

England, at a maximum which was never to be exceeded. However, we do not point to those returns as models.

But to return to the statement with which we originally set out; there is certainly a sufficient amount of unsoundness developing in various quarters to give rise to a feeling of uneasiness. Failures are becoming steadily more numerous; losses on the part of the mercantile community, must therefore be increasing. We are not prepared to say that as large a proportion of these losses will fall upon the banks as formerly. The banks had some bitter lessons, in former years, and learned that they ought not to part with their means without getting good security. Banking credits have not been dispensed recklessly, as they used to be in days gone by. But they have been dispensed incautiously in many quarters. There can be no denying this. Bankers have not been as scrupulous in examining securities as they might have been, and ought to have been, and they lend, even yet, far too much money on merely nominal security, or no security at all. It is time for bankers to ask themselves whether a return to first principles would not now be in order. They might judiciously enquire whether it is wise to allow themselves to be cajoled, or frightened into parting with their means, when no security is given, merely for fear of losing an account.

Bankers might profitably ask themselves the question why they should allow their cunning customers to take advantage of the weakness of their managers, at outside points, and allow them to take a great amount of their resources simply because these local managers say that if one bank does not do it another will. Common sense is surely an attribute of a good banker, and common sense teaches a banker that it is the merest folly to risk large sums for such a miserable modicum of interest or commission as accrues from the transaction. A banker can always employ his resources on sound security, by taking a little less interest. Why then, for the sake of some two per cent. per annum, run the risk of losing the whole? Considerations like these, we are persuaded, are already at work. The present uneasiness ought to tend to make bankers cautious. Their losses this year, speaking generally, will be far from impairing the soundness of their position. But these losses ought to have the effect of driving men to think of the first principles of their business and to teach them that caution and prudence, in the long run, pay better than ambition and "enterprise."

A year ago, we were in the flowing tide of prosperity. This year we have received a decided check. The political papers are fighting, as usual, over the various manifestations of the commercial position. Having nothing to do with politics, we can take a calm and practical view of the position. And our opinion is, that the present state of things does not portend great disasters; it is simply a check. But it is a sufficiently serious check to stop further inflations, foolish speculation and silly efforts on the part of men of business to make money outside their legitimate calling. It is probably serious enough to nip in the bud some enterprising schemes, in banking, which have recently

been launched upon the country. There is certainly no need why more banks should have the power of issuing promissory notes. The existing banks could issue twenty-five millions of dollars more than they are issuing, and yet be within the limits allowed by this law. What possible reason then can there be for chartering other banks with issuing powers? Sir Robert Peel's Act, in dealing with the circulation of England and Wales, was a good example to follow. His bill did not abolish existing circulation, in a single instance. But it prohibited the formation of any new banks with circulating powers. Existing interests were carefully conserved, while future mischief was as carefully prevented.

#### UNIVERSITY FINANCE.

University College, the only secular college connected with the University of Toronto, is hindered in its work for want of funds. Some of its alumni, including Mr. Mulock and Mr. C. R. W. Biggar, are in favor of making an appeal to the Provincial Legislature for a grant by way of supplementing the endowment. Dr. Wilson, President of University College, has doubts about the prudence of doing so. He foresaw that the application would be met by a storm of sectarian enmity and zeal. What he descried in the dim distance, a very small speck, is now looming up into somewhat formidable proportions. Already, Queen's and Victoria have declared the opposition in advance. And others speaking of, rather than for, Trinity, say she will join the combatants. This opposition might possibly be strengthened by political complications. But against this partial sectarian hostility has to be placed the increasing support from several denominations which the University is getting from affiliated colleges.

The appeal might be rejected; and then some other course would have to be taken. If reason is on the side of University College, sectarian zeal is against her; and the clamor of the zealots might drown the voice of reason. The leading Presbyterian divines of the last generation were all on the side of University College. Foremost among its champions were Dr. Burns and Dr. Jennings. Roaf and Lillie, representing the Congregationalists, and Fife representing the Baptists, stood shoulder to shoulder with the clergy of the Free church. Their theory was that the educational wants of the Province would be best supplied by one great unsectarian college, at which students of all denominations could get their general education; that theological education could best be supplied by denominational colleges, affiliated with the University of Toronto. These distinguished men never countenanced the sectarian universities in their opposition to Toronto. With the sects which wooed the State for lucre—which wanted a profitable State connection—they had no sympathy. Their object was to sever that connection, and their enterprise succeeded. By the sectarian advocates, the smallest one-horse university in the Western States is put on a par with Harvard, John Hopkins and Cornell. A graduate of any one of them is sought to be passed off as of equal value with the best. By counting

heads, without taking into account anything else, the great universities of the United States are thrown into the shade, by this class of reasoners, and the one-horse universities are glorified.

There can be no objection to the denominations doing their own work, in their own way; but their protests against the State amply equipping a non-sectarian university ought not to carry great weight. The State can only work through a secular university. We began by setting up a Church of England college; but in a country where there was and could be no state church, the experiment was fore-doomed to failure. The other denominations had a right to complain that public funds were used to teach the creed of one church, which did not embrace anything like a majority of the population. From all sides, the objection was urged with ever-increasing force. The secularization of the university of King's college was brought about by the direct action of public opinion. University college, which took the place of King's, from being the college of one church, became the college of the whole people. The theological chair was abolished. From the university—the examining board—the power of conferring degrees in theology was taken. By the action of the legislature, under the premiership of Sandfield Macdonald, all denominations were left to teach theology at their own expense. If any of them chose to burthen itself with the expenses of providing its students with an Arts course, that was its own affair: the general public had nothing to do with it. So long as the university of King's College was under the control of the Church of England, grants to other denominational colleges were made out of the public funds. But the secularization of the university of Toronto—in which term we here include University College—required for its complete justification that the grants to other denominational universities should cease. And, after a time, as we have seen, they did cease.

On this basis the policy of the State was settled. And that policy is not going to be reversed. It is fully sustained by public opinion. The State recognizes that its line of action is different from that of the denominations. To them it leaves perfect liberty of action; for itself it claims no less. The denominations have no title to abridge its liberty of action or to impede it in the exercise of that liberty. Having undertaken to furnish higher education for the whole people, without distinction of sect, it has accepted the duty of doing so in an efficient manner. It has come under an obligation to place University College in a position fully and efficiently to perform the duty required of it; and the present endowment, being inadequate for this purpose, the government cannot escape from the duty of supplying the deficiency in the way that it may deem the most convenient and effective. How the denominational colleges support themselves does not come into the consideration. They have their own methods of procedure; and the methods are not such as the State is obliged to follow. A plentiful supply of cheap advice has recently been given to University College. Among other things, it is told that it ought to raise the fees paid by students. This advice is