

Efforts are being made, notably by Mr. Dobell of Quebec, to secure for Canada an independent Atlantic cable. Of the \$2,500,000 capital required, \$500,000 has been paid in. The financial question is not yet regarded as solved; and an attempt will be made to induce the Dominion Government to grant a subsidy. There can be no doubt that it is desirable to have an independent cable; but the necessity is rather political than commercial. This explains the attempt to obtain a subsidy from the Government.

BANKING REVIEW.

The figures of the monthly bank statements are now becoming very interesting, throwing as they do considerable light upon the monetary stringency which has been prevailing for some time back. The drain of deposits, which was very severe in the month of August, continued during September in a modified degree, the decrease in September being \$2,100,000, against \$5,200,000 in August. But a drain of \$7,300,000 in two months is no slight matter. The net result of the working of the deposits of the banks for the last few months is this: that whereas on the 30th April last the total deposits of the banks were \$14,000,000 more than they were the previous year, these deposits by the end of September, 1893, had so fallen off that they were actually less than they were a year ago. Yet in spite of this immense withdrawal of loanable funds, the loans and discounts of the banks had increased \$17,000,000. So that between September, 1892, and September, 1893, the banks had been called upon to furnish seventeen millions more of money to the public, while their resources from deposits remained the same. If, then, it is asked how they obtained this large amount of money, the answer is: they drew it from their available resources in cash and balances due them abroad. We will make this clear by putting a few figures together in tabulated form, showing the deposits at close of following months:

DEPOSITS.

Apr., '92..	\$163,000,000	
" '93..	177,000,000	Increase \$14,000,000
Sep., '92..	173,600,000	
" '93..	173,100,000	" turned to decrease

DISCOUNTS AND INVESTMENTS.

Sep., '92..	211,000,000	
" '93..	227,000,000	Increase \$16,000,000

AVAILABLE RESOURCES IN CASH, FOREIGN BALANCES, ETC.

Sep., '92..	73,651,000	
" '93..	59,523,000	Drawn out \$14,100,000

The above figures will enable anyone to take in the monetary position at a glance. It is quite evident that the banks were not only justified, but compelled, to raise the rate of discount some time ago. For the raising of the rate invariably has the effect of restricting the demand for loans, and it is evident that the loans of the banks had reached as high a figure as it was prudent to allow them to go. There is always more or less of an outcry when the discount rate is raised by the banks, and the cry of arbitrary action is sure to be heard. But arbitrary action, we may depend upon it, is practically impossible where we have so many institutions alongside one another,

all of them under the necessity of doing business, and of keeping the circle of their customers intact. It is being demonstrated more clearly as every Bank Return comes out, that the banks in taking the course they did were acting prudently, both with reference to their customers' interests and their own.

The movement of the crops from the farmer's hands to the dealer's and from the dealer's to the seaboard for export, has already set in. This movement generally gives rise to a certain relaxation of any stringency that may have previously prevailed, and this may continue for a time. But the indications are that the winter will be one of difficulty in financial matters rather than of ease. The crops which are usually moved in winter will no doubt be lighter than usual, and the amount of money derivable therefrom, no doubt less than customary.

It is not at all unlikely, therefore, that there may be considerable commercial embarrassment during the next six months, and it would be prudent on the part of all concerned to shorten credits, diminish stocks, and prepare for a time of hardness and difficulty. The crops in the North-West, which form so important a factor in the position, are undoubtedly in many districts much below the average, and many farmers will have nothing to spare, after providing for living expenses, wherewith to discharge old debts. Now it is notorious that credit in the North-West has been extended to bounds far beyond what is known in the older provinces of the country, all of which mass of credit rests upon agricultural products. If these are short the means of fulfilling credit obligations are taken away, and those who have expected collections to be made and notes to be paid, will find themselves generally disappointed. All this we may look for during the coming winter. Consequently all concerned would do well to take in sail in good time. The banks, no doubt, will support their customers, *i. e.*, their desirable customers, to the utmost extent of their power. But their power is limited. None of them have an inexhaustible fund of money to draw upon, though some people seem to think they have. Some of the banks already have allowed their supplies of money to run down too far, no doubt in response to the urgent entreaties of their customers. But there does come a time when the first duty of a bank must be to protect itself. When that time comes its customers will require to look out. Prudence and retrenchment, and taking time by the forelock, will avert much of the difficulty which might otherwise ensue.

The United States Senate, after a period of senseless foolery, at last settled down to a rational treatment of the silver question, and repealed the silver law. We are inclined to think that the ultimate action of the Senate has to some extent been discounted. At any rate there has been some modification of the extraordinary and unprecedented stringency under which it was impossible in that country to obtain money at any price a month or two ago. The movement of the crops is having the same effect in the United States that it has in

Canada, *i. e.*, in producing temporary ease. But there remain very large obligations abroad still to be discharged, and a long time must elapse before financial and commercial matters have settled down in the States to a healthy basis.

ABSTRACT OF BANK RETURNS.

30th September, 1892. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	\$	\$	\$	\$
Capital paid up..	34,534	17,413	9,705	61,652
Circulation	17,364	11,891	5,672	34,927
Deposits	86,987	63,905	22,785	173,677
Loans Discounts & Investments...	106,546	73,913	81,282	211,741
Cash, Foreign balances (Net) and Call Loans.....	39,933	75,813	7,905	73,651
Legals	5,314	4,568	2,022	11,904
Specie	3,609	2,015	1,146	6,771
Call Loans...	8,180	8,318	3,330	19,828
Investments..	8,882	7,937	3,005	19,824

30th September, 1893. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	\$	\$	\$	\$
Capital paid up..	34,721	17,643	9,710	62,074
Circulation	17,620	11,653	5,856	35,129
Deposits	84,297	66,033	22,853	173,183
Loans, Disc'ts & Investments...	112,001	82,369	33,361	227,731
Cash, Foreign Balances (Net) & Call Loans..	33,477	19,936	6,110	59,523
Legals	6,528	4,222	2,148	12,898
Specie.....	3,781	2,349	1,186	7,316
Call Loans..	5,187	8,139	1,634	14,960
Investments.	6,794	8,635	3,322	18,751

EXTRA-NATIONAL LEGISLATION AT WASHINGTON.

If American railway companies get their own way, they will save Canada the trouble of regulating by legislation her own railway system. At their prompting, Mr. Hitt, of the House of Representatives, Washington, is essaying extra-national legislation, which, besides the American roads, includes and overshadows the Canadian system. Mr. Hitt having on a previous occasion objected to interference with the course of railway traffic such as he now advocates, appears to have become a peculiar object of railway patronage, in accordance with the well-known rule which suggests that means be used to turn the critic into an advocate of the interests criticized. Congress has found the necessity of doing what it can to prevent too close a connection between its members and the railway companies, by enacting that no member of either House shall be at liberty to take a brief from a railway company. In spite of this inhibition, Mr. Hitt has, by some process which we do not pretend to understand, been won over to the railway interest. Naturally enough he shows the zeal of a new convert in the bill to which he has consented to put his name, but which doubtless received its form from American railway magnates.

The bill from beginning to end is an attempt to encroach on the independence of Canada by assuming to legislate for our railways, in our country, as well as their American connections. By clause 1, the carrying of American goods in bond over