

that the Ministerialists at last recognize the fact that "Canada is being out-distanced by other countries," and is not making the progress she should make. But, to say nothing of the determined and not altogether unjust opposition of the labour unions, it is manifestly worse than useless to bring immigrants, at large expense, into this country, only to find in a year or two that the greater part of them have quietly disappeared across the border. It would be a no less hopeless task to aid in the bringing in of people from abroad while unable to keep our own people, especially the young and ambitious, at home. Now that their attention is directed to the matter, we hope the party in power will make a thorough study of the emigration question before attempting to deal with that of immigration. Cannot something be done to check the constant drain of the very best elements of our population, or must we quietly wait the course of events, until the tide turns and the current begins to set back towards our fertile fields and plains? There is some reason to hope that that day may not be far distant. The practical question is: What can be done to hasten its coming?

THE past season has been remarkable, even in Canadian political annals, for the number of scandals which have come to the front for investigation. The Rykert and Middleton affairs at Ottawa are now supplemented by a series of charges of the gravest nature against a prominent Quebec politician. As the latter is before the courts, comment on the published details is out of order; but the McGreevy charges, whether found true or fabricated, suggest possibilities of corruption in public life that are startlingly suggestive. As all these scandals belong to the past, there seems some reason to hope that the fact of their being now, at last, brought to light and investigated may, after all, be a hopeful indication. As our readers are aware, the action of the Committee on Privileges and Elections has been anticipated by the dramatic resignation of Mr. Rykert. This will not, we suppose, prevent the submission and adoption of the Committee's report. If Mr. Rykert carries out the purpose which he is said to have declared before leaving Ottawa, and offers himself for re-election, he will, in so doing, pay a most sinister compliment to the electors of the constituency. They can hardly fail to resent the insult. It is inconceivable that any Canadian constituency could again return a man whose conduct has been pronounced by the House of Commons—as his will almost surely have been—"discreditable, corrupt and scandalous," more especially since no honourable man can have read the evidence without endorsing the verdict. There is some reason to fear that the report in the Bremner fur case may not, after all, be presented to Parliament before the close of the session. We have no hesitation in saying that such a failure to carry the inquiry to its legitimate conclusion will be deserving of censure. It is necessary in the public interest that the verdict of Parliament should be pronounced upon such acts, with a view to the moral effect upon members of the public service, and upon the country. We have no desire to see General Middleton treated with unnecessary harshness. We do not think it just that those who suggested and advised the act of spoliation and tyranny should escape their share of the censure. All will be willing that he and they should have the benefit of extenuating circumstances, if indeed there are any such, arising out of the excitements of the time. But to allow so flagrant a breach of trust and violation of the laws of honour and honesty to pass without censure would be to leave a blot upon the fair fame of Canada. Nor can we see any reason why, in common justice, General Middleton and those members of his staff implicated should not be required to make good the loss. Why should the people of Canada pay the damages for them?

IT is no easy matter for those who are by long study and use familiar with the details of a complicated business, like that of Banking, to discuss questions connected with it with such freedom from technicalities as to make their arguments clear to those who are without special knowledge or experience in the business. This difficult task Mr. E. B. Walker, of the Canadian Bank of Commerce, has performed admirably in the pamphlet to which we referred last week. Whether the careful reader accepts or rejects Mr. Walker's conclusions, he must admit that the questions are stated with great clearness and the arguments presented with much skill and fairness. For practical purposes the pamphlet is, probably, no longer of immediate use, as the chief points for which it contends are sub-

stantially conceded in the Banking Bill which is passing steadily through its different stages in the House of Commons at the time of this writing. The pamphlet will, nevertheless, be of permanent value as a contribution to a discussion which is likely to be perpetuated by the advocates of the National System of Banking, or renewed by incidents which may at any time occur. Mr. Walker's main object is to point out those defects in the National system which are in his opinion radical, and due to the absence of a scientific basis; and to show that the present Canadian system, with its strong central banks, each having its numerous and well distributed branches, answers much better the requirements of a growing country. What, then, are those requirements? As formulated by Mr. Walker the following are the chief, viz.: Safety for depositors, ability to supply all reasonable wants of borrowers, ample facilities for distributing money over the whole country according to the special needs of localities, and a currency free from doubt as to value, readily convertible into specie, and answering in volume to the requirements of trade. Mr. Walker, while showing historically that the American National System had its origin in exigencies arising out of the great Civil War, admits that this fact does not matter if the method is found to answer the purposes of a perfect or comparatively perfect system. It is his aim to show that it has not done so. Here it may not be amiss to observe, in passing, that one of the advantages which Secretary Chase put forward as important, in urging the passage of the American Act, in 1861, is passed by without remark by Mr. Walker. Mr. Chase claimed "the increased security of the Union, springing from the common interest in its preservation created in the distribution of its stocks throughout the country, as the basis of their circulation," as one powerful argument in favour of the establishment of a National system. There can be no doubt that there is considerable weight in this argument, and that it would apply with its full force to Canada under present conditions. The constant handling of Canadian stocks, and of notes bearing the impress of the Central Government, and secured by its credit, would have a powerful effect in keeping the people in the most remote parts of the distant provinces constantly reminded of their organic relations to the Canadian Dominion. Canada certainly needs to use all lawful centripetal forces for the furtherance of the idea of national unity.

