

The above table shows that since Canada was confederated in 1867 it has more than doubled its banking capital, it has found a necessity for more than three times the note circulation it had in 1867, it has enlarged the amount of money on deposit in the chartered banks nearly six times, and increased its mercantile business so much as to have placed four times as much paper for discount as it did in 1867.

Confining comparisons to the last seventeen years, we get the following table showing the successive increases which took place in the two classes of deposits, those payable on demand and those payable after notice.

It will be noticed that on each line the figures represent the increase over the preceding period, or preceding year.

INCREASES OF DEPOSITS OVER PREVIOUS PERIOD.

| Year. | On demand. | | After notice. | |
|---------|--------------|-----------|---------------|-----------|
| | Increase. | per cent. | Increase. | per cent. |
| 1878-82 | \$ 7,412,047 | 22.67 | \$ 9,267,632 | 33.83 |
| 1883-87 | 6,794,234 | 16.93 | 16,255,589 | 44.34 |
| 1888-92 | 10,370,138 | 22.10 | 24,585,271 | 46.46 |
| 1894 | 7,676,507 | 13.40 | 34,135,926 | 44.05 |
| 1895 | 9,308,819 | 16.25 | 36,584,278 | 47.27 |

The special feature in the above as evidence of the progressive wealth of the people of Canada is this: while the deposits on demand show a very gratifying increase in every term, the deposits that are payable after notice exhibit a very much larger increase in each period, and show also a greatly enlarged percentage of increase in 1895 over any preceding period. We ask our critic, the *Investors' Review*, a plain business-like question. If, as you say, Canadians are poorer to-day than ever before, how do you account for their having increased their deposits in the chartered banks by \$157,263,345 since 1868, an increase which raised the amount per head from \$6.80 to \$38.00? In order to help our critic to solve this problem we furnish him other items from official returns. In 1868 the Government Savings Banks had \$5,057,607 on deposit, in 1885 the amount was \$42,170,971, and in 1895 it was \$57,578,981, an increase of over eleven times in 27 years. In the same term the deposits in the Loan Companies increased \$20,000,000, and in several joint stock banks not chartered, savings banks exclusively, the increase in the same period was about \$15,000,000. Now let us place these increases in a group.

INCREASES IN THE CANADIAN BANKS AND OTHER INSTITUTIONS FROM 1868 TO 1895.

| | Amount of increase. |
|-------------------------------------|---------------------|
| Paid up Capital of banks..... | \$ 31,293,253 |
| Deposits in Savings banks, etc..... | 244,784,719 |
| Discounts..... | 151,431,750 |

These statistics will afford those who speak of Canada's decay an interesting puzzle to work at. We await their solution of the problem with much interest.

We do not hold back what some fancy is another side of this question. We say "fancy" deliberately, because it is a merely fanciful notion that the money loaned to our farmers is evidence of their poverty. Old Country critics do not realize that a Canadian farmer is a freeholder, he has no landlord. His farm

is worth double what he owes upon it, in thousands of cases indeed the mortgage is only a third or fifth of its value. When then the *Investors' Review* talks of Canadian farmers having borrowed money "to keep themselves going," it says an exceedingly foolish thing, betraying deplorable ignorance of Canadian life and Canadian institutions. No money lender, no loan company in Canada would for one second entertain a proposal for a loan to keep a farmer "going." Borrowers must present a good title to freehold property worth at least double the loan, and, if buildings are included, protected by insurance, before a loan can be even considered, and then the man's circumstances, character, etc., the condition and prospects of the property as a money earner, are carefully weighed before a loan is made.

As to chattel mortgages, the same remark to a certain extent applies. A chattel farm mortgage covers property with rare exceptions worth double, usually treble, what is loaned upon it. These instruments are often given for temporary loans, such as a farmer finds useful to enable him to hold his produce for a rise in the market, or to buy cattle, horses, or new implements. On these possessions he cannot get an advance from banks except in special cases in which they figure as collaterals. To say then that money is being raised by Canadian farmers "to keep them going," impliedly to provide current living expenses, is one of those statements which betray an absolute want of elementary knowledge of the matter in hand. The writer has personal knowledge of a number of chattel mortgages given by farmers just emerging from the class of farm laborer into that of freeholder, who borrowed money on what little stock they owned to enable them to acquire a waggon and horse, or machine, or to put up or enlarge a barn. The loan then was a prudent step, indicating a pushing spirit, and by such loans many a poor fellow has been helped on to independence.

Of course Canadians are not all thrifty or good farmers, some make a mess of the business from idleness, drink, or lack of skill, and in their case a chattel mortgage too often means a step downwards. But men of that stamp are not favorites with our money lenders, and their number is very few.

The *North British Economist* is wrong in its figures. It gives the decrease in deposits from December, 1895, to March, 1896, as 8 millions, the decrease was only \$6,545,538. We beg to inform our esteemed contemporary that Canadians lay up deposits for the special purpose of being withdrawn in winter. The fluctuation then which he regards as a terrible proof of Canada going down hill is merely a proof of our people being provident, and laying by for a rainy day. From March to May the deposits went up \$3,242,006, a recovery of half the decline in the previous quarter. The increase in Discounts this year which the *North British Economist* judges to be a sign of Canadian decay, we who are on the spot rejoiced over as a sign of business becoming more active after the prolonged depression. It is more in accordance with banking