assets are a trifle larger, value of mortgages being slightly over, where a year ago they were slightly under, $2,000,000. We observe a decrease of $24,000 in sterling debenture borrowings and an increase of $64,000 in deposits and domestic debentures, which is in accord with a tendency seen in several companies to borrow more at home and less abroad. After paying six per cent. to shareholders, $10,000 was added to reserve and $8,000 carried forward, which is a satisfactory result. We are told that whereas the real estate held on hand by the Agricultural at the close of 1897 was $28,000, it was less than $13,000 at the close of last year. This pleasing fact shows the improved market for lands.

The rate of earning shown by the Guelph and Ontario Investment Society is a very creditable one. With mortgages and other assets amounting to $1,700,000, earnings of $88,700 appear. Plenty of business offered last year, for we observe that the applications for loans reached $720,000 and $373,000 of these were accepted. This society has always been well served by its directors, many of whom are good judges of real estate and give personal attention to the inspection of landed properties. Doubtless their efforts have assisted in the reduction of real estate on hand from $50,000 a year ago to less than $30,000 now. The adjacency and compactness of the region within which the company confines its loans adds also to the ease of their supervision. No wonder that the shares of this society are in demand at a good premium, when it continues to pay so high a dividend as eight per cent. The reserve fund has now been made up to $160,000, or say 37.73 per cent. of the paid capital, and there is $18,500 at contingent account. The members are justified in regarding their holdings in this society as a very desirable property.

CARRYING GRAIN FOR EXPORT.

Our American neighbors do not believe that the plans of Canadians to wrest their grain carrying trade from the United States will be successful. The New York Journal and Bulletin of Commerce states that "the Premier has delighted his constituents with a high-colored picture of all the Canadian and a good part of the American grain exports going out through Montreal. The picture was high-colored, and in anything like completeness it is impossible of realization, but it is not wholly imaginary." Although political lines in this country are very closely drawn we believe that both parties are pledged to the building up of the Canadian grain carrying trade. No money has been spared by Canada to accomplish this object, and we have little doubt that before long our contemporary will find that there is nothing high-colored about a statement that Canadians will shortly carry their own crops through Dominion routes to the Atlantic seaboard.

Last year 10,000,000 bushels of American grain was carried for export by way of J. R. Booth's Parry Sound railroad from the Georgian Bay, and this year the traffic manager is making preparations to take 15,000,000 bushels by the same route. It is true that as yet American vessels are used in transporting this grain by lake to Parry Sound, and in this we have the secret of the failure of the Canadian carrying trade. There is but a slender Canadian merchant marine on the Great Lakes. Water transportation is so much cheaper than rail that in failing to develop their marine possibilities Canadians have made the fatal error which has deprived them of interests of supreme importance. Only those who have some acquaintance with the proportions of the United States traffic on the Great Lakes appreciate the seriousness of the Canadian loss. Of the immense tonnage which passed through Sault Ste. Marie canal last year, the goods carried having an estimated value of $200,000,000, only about three per cent. was carried in Canadian bottoms. The deepening of the St. Lawrence canals, giving a 14-foot Canadian waterway from the head of the lakes to the Atlantic, is looked upon as a measure which will at once bring about the construction of the much longed-for marine. But this is very doubtful. Lake carrying interests in the United States have become centralized, and have fallen largely into the hands of the powerful capitalists who dominate in the trade and transportation affairs of that country. Plans are now on foot, we are informed, to bring about a further consolidation of these Vanderbilt, Rockefeller, Hanna interests. Canadian capitalists who have naturally smaller means at hand fear to enter a field where such strong competition may be expected. But until enough economical Canadian carriers are constructed, navigating from Fort William to Montreal—there are not more than five now registered—to enable us to claim a Dominion lake marine the St. Lawrence route, with all its expensive canals, is of comparatively little use. But that such carriers can be built, and such a Canadian borne traffic had, is not wholly imaginary. The question demands the best attention and the united efforts of Canadian capitalists and statesmen.

CHEESE AND BUTTER.

Canadians have been so successful in marketing their cheese in the Old Country markets that they have come to be of the opinion that they have little to fear from competition. Pride goes before a fall. The proper time to recognize danger to a trade is before anything serious has occurred to injure it. Although great quantities of Canadian cheese are annually consumed in the United Kingdom, it is none the less an opportune time to enquire into the possibility of our losing hold upon the market by reason of the activity of our competitors. The Dominion Minister of Agriculture, Mr. Fisher, recently stated that it was a good deal of a shock to him when last year, in England, he had heard criticisms of Canadian cheese. "We used to think our cheese was the best that could be bought in England. But now their home-made cheese is superior to ours, especially the Scotch cheese. Two Canadian cheese-makers went over to Scotland and taught the people there how to make cheese, and now the Scotch cheese has beaten ours in the English market. Although we have a climatic advantage, we have other disadvantages that more than make up for it." The English people eat cheese as a food, or used to, but now they are getting better off and are giving up cheese to eat more meat. The English laboring man is now able to buy pork and beef and mutton. It will not therefore do for us to make more cheese than at present or we will glut the market. But the difficulty is that the milk supply of Canada is increasing. The only thing to be done is to turn the milk into butter rather than cheese. The conditions of a few years ago in Canadian butter are changed, and now we have a wide opportunity of increasing our butter market. Our butter stands nearly as high as the best Danish. The price used to be 18s below Danish, now it is not quite 8s below the best Danish. Canada sends to England only about 5 per cent. of the butter that England imports. With our present cold storage facilities Canada can lay down on the counters of the English retailers her butter in as good condition as when it leaves the creameries.