holders should, so far as practicable, be encouraged to do, when the contract is made, what the policy has to do for them at death —pay the full amount of the premium.

It is true that the note system has been a great public convenience, and has enabled assurants to carry millions of assurance more than they would have found it convenient to take without the accommodation of credit. In the infancy of the business it did much to popularize life insurance and spread its blessings. And if agents could be induced more generally to avoid misrepresentations as to the probable liability for these notes, and if companies will keep the ratio of them within the surrender value of the policies for which they are given, there seems no valid, certainly no conclusive, reason why the credit system can not be continued. But we have shown, in previous references to the subject, that the more important note companies are themselves getting tired of their large note accumulations. And there are some purposes for which cash assets are certainly to be preferred—such as the re-insurance and retiring or winding up of a company.

We have referred cursorily to this subject for the purpose of deprecating the "dodge" of publishing a note company's reserve liability, and falsely assuming that it is an all-cash liability, and then publishing its cash assets to show a deficiency. Such special pleading is quite too palpable.

THE SAVINGS BANKS OF CANADA.

A Blue Book just issued contains a return of the savings banks of the Dominion. From it we extract the figures following, which show the total savings of the people, so far as they are deposited with the various institutions authorized to receive them. The figures are for the 30th June, 1869, the latest furnished.

Total in Government Savings Banks	$2,445,267
" in Savings Banks under the management of Trustees	3,960,818
" in Savings Branches of Building Societies	1,485,014
Total Savings	$7,891,099

If the natural increase in deposits has gone on steadily during the twenty months that have elapsed since the date of this statement, the savings lodged with these institutions would now considerably exceed eight millions. If to this we add the savings deposited with the chartered banks, and the sums left with them bearing interest, which in round numbers amount to $32,000,000, we have, as the total accumulations lying at interest with the savings banks, building societies, and chartered banks, the sum of $40,000,000—or $10 a head for every man, woman, and child in the Dominion.

To show the increase of deposits with savings banks and building societies between 1868 and 1869, we give the following statement:—

	1868.	1869.
In Provincial Savings Bank, Halifax	$687,983 00	$716,348 00
In P. O. Savings Bank	not opened	856,814 00
In New Brunswick Savings Banks*—		
Bathurst	11,428 29	13,564 20
Chatham	72,867 89	74,803 70
Dalhousie	17,119 96	20,521 47
Frederickton	14,078 01	16,312 96
Newcastle	48,534 66	57,002 27
Richibucto	21,900 77	25,349 25
St. Andrews	67,970 82	72,849 52
St. John	555,828 51	586,636 25
Shediac	1,356 64	908 99
Woodstock	2,495 36	3,856 78
In Saving Banks under Trustees	3,369,799 40	3,960,818 05
In Building Societies	959,650 88	1,485,014 12

The assets and liabilities of the banks under the management of trustees compare as follows:—

	1868.	1869.
Total Assets	$3,720,923	$4,331,366
Total Liabilities	3,390,368	4,002,403
Excess	$330,555	$321,963

And those of the Building Societies stand thus:—

	1868.	1869.
Total Assets	$4,338,744	$5,517,996
Total Liabilities	4,019,042	5,012,416
Difference being Profits	$319,702	$505,550

The various institutions which are made the depositories of the spare funds of the industrious to the extent indicated by the above figures are, so far as we know, prudently conducted; but we are not quite certain that existing legislation offers every necessary guarantee for the prevention of dishonesty or failure. A valuable service is, however, rendered to the public by the Government in placing in their hands so much information as the Blue Book under consideration contains. That service would be much more valuable if these returns were produced with less of that traditional delay which is associated with the very name of a "Blue Book."

DANGERS OF THE CREDIT SYSTEM.

In a fortnight, at the farthest, the spring trade will be commenced. The present is therefore a favorable time for both wholesale and retail merchants to set about reforming at least some of those admitted abuses which have crept into the importing trade, and which threaten to work incalculable mischief if not arrested in time. The chief of these, and the most fatal in its tendencies, is the overlapping of credits. This practice is fraught with the utmost danger to every interest in the country. In a time of panic—which time is certain to come sooner or later—the utter rottenness of this system of doing business would be rendered so glaring, and its pestilent effects so manifest, that the men who now practice it would become ashamed that they even lent their sanction to anything so subversive of the most ordinary rules of business.

When the usual trade purchases commence, in ten days or a fortnight hence, many of the same men who purchased in September last, at six months (their paper being dated from the 1st or 15th October) the over-stocks now held in the country stores will present themselves for more goods. Their October paper will not have yet matured. Many of them were new customers in September, and the result is that they will obtain the supplies for an entire year without having paid a cent. The spring purchases are taken home and perhaps largely disposed of before the paper representing the autumn purchases has matured. At that time, those who are honest and make wise calculations, will pay up; those who have not done so will look for an extension or a compromise, or will sell out in bulk, or pocket what they have made, invest a few dollars in a railway ticket, and bid good-bye to their allegiance and their debts at the same time. We do not mean to allege that country merchants are a dishonest class—far from it. But the system we are condemning makes the way of dishonesty so easy, and offers so handsome a premium for the practice of roguery, that it is no wonder to see so inviting a field entered upon by the unscrupulous and the needy. "Lead us not into temptation" is a good trade maxim, and exactly in point.

Some wholesale firms endeavor to avert the danger attending the second series of credits by putting the debtor through the longer or shorter catechism, as his tastes may incline; sounding him as to his debts, his stock, his prospect of paying his notes then current, &c. This the creditor has no right to do. And even if it were a duty, it would be a most unpleasant one to throw doubts in advance upon a man's honor in meeting his obligations. How much better to adopt at once the sensible, proper, business-like mode of taking only short-dated paper, which would have to be provided for before any new debt is incurred? Only an ambition which is sure to overleap itself in the end—a foolish ambition to do a large share of the trade, an unhealthy and unwise competition, can perpetuate a practice so adverse to the interests of all concerned, and so subversive of every commercial principle.

We have said that the prevailing credit system endangers every interest in the country. This is true. The overlapping of credits means inflation in its most dangerous aspect. It accounts chiefly for the over-importations of foreign dry goods; for it would be quite impossible to force upon the country the immense quantities annually sold, were it not for the indiscriminate and long-drawn out credits. By this means the importer becomes largely indebted to the foreign manufacturer or jobber, which is the same thing, the retail merchant to the wholesale, and the farmer and mechanic again to the retailer. When