

Dominion note issues and the assets held against them should not be published concurrently with the returns of the chartered banks, which are never gazetted until towards the end of the following month. It is simply absurd to publish on 24th July returns for 31st May, 8th and 15th June. The returns of the chartered banks in Ontario and Quebec show an increase of circulation of nearly \$500,000, an increase of public deposits of about \$3,000,000, while the increase of liabilities is little over two millions. The Government deposits have been reduced by about \$1,640,000, and a considerable amount has been transferred from deposits on notice to demand. There has been a further increase in the Dominion notes held as reserves, which are approaching ten millions. It is to be hoped that the banks will not require to realize any considerable amount of their reserves, as they hold on an average nearly 60 per cent. of them in Dominion notes, and some of them a much greater proportion. The amount due by banks in foreign countries has increased by nearly two millions. A rumour has been circulated that one of our banks has invested a million in United States securities, and this has led to remarks suggestive of the expediency of obtaining loans in our home market. It may be well to remind the writers that the United States bonds could be converted into gold at any moment in New York, but that Dominion securities cannot be handled with the same certainty of conversion. Even in London, if a large amount were suddenly offered for sale they would break the market. We have no means of judging as to the truth of the rumour, but we can have no doubt as to the one security being convertible and the other inconvertible in the New York market, where the operation is said to have taken place. The bankers understand perfectly well how to manage their own business :

June, 1880. May, 1880. June, 1879

Capital authorized...	\$58,466,666	\$58,466,666	\$62,966,666
Capital subscribed.....	55,554,134	55,554,133	59,553,933
Capital paid up.....	54,081,469	54,069,772	57,983,028

LIABILITIES.

Circulation..	\$17,706,383	\$17,210,798	\$15,977,509
D. Gov. dep. on demand	5,017,264	2,781,124	4,039,643
D. Gov. dep. aff'r notice.	2,050,699	5,929,880	495,371
Prov. Govt. on demand	410,772	351,442	828,710
do. do. aff'r notice.	116,322	215,874	355,684
Other deposits on demand	38,669,858	36,504,045	32,453,504
Other dep. aff'r notice.	31,072,419	30,217,301	26,205,112

Due Bks. in Canada...	2,397,729	2,278,673	9,935,094
do. in foreign countries.....	97,050	42,745	128,908
do. in the U. K.....	711,137	286,193	1,235,964
Other liabilities	236,393	437,959	79,714

\$95,522,627 \$96,216,031 \$83,726,219

ASSETS.

Specie.....	\$ 6,647,981	\$ 5,587,611	\$ 5,294,231
Dom. notes.	9,585,145	9,199,338	7,789,381
Notes and cheques on other Banks	4,532,492	3,384,547	3,414,258
Due from Bk's in Canada..	3,465,103	3,378,355	3,970,914
Due from Bk's in foreign countries..	27,137,964	25,205,496	5,276,432
do. in U. K.	825,950	2,361,964	449,216
A available Assets.....	\$52,294,698	\$49,117,311	\$26,194,438

Government Deb. or Stk.	\$1,849,034	\$2,041,739	\$1,950,674
Loans to Dom. Government.	24,069	27,138	15,342
do. Prov. Govt.	1,230,742	1,101,776	458,771
Loans on Stks and Bonds.	3,543,533	3,166,868	6,972,934
Loans to Corporations...	2,793,538	3,650,136	3,382,008
Discounts.....	86,705,382	87,129,687	102,453,560
Notes overdue not specially secured....	1,928,726	2,131,630	2,324,025
Overdue notes, secured.....	2,718,018	2,785,813	3,173,425
Real Estate...	2,353,814	2,381,016	1,991,675
Bank Premises..	2,825,603	2,928,336	3,171,046
Other Assets..	4,134,605	4,657,331	1,296,527

\$163,371,672 \$161,129,110 \$153,281,040

THE CHAPLEAU-PRENTICE AFFAIR.

The report of the Committee of the Quebec Assembly which was charged with an enquiry into the truth of the charges preferred by Mr. Prentice against the Quebec Premier has been published, and is a complete exoneration of the latter, and as criminatory as possible against the former. We find nothing in the report or evidence to lead us to modify the opinion expressed in our last notice of the subject, that it was never the intention either of the Premier or of the Treasurer of Quebec to employ Mr. Prentice as a broker to obtain a loan for them. As we have already stated, when Mr. Prentice on a former occasion offered a loan to the Government he was paid for his services by the lenders and not by the Province. It was admitted by the minority of the Committee, which refused to concur in the report, that Mr. Chapleau never positively undertook to entrust the negotiation of the loan to Mr. Prentice, but it was alleged in their amendment, that "by his correspondence, his conversations "with, and his conduct towards him," Mr. Chapleau had "left Mr. Prentice "under the impression that he would entrust it to him." That Mr. Prentice was most active in endeavoring to be the me-

dium of procuring a loan for the Government is beyond doubt, but the evidence taken as a whole, including Mr. Prentice's own, is conclusive as to the fact that the approaches were made by him, and that at a much later date than that of the temporary bank loan he was employing all the influence that he could command to induce the Government to deal with him alone. There can be no doubt that the sacrifice of the one per cent. on the loan from the Banque du Peuple was made in the expectation that it would be likely to secure for Mr. Prentice the manipulation of the larger loan, but it is apparent throughout that in all these operations Mr. Prentice was trying to make the best bargain possible with the Quebec Government for himself, and those with whom he expected to act, either in England or New York. There is not a particle of evidence to lead to the conclusion that Mr. Prentice was endeavoring to obtain cheap loans for the Government, but, on the contrary, it is clear that he wanted to obtain for himself and his clients the best terms possible. Had he obtained Mr. Chapleau's consent to accept 96 for the loan he would have used the efforts to obtain it, which he subsequently did when he offered 98½ after the arrangement made in Paris had been completed.

THE TEMPORARY LOAN.

We do not think that Mr. Chapleau comes as well out of this transaction as the other. He was, to say the least, imprudent, and some of his friends still more so. We cannot doubt that before the loan from the Bank was paid to the Government, Mr. Chapleau had been apprized that Mr. Prentice had obtained it at a personal sacrifice, and of course he must have been aware of his object in making that sacrifice. It is said that he did not believe the statement at first, but it is unfortunate that one of his intimate friends should have advanced the money knowing how it was to be applied, and should have concealed the circumstance from him. Again it was unfortunate that Mr. Robertson, who is free from the slightest imputation even of want of caution, should have been allowed by Mr. Chapleau to answer Mr. Irvine's question to the effect that only 5 per cent. had been paid. We have no doubt that Mr. Chapleau is free from any imputation of having acted dishonorably regarding either of the loans. He had made up his mind that he would not give more than 5 per cent. for the temporary loan, and that he would not accept less than 98 for the larger one, and he made no secret of his determination to Mr. Prentice, and