

ment on which the dispute arises. From whom can we expect such interpretation? Each party to the treaty interprets from its own standpoint, and the divergence survives any amount of discussion which can take place between them. Interviews, correspondence, and manifestoes bring us no nearer to an agreement. There seems to be, in such cases, a want of some international tribunal representing both countries, that could give a judicial interpretation. Canada has no desire to be false to her international engagements, and she does not believe that she has been the United States ought to require nothing beyond what the obligations of the treaty call for. But, in the absence of such a tribunal, there will have to be a decision. As it rests with Canada to grant or refuse what is asked, she can only decide according to her understanding of her international obligation, and if she be unable to take the line pointed to by the President, it will remain for Congress to do what its conviction of the necessity of the case demands.

On the subject of reciprocity, the President shares the notion that Canada desires that any new treaty that might be negotiable should be confined to natural products, though her commissioners distinctly stated that some modification of the previous treaty would not be unacceptable. "A treaty," he says, "that should be reciprocal in fact, and of mutual advantage, must necessarily have embraced an important list of manufactured articles, and have secured to the United States a free or favored introduction of these articles into Canada as against the world." The United States takes very good care not to act upon this principle: in making a treaty with one country she does not debar herself the right to make a similar treaty with another country. There may be some articles which Canada could admit on these exceptional terms, but they would be few indeed, as they would have to be such as could not be purchased on better terms elsewhere. If the representatives of the two nations be got together, with a mutual desire to secure a treaty, something might be done; but the United States need not expect Canada to bind herself to buy only American manufactures, and to pay prices out of all proportion to their value, as measured by the competition of the world's market. This she is not prepared now to do, and there is not likely ever to come a time when she will be.

BANK MEETINGS.

The Canadian Bank of Commerce has earned net profits of \$529,642, equal to 8.827 per cent. on its capital. Seven per cent. or \$420,000 is paid in dividends; \$100,000 added to the Rest, making that fund a million dollars; \$12,500 written off Bank Premises account; the remainder carried forward. While this result is considered by the authorities of the bank as satisfactory, they dwell upon the reduced margin of profits possible to banks, and deprecate the excessive rates paid for deposits as one cause of this. The rate has been reduced, it is true, but might well be reduced still further.

In his address the president compares 1867 with the present year in respect of the growth of the bank, and shows that deposits, which at the close of 1867 were \$766,000, are, on 31st May this year, over \$17,000,000. The fact is recalled with satisfaction that the Bank of Commerce has never throughout its history failed to pay half-yearly dividends, which indeed average for all that period seven and three-quarters per cent. per annum. The aggregate profits represented by dividend paid and Rest accumulated were over \$11,000,000 in the twenty-five years. He emphasizes, however, the difficulties which affect the earning power of a bank with large capital, as compared with that of one of small capital, while evidencing a very becoming spirit of pride in the banks which have been able to achieve greater earnings and bigger Rests than his own.

Any merchant who thinks that a big turn-over is a glorious and praiseworthy achievement will be pleased to learn from Mr. Walker's address that the volume of business in both the United States and Canada showed a considerable increase last year. But much of this enlarged business was done to little purpose, for in various lines it has been without profit. That is, a large share of the business transacted has missed its whole aim and object, for what is the use of all a merchant's planning and toiling and worrying if he makes no money? There are too many people in business. True, and not business enough to go round. But instead of seeking to get better profits, by which means a larger number of traders might make a living and survive, every new comer cuts the profits down, cuts away the ground from under his neighbor, helps to ruin him while working his own downfall, and often loses, in a few years, what trifling capital he had. Back he goes, impecunious, to his farm, or his trade, or his former situation, "a frightful example," if people would only learn from the experience of others. All this, we are told, is an old story. It is well to repeat it, however, for people cannot hear too often of such folly. A development of recent years is thus referred to by the general manager of the Bank of Commerce.

"Small villages complain that their business is going to the larger towns, and the towns complain of the cities. Small manufacturers complain at consolidations and so called monopolies. Retail shop-keepers complain at the great establishments, where almost anything may be bought at a margin of profit which is ruinous to the smaller dealer." It is useless to treat these as temporary or abnormal conditions, which can be met successfully by the shop-keepers reducing profits or extending credits. These changes, we are assured, "concentrating business in larger centres and stronger hands, are but a part of the great centralization in commerce, labor, and so many things, which is one of the most prominent developments of the last decade or two." This centralization is described in a homely paragraph which shows its effects upon the movements of producer and middleman, whose whole tenor of life is disturbed by it. Granting

that this is not an ideal state of things, yet what are we to do about it? The changed conditions are "permanent enough to demand that we should meet them with a more ready change of front than we at present offer. . . . We have a distinct over-production of shop-keepers and other men in business, and the men with the newest methods are apt to drive the others out. If business men find their trade or profits going from them, hard as it may be, they should meet such a state of affairs promptly by turning to some other industry in which there is not over-production at the moment." Such a business, Mr. Walker contends, is farming; and he would have our superfluous merchants leave their thankless, unprofitable shopkeeping, their strife with threatening Patrons of Industry, their struggle with long-credit patrons and bad debts, and become self-respecting, self-supporting farmers, gentlemen of the kind in vogue when Adam delved and Eve span. Good advice—would that people in this leisure-loving age could be coaxed or driven to take it, especially since we must admit it true that "the return from the honest industry of a farmer in Ontario or the North-West is greater proportionately than in any of the ordinary callings of men with which I am acquainted."

The speaker had something very hopeful to say of our dairying and cattle and hog raising industries. He also takes a favorable view of the lumber and timber trades, and sees a great future for the pulp-wood industry. "But there are other conditions; we are suffering all over North America from the waning of a wide reaching real estate boom. . . . The supposed profits from real estate operations have in many cases disappeared. Many people are clearly not so well off as they imagined, and a general indisposition, and in some cases inability, to spend money as freely as heretofore is the natural result. . . . We have danced, and we must pay the piper with what grace we may." The conclusions of this banker are in line with the recent expressions of the general managers of our other two largest banks. And the lesson they all teach is the homely one: aim to become a nation of producers rather than a nation of middlemen. Use your great opportunities sensibly, they say to Canadians, and let industry and economy be your watchwords.

The statement of the Standard Bank is as usual, very brief. The bank earned less than in the previous twelve months, and this was because "money was plentiful for a considerable part of the year, and the profits were accordingly affected to some extent." Net earnings paid the dividend of 8 per cent. and yielded a surplus of \$30,000, of which \$25,000 was placed to Rest, and the remainder carried forward. Available assets are in large proportion, namely, \$2,725,000, out of total assets of \$6,794,000.

The Ontario Bank shows slightly better net earnings this year than last. It has been able, after paying seven per cent. dividend to shareholders, to increase the Rest to \$815,000 by an addition of \$85,000, and to carry \$15,000 forward. The report