

Average amount of specie held during the month	6,759,918	6,676,021
Av. Dom. notes do..	12,073,627	12,169,775
Loans to directors or their firms....	7,034,094	6,823,246
Greatest amount of notes in circulation during m'n'h	35,446,396	33,699,271

THE SAFE LIMITS OF BUILDING.

A telegram from Winnipeg, a few days ago, stated the remarkable fact that that city does not contain one house which is not occupied. All the more remarkable because, like other new Western cities, Winnipeg had a building "boom" a few years ago, which, when the tornado had passed and calm returned, left a supply of buildings far exceeding the demand for them. The return to a normal state of things is an occasion for congratulation, and it is to be hoped that the lessons of the past will not be lost. If the equilibrium between supply and demand for houses has been reached, an increase of demand, which may be expected, would indicate a progressive condition of the city. The interval between the time when the boom produced an excess of building and the restoration of the equilibrium, was a period of sacrifice, the seeds of which were sown in a time of apparent, but false prosperity. The loss came in the form of a rent inadequate to pay interest on the investment. Money expended in improvements, if it pays only its own interest in the return it makes, leaves the enterprise sterile; when it yields more, the balance is profit; when it yields less, there is loss, and the loss shows that the enterprise is one that should not have been undertaken, since the net result of the operation was a loss of national capital.

The boom experience of Winnipeg was the same in kind that has happened to almost every city in North America; in degree it may have differed in the direction of intensity, owing to conditions of time and place. But that is all. The return to a state of equilibrium creates an opportunity to turn past experience to account. Overbuilding is a sheer waste of capital; the excess of buildings over and above the demand for them not only makes the capital expended in their construction unproductive: it lessens the value of every other building in the same city, and reduces the return therefrom. It has only to be carried far enough to deprive every building of the power of earning, in the form of rent, interest on its cost. Rent and interest are sometimes exchangeable terms; as when rent is relied upon to pay interest on borrowed capital. Whenever there is an excess of buildings in a city or town, every additional building erected, if of a kind to compete with the old ones, depreciates the value of the whole, and lessens the security of loans made on the property. The only thing to do, under such circumstances, is to refuse rigidly to add to the overplus. If this be done, a progressive city, as shown by the case of Winnipeg, will soon arrest the waste arising from an excess of buildings. So well did the Dutch understand the effect of a surplus of any article in decreasing the price of the whole stock of that article, that

when they had control of the spice trade they deliberately burnt the surplus of specie. This mode of producing artificial scarcity is not to be commended.

When from any cause capital expended on buildings or land does not earn its own interest, the proprietors are on the road to ruin, and in extreme cases large amounts of borrowed capital may be endangered or lost. For an extreme case, as showing the possibility of such loss on a large scale, the financial records of Louisiana, from 1830 to 1842, might profitably be consulted.

If there be overproduction in movables the excess may be exported, though at a sacrifice; but houses and lands on which money has been borrowed, which does not earn its own interest, must remain where they are. It would pay the American manufacturers of, say, agricultural implements, to give away the surplus in foreign countries, rather than that it should, by being forced to sale in the home market, lower the price of all such implements. But surplus houses cannot be got rid of in this way; they must remain where they are to lower the value of all others with which they come into competition.

If the speculative builder be a necessary evil, he is at least not beyond the power of check and control. That he will borrow all the money he can, and build houses without regard to the demand for them, may be taken as axiomatic; but there cannot be a borrower without a lender, and it is the fault of the lender if the limits of prudence in building expansion be overpassed. The speculative builder works almost wholly on borrowed capital; he will, if he can, borrow the land, he will borrow the materials for the structure, borrow the money with which to pay for the land, when he has got the building advanced a stage. He will do all these things if permitted. Practically, when this state of things exists, the lender is at the whole risk. But such lenders are not the prudent of their class; they are the imprudent, and, let us hope, the exception, only seen now and again.

If we have taken Winnipeg for a text, it is not that, at this moment, she is specially in need of these reminders; they would quite as fittingly find their application elsewhere.

ELECTRICITY AND ITS MODERN USES.

The Canadian Fire Underwriters' Association, impressed with the wonderful development of electric lighting and the growing use of electrical power in factories, has sensibly instituted a system of inspection of premises in which electrical installations have been made. The underwriters insist upon compliance with the most recent methods and appliances found needful to secure safety. The result has been that the losses in Ontario due to electrical causes have been but trifling. This it may be presumed is due largely to the rules adopted by the association governing the use of electricity in premises which they insure, and the systematic inspection made. The electrical companies, on their part, seem to consider that their interests

are identical with those of insurance companies; any failure on their part to do good honest work would redound to their own disadvantage, because frequent fires from electrical causes would render this system of lighting unpopular. The inspectors say that there is now a more conscientious and experienced class of workmen, better material and safer wiring done by all responsible construction companies. The greatest danger arises from the work done by amateurs, and the ubiquitous bell-hanger, whom Mr. A. B. Smith describes as a species of pirate in ignoring other people's rights. This class of workmen have a supreme contempt for all rules, and do not realize the danger of their ruthless practices in the interior of houses. Practically speaking the only protection the public have against damages from electric currents, &c., is that afforded by the inspection by the fire underwriters.

While electric lighting is on the increase, wonderful advances have been made during the past year in the introduction of this electricity for purposes of power and heating. The electric motor is rapidly replacing gas engines and steam power. In the city of Toronto alone we have now, it is stated, more than one thousand horsepower in motors. They are scattered all over the city and doing every conceivable kind of work. The electric current is now being introduced for heating purposes, and has already passed the experimental stage. The trolley system has been introduced in all our large cities and towns, and is being rapidly extended for suburban work. It is hard to form an estimate of what may be done in this direction in the near future. The introduction of such currents and ramifications of the large uncovered copper wires, unless properly protected by guard wires, is a matter of the utmost importance to the public generally, as well as to fire underwriters. We learn that guard-wires are now being extensively used.

THE COMMERCE OF THE LAKES.

THIRD ARTICLE.

He that is accustomed to the forests of masts at Halifax, N. S., St. John, N. B., or of Victoria, B. C., must confess to a certain degree of disappointment as his eyes rest on the broad bosom of Ontario's wave.

To be sure, there is here no lack of pleasure yachts, with their "cordage trim and their clean spars true," and the picture, for an inland sea, is, indeed, gratifying; but he fails to see the ocean greyhound from Liverpool, the full-rigged Yarmouth square rigger, the Windsor world-cruiser of 4,000 tons, the hull from Valparaiso, the barque from Peru, the clipper ship from Glasgow, or the modern steam palace from the sunny waters of the Pacific sea. Ah! these he may yet see from the Queen's Wharf, just as he now observes the familiar local craft, but it will not be a reality until the merchants of Toronto take with both hands the "ocean plow," which has for its inscription, GREAT IS AGRICULTURE, BUT GREATER IS COMMERCE. A seaport is the solution to the many problems which now confront the citizens. With much of the