

operators at all these four points to give notice that a car is on the way, but some better means of ensuring safety than were in use here ought to be possible. Of course a double track is the best safeguard, but in the country a double track is not always possible; it must often be one track or nothing. The future of the trolley, outside of towns and cities, is economically very promising, considering the uses to which it may be put; and some contrivance for ensuring greater safety is likely to become a pressing want.

As was foreseen, the English elections are going strongly in favor of the Salisbury Government. But in the case of a union government, which is a modified coalition, an overweighted majority would present a peculiar danger, inviting to schism on lines too recent to be well closed up. Sir Wm. Harcourt has been beaten by beer, he having become a prominent advocate of local option before opinion is ripe for its reception. John Morley has been beaten at Newcastle-on-Tyne, which is another heavy blow to the Liberal party. Since he has taken office, the new Colonial Secretary has expressed the hope that the colonies and the mother country may be drawn closer together. The term is vague, and may mean anything or nothing; but till the speaker's meaning is apparent, there is no use in speculating about it.

Senator Boulton has been urging the Canadian Government to co-operate with the Government of the United States, with a view to some international arrangement for the joint control of the navigation of the great lakes and the inland waters. The United States has made provision for the appointment of two commissioners to consider questions in connection with this navigation, and the Canadian Government will appoint two of its own engineers to co-operate with them. The joint management of our canals by international agency is a question of the greatest gravity, to which we do not see how an affirmative answer can be given. Nothing of the kind could be agreed to unless on grounds of reciprocity, and the United States does not possess such control over canals as to place in the hands of the national Government the means of giving an equivalent.

#### A LESSON IN FIRES.

The city council of Toronto might, with advantage, make themselves aware of the recent experience of another body, which thought their city was next door to fire-proof, and that the insurance companies had "a soft snap" in their policies within her limits. The Board of Trade of Newark, New Jersey, appointed a committee to get up arguments against an increase of premiums which the underwriters deemed needful in that city. The committee reported that the insurance companies were making too much money, and that Newark's fire loss was lower than the average, that risks in that city were extra safe, and so on. This report was barely submitted before the city of Newark was visited by one of the biggest fires in her history, and \$200,000 was wiped out in a single loss. The whole line of argument on which the report of the Board of Trade committee was founded, viz., that the past experience of the city had been exceptionally favorable, was brushed away too. The position of the underwriters was made good, that Newark stood the same risk of a big loss as other cities. "The day has gone by," says the *Monitor*, "when bodies of citizens can argue with any force the exemption of their particular city from fires." The risk of conflagration is there always, and no man can tell when the blow will fall.

#### A REVIEW OF CANADIAN BANKING FOR THE YEAR 1894-5.

BY AN EX-DIRECTOR.

During the banking year which, practically, closed on the 31st May, we have had to deplore the loss, by death, of James Stevenson, Esq., of the Quebec Bank, and Robert H. Bethune, Esq., of the Dominion Bank, two very able bankers of great experience. Both were trained in the Bank of Montreal.

The annual reports of fifteen of the leading banks of the Dominion indicate a year of restricted trade, and consequently of diminished note circulation and profits, together with some heavy losses. No Canadian bank, however, has failed, or been in serious difficulties. [This was written and in type before the difficulties of La Banque du Peuple became generally known. The suspension of this bank emphasizes what Ex-Director says in his sixth paragraph.—ED. MONETARY TIMES.] But two have been compelled to intrench upon their Rests; one has had to pass its dividend, and two have had to reduce their usual dividends. Two only have increased their dividends; three report increased profits, eleven diminished profits, and one a loss; five have added to their Rests, and eight remain unaltered. Thirteen, however, have increased their deposits, on which most of them have, at last, reduced the rate of interest to 3 per cent.

The Government return of *all* Canadian banks on 31st May fully confirms the reports of the fifteen banks. The aggregate paid-up capital has been reduced during the year by \$411,434, owing to the winding up of the Commercial Bank of Manitoba: the Rests have slightly diminished (by \$83,203) and the note circulation for May fell off \$88,584, but the deposits have increased by nearly seven millions, a healthy sign, though far below the fourteen millions added to them in 1892-3. Specie and Dominion notes have slightly increased; the discounts have fallen off by about 3½ millions, so that about 4 millions have been sent to the United States, and nearly 3 millions paid off in London, while 2 millions have been added to "call loans," and a million lent to provincial governments. The most satisfactory feature of the return is a diminution of over half a million in "overdue debts," partly owing to the careful re-valuation of the assets of the Ontario Bank.

The feature of the year that most affected the banks of Canada was the sudden collapse of the two Newfoundland banks, which inflicted a heavy loss on the Quebec Bank, as well as on two or three others in a lesser degree. Our exports to Newfoundland far exceed in value the imports, and thus large collections had to be made there; these were entrusted to the only banks in the island, the Commercial and the Union, which remitted by their own sterling bills on London. No blame can be attached to the Canadian banks, for the Newfoundland banks habitually drew upon two of the strongest banks in London, the London and Westminster, and the Union Bank of London, and thus their bills were eagerly accepted. But electricity outstripped the mail, and the bills were refused acceptance. The revelations since made show that the two Newfoundland banks, although apparently making large profits, were conducted on unsound principles. The Union committee report a loss of over \$750,000 on overdrafts by the directors of that bank, and the Commercial is only expected to pay 48 cents on the dollar to its creditors, "if the assets are carefully realized." This could not have happened if the banks had been carried on under Canadian law. The lesson is, that to allow heavy overdrafts without proper security, or upon the security of a perishable article like fish, may be all