

the employees; nay, more, the company had assisted in the formation of co-operative food, clothing and furniture societies, etc., for their servants; of restaurants for their hands, of cheap residences, free schools and hospitals. Each year the company makes a handsome gift to the Pension Fund; at the banquet the Director announced the company had just presented a further sum of 100,000 frs. to the Aged Fund, and it must not be forgotten the pensioners enjoy all the advantages of the co-operative machinery for food, clothing, etc. And the director affirms the company has been fully repaid for its fraternally working in with its hands by the latter's devotion to their duties and their increased attention to the interests of their employees. This brilliant object lesson is full of meaning for more than other railway companies; it is the advance step in the up-to-dateness of the way capital and labour can harmonize and dwell together in peace.

The French Government has nominated a scientific commission to study the celebrated whirlpool—the Maelstrom—off the coast of Norway. There is a lesser one at Sælstrom, and which has been made famous by legend in song and story. All the poetry of Scandinavia centres around that terrible gulf which expresses the supreme horror of nature. But we live in a more positive age. The whirlpool is in the vicinity of the wildest rockbound coast of Norway—the black cliffs are called “the ramparts of the world.” But there are times when the pool is so calm that a small boat can sail across the presumed mouth. No ship has ever been sucked down—mariners know the current by their charts—save that described by Edgar Poe, so full of “creepiness,” and where the vessel is converted into matchwood; of that crew one alone was rescued, he was aged 22, but after some hours of cork-screw tossing in the tun dish he was thrown up on a beach miles away, his hair white as snow and himself a wizen, old man. During periods of storm the Maelstrom resembles a tun dish, the water whirling inside a ring of foam, but the eye can see the descending liquid wall to be all jet black water. Trunks of trees are thrown up, so split that the natives say they have become “Mermaid's hair.” Of course it is legend that whales have been drawn into the great mill race, and that their cries can be heard above the storm. The celebrated Kircher, who prepared the architectural plans of what the Tower of Babel was, held that the Maelstrom subterraneously communicated with the Gulf of Bothnia. The French mission is to be discovered if it connects with the Gulf Stream and to rectify existing charts of currents.

As was anticipated the public took no interest in the “May day” manifestation, where nothing was manifested; it ranks the whole affair as one simply for the police to let people remain idle or to work as they please.

The Academy of Science formally attests the successful treatment of cancer by the new process of preventive serum for inoculation prepared from the blood of a mule, in which cancer germs had been “cultivated.” That will be good news; about fifty to sixty persons die weekly in Paris from cancer.

A society has been formed to surround cremations with all the solemnity, pomp and circumstance, as if an ordinary interment, and calls upon the several churches to arrange their liturgies according to the spirit of the times. It is recommended to utilize flowers and music on these occasions liberally. Why not hire out flowers for a funeral “fête,” it is asked, as is practised for dinner parties, balls, weddings, and other social gatherings? And why not make obituary ceremonies choral?

Z.

Letters to the Editor.

THE BLUEBIRD.

Sir,—In my letter on “Our Song Birds,” which you were good enough to publish in your last issue, the printer makes me speak of “the girgling notes of the blackbird.” As all our blackbirds are destitute of song the notes of none of them can be described as “girgling.” The red-winged black bird's monotonous *con-que-ree* is scarcely a song. The bronzed grackle (or crow blackbird) makes a ludicrous attempt at song, but every note is cracked. The crow bird is tongue-tied, uttering only a few spluttering notes. The rusty blackbird is as tuneless as its congeners. The bluebird, however, has a charmingly sweet voice. Longfellow calls the bluebird's song “piping” and also, in another place,

a “jocund carolling.” John Burroughs, in a bold metaphor, calls this bird's note “the violet of sound.” In this matter the naturalist has a better ear than the poet, for the song of the bluebird has a delicate softness rather than a piping jocundity.

J. E. WETHERELL.

Strathroy, May 11th, 1895.

POLITICS AND BUSINESS PRINCIPLES.—NO. VI.

Sir,—To ensure a sound economic condition it is necessary that the banks of the country be restricted to capital, *i. e.*, they must be made directly responsible, and not be permitted to involve and risk the money of their depositors by being allowed to discount to an extent that will exhaust or unduly lessen the proportion of their specie reserves to their liabilities. The volume of the bank's discounting capacity should be controlled by the proportion of specie reserves to liabilities. This should be insisted upon, as much for the preservation of the value of their own assets as for the protection of their creditors, depositors and note-holders; and also as a protection against the general depreciation in value of the real and personal property of the country. Most people imagine, and all bankers would have us believe, that when they discount a tradesman's promissory note the security should be inherent altogether in the property on which the promissory note is based. This ridiculous idea is productive of more mischief and ruin than almost any other destructive agency could be. The fact that the bank incurs a debt by discounting the promissory note is overlooked entirely. In this way the banks shift their own responsibilities to the shoulders of their customers and their creditors.

The proportion of specie reserves should be a sufficiently high percentage of the total liabilities of the banks to protect all their creditors absolutely. By this means speculation, and consequently losses, would be reduced to a minimum, therefore the securities of the banks would then represent better value. The securities would be very much better than if the banks had been allowed to over trade, consequently the rate of interest would be lower. The over-trading of the banks is always indicated by the disproportion between the amount of the specie reserves and the liabilities, and the disparity will be proclaimed by an abnormal rate of interest. It is a very natural error to imagine that bank reserves can be invested, or that banks can with safety hold securities instead of specie as reserves. It does not matter how good the securities are, if the balance of trade is against the country, the securities will have to be reduced to specie, or mortgages will have to be exported to secure the debt; consequently, the value of the securities will be lessened, thus making the economic condition adverse.

It seems to be the impression that if the banks were restricted in the manner described, currency circulation would be lessened. This is a very grave mistake. The fact is, the trade of the country is starving at present for the lack of circulation, caused by the almost unlimited latitude given the banks. This undue scope allowed the banks has been the means of destroying almost every material interest of the country. Imports, in consequence, have been unduly stimulated, and the specie (which should be the foundation for a voluminous note circulation), has been forced out of the country, thus causing an abnormal rate of interest, because of the depreciation in value of securities, and consequently also handicapping exports of merchandise. The greater liberty that is given banks to discount the more likely are they to become possessed of inferior securities, which naturally keeps up the rate of interest and forces money out of the country, and therefore hampers trade and production. The very fact of the money leaving the country lessens the value of the securities of the banks, *i. e.*, makes the securities inferior to what they would be if the money had been retained in the country; consequently there cannot be such a voluminous circulation of currency, nor will the currency be on so sound a basis.

If the banks were restricted by law as I have already suggested, imports of merchandise would be lessened, and the additional money remaining in the country in consequence of lessening imports, would add security and stability to the finance of the country. Securities would be so much improved by the retention of this additional money in the country that the rate of interest would naturally fall. A fall in the rate of interest would stimulate production, and therefore increase the volume of discounts, and, consequent-