

man the triumphant march of the Turk in Thessaly is a conquest over Christians; whether they be Greeks or British is to them indifferent. The policy of Russia has, for some time, been to keep on good terms with Mahomedan subjects of the Turk; and it has been relentlessly carried out in Armenia, at the expense of the Christians. Through the violent but futile denunciations of the Turk by writers like Gladstone, Great Britain has been made to appear to the Mahomedan world just what Russia would like to have her appear. While England checks Turkey in Thessaly, the Turk is likely to use that subtle influence with the Mahomedans on the Indian border to cause trouble to British arms. That Great Britain will come out of this trouble practically uninjured, is probable; that it should be so is the ardent wish of the best elements of civilization. The fact that the Kyber Pass is in the hands of the enemy shows that Great Britain has a serious task before her in restoring peace.

After the visit of Emperor William to the land of the Czar, comes that of President Faure of the French Republic. When the alliance between France and Russia was first announced it was a joy which the French people had all to themselves; but when, as time rolled on, it had to be shared with Germany, the exalted enthusiasm which accompanied the first embrace suffered a slight chill, which no efforts could conceal. It would never do for the Czar to invite the Emperor William to visit him unless a similar distinction was to be granted to the head of the French Republic; and so M. Faure follows the Emperor of Germany at no great distance. It would have been inconvenient to have them both together. It imports other nations to reflect on what general understanding, if any, which may be come to by the three powers; British subjects are specially concerned to know whether it has any, or, if so, what significance for Great Britain. If we may believe current reports, the Emperor of Germany's aim was to give an anti-British complexion to the understanding which he desired to make with his royal brother. What new arrangement will be made between France and Russia, if any, we must wait to learn; and as such agreements are oftener secret than open, we may have to wait till some incident, like the recent Bismarkian, brings the revelation.

FINANCIAL REVIEW.

The attention of the people of Canada is now being turned to the crops of grain that will soon be harvested, and which present in so many localities such a remarkable appearance of promise. The yields of wheat in many counties of Ontario are such as to remind one of the old times of abundant harvests and high prices, for there is at present not only an abundant harvest generally, but an extraordinary recovery from the low prices that have prevailed with such a depressing effect during the last three or four years. The crops in Manitoba and the North-West are fully up to the average in quantity, but the quality will be determined largely by the weather of the next few weeks. Rain, hail or frost may yet do damage to a very unpleasant extent, and diminish the average quality by ten or twenty per cent. and the value of the whole crop correspondingly. The estimate of the wheat production of the North-West is about twenty-five millions, and if it is harvested in good condition and the average quality is high, the return to the producer in dollars may be nearly fifty per cent. more than was secured for the crop of last year.

In Ontario, where the harvest has generally been secured and its quality assured, if prices maintain their

present high level or thereabouts, the value of the crop may be valued at even double that of the crop of last year. This cannot fail to do much towards lifting up the business of the province from the depression which has clouded it over so seriously during the last few years. Its effect will no doubt be to put numbers of storekeepers in a good position who have for sometime been in the doubtful category, and to bring many debts that appeared to be drifting towards a loss into a sound position again. The effect of all this upon the various branches of the wholesale trade can hardly be estimated. It is notorious that the losses of wholesale merchants for several years back have been on an unusually large scale; so much so indeed that a feeling almost akin to hopelessness was beginning to prevail in certain branches.

Now, however, a different atmosphere will begin to be breathed, and, as when the tide begins to turn, it often flows on with increasing steadiness and volume for years, a return of prosperity in these branches of trade may reasonably be looked for. And it must be remembered that one interest affects another. Interests affect one another adversely, and they will affect one another prosperously, so that a general revival may possibly set in and an era of prosperity begin of a brighter character than many have supposed possible.

However, we know well how unsafe it is to prophesy. And we are not prophesying; all that we have said has been in the way of suggestion of what may come if certain contingencies work favorably. But then they may not work favorably, and our suggestions of what is possible may turn out to be mistakes. And there is one cloud, and not a little one, impending over one of the large industries of the country, viz., the sawed lumber trade with the United States. The prosperity of certain districts of Ontario (not counting the Ottawa Valley) is largely dependent upon this industry, and until the price rises in the States to such a point that the Canadian producer can export to a profit, the cloud over this industry will continue.

Against this, of course, has to be set off the fact of exceedingly good prices realized for our wood exports to England. The effect of these abundant crops and high prices upon the business of the banks will, undoubtedly, be to largely increase the circulation of their notes over former years. We may expect this year a very much larger outflow of bank notes for the purpose of moving the crops than has been the case for several years back. It is very possible that over the whole Dominion, it may take fifty per cent. more money to handle the crop, and that instead of an overflow and increase of some five millions, circulation may increase to the extent of eight or ten millions. All this will be very satisfactory in view of our admirable circulating system. With respect to this, we do not need to enlarge, except to say that if certain circulating arrangements once contemplated had been carried into effect, a very severe stringency of money would have set in by this time, to the great embarrassment of all parties engaged in trade.

The deposits of the banks and of the country generally are still expanding, and now touch very nearly three hundred millions, a point which would have been deemed absolutely incredible a few years ago. There was once a time when deposits were held to be of little account in the general banking position, they were so small. Now they aggregate such an amount as to supply the whole of the funds that the banks require for discounting and loaning.

With regard to this latter matter, some rather striking changes have been going on during the last year or two. In many of the banks a very large reduction has taken