MR. WALKER scouts the idea that the American system affords greater security to depositors than the Canadian. He shows with seeming conclusiveness that while the legal positions of depositors in the two countries are identical, the fact that the Canadian bankers have large capitals and relatively small deposits reduces the danger of loss to depositors to the minimum, as is shown by the enormous amounts that shareholders must lose in paid-up stock and double liabilities before depositors can suffer. His argument under this head is summed up in the self-evident proposition that "the probability of loss to the depositors in one bank with several millions of capital is less than the probability of loss to some of the depositors in ten or twenty small banks, having in the aggregate the same capital and deposits as the large bank." And yet it will be hard to convince the advocates of the national system that it would not be possible to devise in connection with that system a method of rendering deposits even more secure than they can possibly be under any other. One of the most striking paragraphs in Mr. Walker's pamphlet is that in which he shows how admirably the Canadian banks, through their branches, meet the wants of all parts of the country, by gathering up money in those sections in which the savings largely exceed the outlay in new enterprises, and lending the money in those sections in which the new enterprises far exceed the people's savings. The Bank of Montreal, for instance, borrows money from depositors at Halifax and other points in the Maritime Provinces where it is unused, and lends it in Vancouver or the Northwest, where it is specially needed. The Bank of Commerce and others perform a precisely similar service throughout the Province of Ontario. That the American national system signally fails to perform this service appears from the statement that "a Boston bank may be anxiously looking for investments at four or five per cent., while in some rich Western State ten and even twelve per cent. is being paid." The very fact that money is in such demand, and such rates offered creates distrust and causes the Eastern banker to button up his pockets. To this argument the rejoinder that first suggests itself is that, while it may be admitted

that the Canadian banks with large capital and numerous branches serve the country better than the American small banks without branches, no sufficient reason has been given why the excellent features of the branch system need be lost to the country, under the other arrangement. Mr. Walker anticipates this objection and replies to it. Our space will not admit of giving, much less criticising, the various points of his reply, though they constitute, in some respects, the most interesting part of the discussion. Some of them will certainly not be easy to dispose of. There is, for instance, the fact that with the present system the notes which have to be kept in the tills of the branch offices cost no loss of interest, whereas, under an issue secured by deposit of bonds the money kept in the tills would represent just so much loss of interest. Mr. Walker also repeats the familiar statement about the immense amount, he puts it at nearly \$50,000,000, which would have to be taken from the loaning powers of the banks, in order to secure currency based on Government bonds. He further enters at some length into a most interesting argument to show how greatly superior is the present to the proposed system in securing that volume and elasticity of the currency, which are of vast importance to the business of the country. "Student" in another column has some interesting remarks on this point. The gauntlet Mr. Walker has thrown down, will, we dare say, be taken up by some champion of the national system. Vulnerable places will, no doubt, be found in his argument. We question whether, for instance, the contention that it was the inadequacy of the American bank-note currency which made the enormous silver issue possible be not a case of assigning the wrong cause. There is, moreover, an attractiveness and apparent naturalness about the national currency plan which cause many to look forward to it as the coming system in spite of all difficulties and objections.

THERE are two special features of the Government Banking Bill, now passing through Parliament, that are worthy of special attention. One is the establishment of the "Bank Circulation Redemption Fund." So far as we are aware, this is a new and unique feature in Banking. That the establishment of such a fund, as proposed, will, in connection with the prior lien on the assets of the Bank, and the double liability of the stockholders, render the paper currency issued by any Canadian Bank practically as good as gold, seems beyond question. We assume, of course, that adequate measures will be taken to prevent over-issue by weaker banks, to whose notes this arrangement will give an increased value, which may prove in some cases a temptation. But we should be glad to hear what a student of political economy thinks of the abstract merits of such a system of compulsory insurance, especially in its relation to the stronger banks which are thus taxed for the benefit of the weaker. The other point is not touched upon by Mr. Walker. It is, in fact, not an economical but a constitutional question. We refer to the proposal for the escheating of unclaimed balances, after a certain date, to the General Government. The contention that such windfalls should go to the Provinces rather than to the Dominion, is, to say the least, very plausible. In case of any considerable sum being at any time involved, the Province interested would not be likely to surrender its claim without a struggle. Can an Act of the Dominion Parliament settle a question which is clearly one of constitutional interpretation?

IT was Sir Charles Tupper, we think, who, referring to the danger of a commercial war between the United States and Canada, declared that such a strife is but one remove from actual war. It is a deplorable fact that these two countries are now apparently almost face to face with such a state of things. The Canadian Government has, it is true, declared, and perhaps with perfect candour, that the late changes in the tariff, including some which seemed to be specially adapted to provoke retaliation, were made without any unfriendly intention, solely from regard to Canadian interests. The same might probably be affirmed with equal truth of changes of a similar character now proposed by the American Congress. Unfortunately, the mutual irritation caused by such measures takes but little account of the motives which prompt the vexatious legislation. Should the views expressed in the report of the Washington Senate Committee on Interstate Commerce, in regard to Canadian railways and other matters, commend themselves to the Houses of Congress, and take shape in legislation, the unpleasantness and danger of the situation will be greatly intensified. It may be true that a