

bad debt on their books has arisen from the state of affairs above described. Yet, the country as a whole has been benefited. Farmers have had a far better price than they otherwise would have obtained, and through them the benefits have been spread abroad to all sections of the community.

The exports of cheese have been again very large, and the price to the farmer during the whole of the season has been most remunerative. But the merchants have not done well out of it, and most of their labor has been at a loss.

Butter drags along just as it has done for many years, in spite of the fact that there is a market in England for ten times, or twenty times as much as we now send there, and this is a market in the highest degree remunerative. A good article always fetches a good price there. But then the article must be *really* good. In fact, such butter as is very commonly used in Canada could not be sold in England at all.

There is no possible reason why Canadian farmers should not make as good butter as English farmers, or as the farmers of Denmark. Surely what a Dane can do under less favorable circumstances, a Canadian can do if he would only make up his mind to try. Be this as it may, it is certain that Denmark both can and does make butter of such a quality that England is glad to buy it in immensely greater volume than she buys from Canada, and she pays a better price for it too. It is all purely a matter of business. There is no sentiment about it. No matter where the butter comes from, if it is such as English people want, English merchants will buy it. If it is not, they won't.

The export of timber and deals has had a better return; and the year, on the whole, has been favorable enough. The market has brightened up considerably on the other side, dull as times have been, and shippers of timber have done a satisfactory business on the whole.

But the various branches of the import trade are rather under a cloud, and dry goods merchants especially have good reasons to complain. It is a trade of infinite detail and labor, and infinite anxiety about the credit given to customers. Yet there are few houses in this line that have made any substantial progress during the last few years. What with increasing expenses and decreasing profits, and what with a constant succession of small failures, and occasionally of large ones, the lot of a merchant in dry goods for some time has not been an enviable one. Still, it may be conceded that matters might be worse. If a man makes a decent living out of his business, even though he adds nothing to his capital, he cannot say that times are very bad. It is when capital itself melts away, and becomes more or less impaired; it is when the savings of former years are absolutely dissipated by losses on goods or losses by bad debts, that the real pressure of mercantile business is felt. No doubt our credit system is sadly at fault here, and the training—or lack of training—of our men of business is sadly at fault also.

It was said recently by a dry goods merchant who thoroughly understands the position, both on this side of the Atlantic and the other, that in England ninety per cent. of the retailers succeed, while in Canada ninety per cent. of them fail. He was contrasting the training on both sides the Atlantic respectively, and also the business methods prevailing. And that was the result, very broadly stated, and possibly a good deal exaggerated, but sufficiently near the truth to convey a great lesson.

In other lines of importing competition is just as keen, expenses just as disproportionate to profits, but probably the average of failures is less, and credit is much more reasonably given.

Manufacturers, most of them, complain also, and times are not good with them certainly. Again, it may be said that the times are not bad, for most of them have made some profit, and have declared dividends, which, if not as much as usual, are not to be complained of.

The financial position is one of considerable ease. Yet such times as these are often followed by a sharp reaction in an opposite direction. The deposits of the banks are constantly increasing, partly because of the increasing difficulty of finding good investments. From \$173,000,000 last year they have risen to \$187,000,000 this year. These are of course bank deposits alone, and show a constant increase in the savings of the community.

The total deposits of all kinds amount now to \$262,000,000, against \$248,000,000 last year. It is apparent that the whole of the increase has gone into the chartered banks. In connection with these accumulations the interest paid by the Government to depositors is a matter of primary consideration. It is evident that the Government is losing money by its deposits, for while it can borrow money at only a very trifling fraction over three per cent. in England, it pays three and a half per cent. in Canada, besides incurring the heavy cost of a staff sufficient to keep the tens of thousands of accounts constituting the total.

This matter the Government might seriously consider, and should do.

The United States loan of \$50,000,000 has been a most peculiar one. What was wanted was not so much money as gold coin, and this with a prodigious stock of silver in its vaults, which is held in the national accounts at vastly more than its value in the market. Of course the loan was subscribed for. The banks which have been holding such masses of gold in an idle shape are only too glad to have it turned into a three per cent. investment.

But it is surely matter for congratulation that Canada can borrow money now almost on as good terms as her great neighbor. And, moreover, that in considering a future currency system the methods of Canada are being looked up to as a model.

We append our usual comparative statement, the figures of which will well repay attention.

## ABSTRACT OF BANK RETURNS.

31st October, 1893.

In thousands.

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up .....	34,722	17,650	9,710	62,082
Circulation .....	18,475	12,646	5,785	36,906
Deposits .....	85,655	65,392	22,780	173,827
Loans, Discounts and Investments .....	111,660	82,571	33,800	228,031
Cash, Foreign Balances (Net), and Call Loans .....	35,714	20,387	5,487	61,588
Legals .....	7,253	3,993	2,063	13,309
Specie .....	3,780	2,271	1,227	7,279
Call Loans .....	5,145	8,262	1,373	14,680
Investments .....	6,800	8,556	3,277	18,633

31st October, 1894.

In thousands.

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up .....	34,785	17,683	9,739	62,207
Circulation .....	17,339	11,690	5,487	34,516
Deposits .....	91,819	70,982	24,584	187,385
Loans, Discounts and Investments .....	110,456	78,412	35,360	224,228
Cash, Foreign Balances (Net), and Call Loans .....	40,881	29,092	5,930	75,903
Legals .....	7,320	6,077	2,275	15,672
Specie .....	4,116	2,700	1,029	7,845
Call Loans .....	5,729	9,940	1,286	16,955
Investments .....	7,334	9,666	4,415	21,415

## DEPOSITS.

Government Savings Banks .....	\$43,000,000
Montreal City and District Savings Bank .....	8,639,000