

goods. The Banks have obtained \$10,793,581 on *deposit*, on which they pay no interest, and have also sold \$5,677,664 of those *deposits* to pay for foreign goods. On the security of the balance, or \$5,105,917, they loaned out the \$10,889,302 of their Due Bills now in circulation. It is easy to see that those Due Bills or notes are not secured by their own capital, or gold, as they should be, for it has all been sold, neither are they secured by the gold they have borrowed on interest, for they have sold that also. The \$10,889,302 of their Due Bills in circulation cannot for a moment be supposed to be secured by the gold of other people lying in the vaults of their Banks for safe keeping, which the owners have the right to draw out on demand, although the Banks have run the risk of selling more than one half of it also to our importers to pay for foreign goods.

Our Canadian Bankers are "Money Merchants" If a "Dry Goods Merchant" should sell out all his stock for customer's notes—say \$25,000 worth—should borrow back \$11,000 of those goods on interest to be paid back on a few days notice, and sell them for more notes, and should borrow back that \$11,000 to be delivered on demand, and sell one half of them for more notes, and the law which gave him a right to do business holds a lien on three fourths of the other half, would any body aware of the facts think that merchant had "*plenty*" of goods, would any one wanting goods go there to buy, would there not have to be a new word coined to designate his commercial position, yet that is the position of our Canadian Banks. The *idea* of a Bank being full of money with only \$30,000 or \$40,000 in its vaults as the statements of some herewith given show, is entirely too weak to stand alone, and looks very much as if it had originated in a mind gorged with "*checks and guarantees*" and fed on Rep. by

Pop. or some other of those sentimental abortions with which so many of our Canadian politicians have been trying to make this noble Province rich.

If a man should go to one of those Banks and ask to borrow \$100, payable on demand; they would enquire what security he had to offer for its payment; and if he should reply that a friend had left with him \$100 in gold until he should want it; that he would keep it as security for the \$100; would the Bank lend him \$100 on such security? One step farther. The Bank being a little inquisitive asks: "Where do you keep the gold? The borrower answers: "I had a chance to sell one half of it for a man's note, by which I made \$5, and I know the maker of the note is good; the other half I have in my chest at home." Would the Bank manager think him a sane man; or would any sane man think the Bank manager fool enough to loan him money on such security? Yet, by exactly such a guarantee are all the Bank Bills now circulating in Canada secured; on just such a system of kiteing is the Banking of Canada conducted; on just such a *basis* rests all the legalized monied institutions of the country, on a foundation so rickety that we have no word to adequately describe it, rests from day to day and from hour to hour only, the whole prosperity of Canada.

We have understood and have seen a statement in the *Globe* that the Americans have considerable money in our Banks, placed there at the beginning of the war; and as it can be seen that the Banks are at the mercy of their *depositors*, there can be no doubt but that the whole currency depends upon the will or necessity of a few Yankees. It cannot be said we are very ignorant, when we have no word adequate to describe our monied position.