cost. By the autumn of 1883 it is expected that the end of the track will be at Calgary, the centre of a range country and a convenient distributing point for mails going southward to Fort McLeod and northward to Edmonton.

Something New in Telegraphy.

The development of the art of telegraphy during the past decade has been so remarkable that people can hardly be startled at anything no matter how marvellous which is produced. Prof. Elisha Gray, of Chicago, is the inventor of a system which, if it fulfils for itself all that is claimed for it, will completely revolutionize the whole telegraphic world. A company has been formed which has its wires already in operation between New York and Cleveland, and one nearly completed to Chicago. A reporter describing the peculiar operation at New York says that seven copper cylinders, about two feet long, and of the diameter of a stove pipe, were arranged against the south wall. A young lady sat near each cylinder ticking the key of