goods, and financial, which is caused by the outflow or inflow of securities, a mixture of the two when one country is dealing with the securities of the other being a common experience Last year the United States imported *from Europe largely* in excess of the value of what it sent there. The excess of imports into the United States in 1895 up to August was $36,350,000,—that is, the people of the States had bought more than 36 million dollars worth of goods from foreign merchants, *for which they had no goods* to ship in exchange. At that period American securities were not available for liquidating the balance of the debt thus created, consequently, gold had to be shipped to clear off the obligations. We may here incidentally point out the almost *incredible folly* of Mr. Bryan's supporters, who talk so wildly about the desirability of having a currency exclusively current in the United States. The foreign trade of that country ranges from about 120 to 130 millions of dollars per month. To us it is *inconceivable for* such a prodigious business to be done by America with foreign nations without the use, on a large scale, of some form of currency mutually recognized and mutually available as a medium of exchange for the settlement of such balances as must inevitably be created by so vast a trade. In what position would the States be in were whatever currency they possess to be, as Mr. Bryan advocates, exclusively recognized by that country when it had to make settlements with its *foreign* creditors, or its foreign debtors had to make remittances to discharge their debts? We say it is inconceivable for such a business to be done without some mutually recognized form of currency, not that it is impossible, but the difficulties involved would be so intolerable to merchants that a common standard would soon be re-established.

Last year, as we have said, gold was exported from America to pay for the excess of imports over exports for eight months of over 36 millions. This year the exports up to August were $570,982,000, and imports only $471,222,000, leaving a balance of $99,760,000 due to the United States. Towards the settlement of this balance, gold has been flowing into the States. This influx has had a marked effect in easing the strain on the money market arising from the alarm over the possible consequences of the *free* silver agitation. The July exports from the States, $67,714,000, were the largest for that month in the last seven years, while the July imports, $51,027,000, were lower than the average of that month for five years, from 1891 to 1895, by $14,013,000. *The* large reduction of imports has arisen from the depleted resources of the people having lessened their purchases of imported goods, and from an indisposition by merchants to keep large stocks during the present uncertainty as to the Tariff. Compulsory economy resulting from depression has had a highly wholesome effect on American finances by causing an influx of foreign gold, which has strengthened the Treasury gold reserve and left the banks more free to operate with their own The reserve now stands at $122,000,000, *and is increasing* with every probability of its going higher than for many years.

THE AUGUST BANK STATEMENT.

The bank statement for August shows in its leading items a much more active state of trade than existed a year ago, showing indeed a gradual return to the conditions prior to the panic of 1893. Considering the severity of that disturbance, which was aggravated by the scare of the Venezuelan incident, regarding also the uncertainties touching the fiscal changes in store under the new Tariff to be introduced early next year, and those arising from the present agitation in the United States, Canada has much cause for self-congratulation over the progress made towards more favorable conditions. The following comparative table will be found interesting in this connection.

	August 31st, 1896. $	August 31st, 1895. $	August 31st, 1894. $	August 31st, 1893. $
Circulation.... .	31,509,154	30,737,622	30,270,366	33,308,967
Depts. on dem'd.	65,264,335	67,386,516	66,389,701	61,437,993
Depts. pble. after notice........	123,151,850	115,716,520	109,998,432	105,015,710
Current loans...	207,410,954	197,526,285	199,908,340	205,956,200
U.S. balances...	15,299,453	26,565,856	19,904,605	13,562,629
Call loans......	13,218,553	15,766,317	15,282,727	14,398,606

Circulation still remains considerably below the figures of 1893, but the decrease between 1893 and 1894 of $3,038,601 is being made up, the August advance in 1895 being $467,256, and this year over 1895 the increase is $771,532, making a total recovery of $1,238,788. The increase in circulation this year over July was $1,933,774, last year the amount was $999,507, and in 1894, $468,594; in 1893 there was a decrease in August of $264,501. The August increase this year is considerably larger than in any year for many years past. Though we are not disposed to lay undue stress upon the significance of this enlargement of the note issues, it may be fairly regarded as an indicator of the set of the stream of trade to more favorable conditions. The steady increase in the total amount of deposits payable after notice all through the years of depression is remarkable. The increase of $7,435,330 since August, 1895, is the largest by several millions for some years, and the total additional deposits of this class acquired by the banks since 1893 is $18,136,140. In 1894 and 1895 the inflow of these deposits was not desirable, they were indeed embarrassing, as the amount of current loans in 1894 was less by $6,047,860 than in 1893, and in 1895 lower still by $2,382,055. That is, deposits increased $10,701,810, while the discounts decreased $8,429,915. In the period, however, between August, 1895, and August, 1896, the current loans increased $9,884,669, thus exceeding the increase in deposits by $2,449,339. The striking difference between the present condition of the banks and their experience from 1893 to 1895 is brought out vividly by the contrast between the period 1893 to 895, when the influx of deposits outran the requirements of the banks by nineteen millions of dollars, and the recent period 1895 to 1896 when the influx of deposits ran behind the increase of current loans by nearly 2½ millions. The change naturally caused a draft to be made upon the funds provided by these deposits which had been utilized for service in the American market and in call