The Commercial

WINNIPEG, JULY 10, 1893.

EXPORT CATTLE TRADE.

The cable news from England this week is serious. A short time ago, it will be remembered, the lungs of an animal which arrived on the other side by the steamship Lake Winnipeg, were held for microscopic examination on the ground of suspected pleuro pneumonia. On Monday the announcement was made in the British House of Commons, by the president of the board of agriculture, that the microscopic examination showed that the animal had been affected with the dreaded cattle scourge. This undoubtedly means that the restrictions upon the importation of Canadian cattle into British ports will be maintained for this season at least, and all cattle will have to be slaughtered at the port of arrival. It was hoped that this restriction would be removed at an early date, but this hope may now as well be given up.

It may be noted that only one case of pleuro pneumonia has been detected among all the Canadian cattle arriving in England this season, and what is most interesting is, that the animal alleged to have been affected with the disease came from Manitoba. This seems remarkable in view of the fact that no trace of the disease has been found anywhere in this province. Hints have been thrown out that the investigation was not an honest one, and that there is something crooked about it. It is a well known fact that a strong effort has been maintained in England in favor of restrictions upon the import cattle, trade in the interest of the home producer. This perhaps gives some color to the hints thrown out that there is something not right about this investigation. The Commercial, however, cannot credit any reports of this nature, and will not countenance any charge of dishonesty on the part of the British board of agriculture or its employees. On the other hand, we would urge that a most careful investigation be made of the condition of our herds. If possible, the diseased animal should be traced to the herd whence it came.

If further diligent research continues to show that the disease does not exist in Manitoba, there will be greater reason to doubt the reliability of the decision of the British veterinary department, for it is possible that an error has been made in diagnosing the disease. For the sake of our home cattle industry, however, the greatest vigilance should be given to the detection of the disease, if it exists here at all.

THE SILVER QUESTION.

The silver situation is at present attracting an unusual amount of attention, even for this question, which has for years been one of the most prominent in financial and commercial circles. The recent action of the India government in stopping the free coinage of silver, has brought this intricate and much debated question to an acute phase. In the United States the effect of this move by India is felt the most severely. In that country the already strained situation has been further aggravated to such an extent that some radical change in the monetary system of the country cannot longer be delayed. The ridiculous silver legislation of the United States Congress has apparently run its full course. It has accomplished its undesirable results, and it is now recognized that the silver purchase law must go as speedily as possible. An extra session of Congress will be called for August 7. The demand for the repeal of the Sherman law has been steadily gaining strength, until it has now become irresistable. No doubt Congress will act in this direction, though the silver men may be expected to make a most determined fight in favor of the white metal.

The silver market has gone on from bad to worse, and now presents an utterly demoralized condition, growing out of the situation in India, and the almost certainty of repeal legislation in the United States. Silver is now at the lowest price on record. London declined from 37⅞d to 30½d per ounce in the six days ended June 30th, and during the same time New York declined from 81 cents to 62 cents per ounce. This great decline shows the utter demoralization of the market. At the close of the month there was some recovery, due to the action of Colorado smelters and mine owners in deciding to cease operations immediately.

The outlook for silver is not encouraging. The present situation would seem to indicate the abandonment of silver by the last of the great commercial nations still holding to this metal, except as a subsidary coin. This is not a pleasant outlook to those interested in the production of silver. The present low range of silver values probably means that many low grade mines will not pay operating expenses, a result which will be felt seriously in some silver territories.

THE COMMERCIAL BANK.

The Commercial Bank of Manitoba closed its doors on Monday last, July 3. For some days previous to this, a feeling of mistrust in the bank had been growing, and deposits were being withdrawn freely. This movement gradually increased until, on Friday, it amounted to a brisk run on the bank. On Saturday (which was a holiday) it was announced that the bank would suspend, and that it would not be opened on Monday.

It is sometimes difficult to trace the cause of popular mistrust in a bank to its proper source. In the case of the Commercial Bank, there is some doubt as to how this feeling was spread abroad, but it appears to have arisen as a result of certain law suits, particularly the suit instituted by the bank against R. T. Rokeby, who at one time acted as manager of the head office of the bank in Winnipeg. This suit, with perhaps other matters affecting the internal affairs of the bank, gave certain parties some insight into its condition, and gradually led to a general feeling of mistrust.

The effect of the failure of the bank will, of course, be bad; but while the disaster will cause inconvenience, hardship and loss at home, the feeling of mistrust which it will cause abroad may perhaps be even more detrimental to the country. It is therefore unfortunate for Manitoba, and Western Canada in general, that this financial disaster has occurred, as well for the losses at home as the influence it will have upon our credit abroad. In the face of this, however, The Commercial wishes to state most positively, that the commercial condition of Manitoba is not in any sense responsible for this financial collapse. The bank has, of course, met with occasional losses in its commercial business, in common with all banks everywhere. At the same time, neither the present nor the past condition of the country is in any way responsible for the break. The bank, we understand, was doing a profitable business of a general and legitimate commercial nature. It has not met with any overwhelming losses in transactions of a strictly commercial nature with the regular business community. The bank had a considerable business of a more speculative nature, however, which has proved disastrous to it.

The severe troubles of the bank are from within, and not from without. Considerable sums of money were locked up in enterprises with which the officers of the bank were connected, and which did not prove profitable investments. To this condition may be closely traced the fall of the bank. The fact that a considerable portion of the limited capital of the bank was invested in this way, at times made it necessary to restrict profitable commercial businesss. A branch of the bank was opened at Carberry, and during Mr. Rokeby's term as manager, heavy advances were made to the Carberry Milling and Brewing Co., an enterprize with which he (Rokeby) was connected, and which afterwards collapsed, notwithstanding the sums received from the bank. This is one of the most damaging blows the bank has received.

The Commercial Bank of Manitoba was never a very strong institution. It had troubles from the outset. The bank was founded upon and took over the business of the financial firm of McArthur, Boyle & Campbell. Some of the business which fell to the bank through this connection was not desirable, while the other troubles which embarrassed the bank date back years, and have no bearing upon the commercial condition of the country.

The ability of the bank to meet its liabilities, will depend very much upon the issue of the claims against Duncan McArthur, its president, R. T. Rokeby, at one time acting manager, and Mr. Boyle. The latter, particularly, is considered good, though not payable in full for two or three years. In the Dominion Government report of the banks of the Dominion of Canada, published about the end of May, some statements regarding the Commercial bank are given. The authorized capital is $2,000,000; the subscribed capital is $740,000; the paid up capital is $552,650; the amount of rest or reserve is $50,000; the amount of notes in circulation $278,530. Balance due the Provincial government, $85,117; deposits by the public payable on demand, $685,695; deposits by the public payable after notice, $149,357; loans from other banks in Canada secured, $160,000;

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