an *adverse balance*—is a load that it cannot lift or remove—alike injurious to every class in the country, except the usurist, and until the legislation of this country is turned toward securing a balance of trade in *our favour*, we will have revulsions and panics and losses every few years, which will destroy all prospects of permanent prosperity for our people; and the legislator who cannot perceive how to prevent that adverse balance, or who believes we would be involved in ruin if we had it in our favour, should at once be informed that his services are not, and cannot be appreciated, are not worth the wages.

We think we have sufficiently shown, for the present, what the *Balance of Trade is*, and that so far as Canada is concerned, the *adverse balance* against us up to 1861—and it has largely increased since—is sufficient to wake up the Rip-Van-Winkles of Canada, and to cause even the *Globe* to doubt its financial logic, that "*to get the balance of trade in our favour would ruin us.*"

CAUSE OF THE BANK PANIC.

THE *Quebec Daily News* referring to the Bank panic says:

> "It originated with the leading bank of Canada, and is a piece of financial brigandism discreditable to those who conceived and carried it into effect, and deserving the censure of every right thinking commercial man in the province."

We contend it originated in a false system of currency—*in a corporation currency*—which not only gives the Bank of Montreal but nearly every other bank the facility for becoming an unrestrained *financial brigand*, that had we a true National currency neither the Bank of Montreal nor any other bank could possibly cause a Bank panic.

The conduct of that bank not only deserves censure, but demands the attention of our legislature also, and determination on their part to replace with a national currency our *corporation currency* which has just been proved by the Bank of Montreal to be so unreliable and rotten that any fool of a bank manager can crush it at pleasure, can at pleasure deprive a whole people of money and cause both a Bank panic, and a commercial crisis, that would sweep over the country and as effectually destroy the accumulated wealth and industry of the people as the fire fiend which occasionally rushes through our magnificent forests consuming everything in its progress.

The *News* further states:

> "The Bank of Montreal accumulated Bills and Checks against the Merchant's Bank for $260,000 and without previous notice made a demand upon it for payment in gold giving the manager but two hours and a half to comply with the demand. The principle laid down in this instance was followed up with regard to other institutions until every one of them felt a reign of terror hanging over them and knew not the moment they might be called upon by a similar demand."

We would here remark that there is a distinction to be made between a Bank panic and a "Monetary crisis. A Bank panic is when one bank cannot trust another, a Monetary crisis is when the money has all gone from the country and one merchant dare not trust another nor the Banks