

present. If the samples operated upon were the same, the varying result is incomprehensible. Further tests may have to be made.

BANKING REVIEW.

The most noticeable feature in the recent bank statement is the large shrinkage in circulation, which amounted to nearly four million dollars during the month of January.

The shrinkage from the month of October to January amounts to six millions three hundred thousand dollars, a very heavy and unusual sum, indicating a considerable pressure of money as pre-existing before October, and also a very low average of values of our staple products.

It would be interesting to compare the redemption of circulation up to the present time with that which obtained in former years: thus,

From 31st Oct. to 31st Jan., 1889..	\$4,700,000
" " " 1890..	4,500,000
" " " 1891..	4,800,000
" " " 1892..	4,400,000
" " " 1893..	5,800,000
" " " 1894..	6,300,000

The redemption of this large amount of paper calls for the employment of a large share of the cash resources of the banks, an indication of which is to be found in the difference between the cash reserves on the thirty-first December, 1893, and the thirty-first of January, 1894.

On the 31st December, the total of available resources of the banks including call loans, amounted to \$66,400,000. On the 31st January, this sum was reduced to \$63,311,000, being a drain of \$3,800,000 in the course of a single month! No figures could better demonstrate the advantage of our circulating system than such as these we have quoted.

The various crops of the country are moved to market without any monetary disturbance, while the returns therefrom, when exported, furnish the means of retiring the circulating bills when they have fulfilled their purpose.

But there is frequently some hiatus between the time when bills come in for redemption, and the time when the great bulk of returns are received from our exports. This is a period of monetary scarcity as a rule; our banks have long known this, and know how to provide for it by calling in such of their resources as are to be found outside of Canada. It is well that large amounts of the funds of our principal banks are employed in such a way that they can be called in without inconvenience to the country.

If this were not so, we should have every year seasons of violent disturbance and alternation between extreme plenty and extreme scarcity.

These wise and well-considered arrangements are part of a general system of banking which bears throughout the impress of forethought and practical adaptation to the needs of the country.

Some time ago an American journal attributed the freedom of Canada from financial disturbance to the fact of the slow and unenterprising method of Canadians, in contrast with their own more pro-

gressive style of doing things. That this is a fallacy we all know perfectly well on this side, but it is not so easy to make our friends in the United States understand it, and for some reason or other it seems to be difficult to make our friends in England understand it too.

We shall not repeat again those statistics which show the growth of our business in banking in past years, but simply ask our readers to look at the summary which accompanies this review, showing the total amount of the deposits held by the banks, loan companies, and government. The figure is \$252,800,000. When it is considered that the same figure in the year 1858 was less than \$15,000,000, the most inveterate sceptic as to the growth in business and resources of this country could not fail to be convinced. And this, let it be remembered, is money only belonging to the people of Canada, for we have no vast sums of money deposited in our banks and really owing to the people of England and Scotland.

Now the growth of deposits is only an index of the growth of our trade, both outward and inward—our manufactures, of the development of our farms, railways, shipping, telegraphs, post offices, in short everything by which the growth and progress of a given number of people can be increased.

The real reason for our comparative immunity from the storms that have overtaken other countries is to be found in the thoroughly well-considered system of banking legislation, the conservative and prudent methods which our bankers have long followed, and the influence which these methods have had upon the whole business community. While fully as enterprising as we need to be, we are prudent, cautious and forecasting.

The Province of Quebec has succeeded in again entering the English money market for a moderate amount, which is to be applied in the payment of temporary loans negotiated here by the present Government of that province.

Its present Administration has undoubtedly done well since it took the reins of office. Discarding many of the traditions of free expenditure formerly characteristic of the party, the present Government has applied the pruning-knife vigorously, yet judiciously, and has cut off many of the subsidies for railways which hung so heavily over the financial position.

In getting clear of these, with the reduced expenditure, and a certain amount of inevitable new taxation, the Treasurer of the Province has been enabled to equalize expenditure and income. The new taxes of course have created considerable irritation—that was inevitable. Direct taxes always irritate and excite opposition. A very foolish agitation was got up in Montreal not only against the taxes, but against the Government that imposed them, and resolutions were passed calling upon the Treasurer to resign. This was a very unwise piece of business. It is of great importance to the whole Dominion that the local administration of its various provinces should be sound and on a good financial basis, and the men who at a great sacrifice

of popularity are bringing about a sound condition of finances are deserving of the support of all honorable men, no matter what their politics may be. For this is not a matter of politics; it is a matter of business.

Money is certainly easier; but it must be remembered that the spring has yet to come, which is usually a time of pressure, as we have stated.

ABSTRACT OF BANK RETURNS.

31st January, 1893. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	\$	\$	\$	\$
Capital paid up..	34,719	17,514	9,708	61,941
Circulation	16,039	11,549	5,244	32,832
Deposits	86,314	69,906	23,505	179,725
Loans, Discounts & Investments....	107,717	77,980	33,030	218,727
Cash, Foreign balances (Net) and Call Loans....	36,516	27,466	6,081	70,063
Legals	6,189	4,658	2,196	13,043
Specie	3,400	2,028	1,225	6,653
Call Loans...	7,929	9,606	1,300	18,833
Investments...	6,539	8,423	2,931	17,893

31st January, 1894. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	\$	\$	\$	\$
Capital paid up	34,722	17,670	9,711	62,103
Circulation	15,148	10,470	4,953	30,571
Deposits	87,458	67,564	23,278	178,300
Loans, Disc'ts & Investments...	110,711	79,469	33,525	223,705
Cash, Foreign Balances (Net) & Call Loans..	34,475	22,849	5,787	63,111
Legals	6,598	5,045	2,275	13,918
Specie	3,907	2,335	1,158	7,400
Call Loans..	4,882	8,134	997	14,013
Investments.	7,756	9,314	3,457	20,527

TOTAL DEPOSITS OF THE COUNTRY.

Government Sav. Bks..	\$42,078,000
M. City and Dist. S. Bk	8,885,000
La Caisse d'Economie, Quebec	4,592,000
Loan Companies, 1892.	19,000,000
	\$74,555,000
Bank Deposits	178,300,000
Total deposits of all kinds ..	\$252,855,000

VOLUNTARY ASSIGNMENTS.

Ever since the Ontario Legislature passed the "Act Respecting Assignments and Preferences by Insolvent Persons," there have been doubts expressed by the various Ontario Courts, as to the power of the Legislature to pass such an Act. By agreement between the Attorneys-General of the Dominion and of Ontario, a case was stated for the opinion of the Ontario Court of Appeal, the question asked being: "Had the Legislature of Ontario jurisdiction to enact the 9th section of the Revised Statutes of Ontario, chapter 124, and entitled 'An Act Respecting Assignments and Preferences by Insolvent Persons?'" The 9th section of the Act provides that assignments for the general benefit of creditors, under this Act, shall take precedence of all judgments, and of all executions not completely executed by payment. The particular section chosen was agreed upon because it in reality raised the question as to the validity of the whole Act. Counsel for the Dominion argued that it