

Finance Minister, and his remarks were invariably distinguished by the sagacity, foresight and grasp of the monetary position, which were such marked features of his character. In addition, it should never be forgotten that he was a man of the strictest integrity; "His word was his bond." His promise could be relied on. Straightforward and candid in all his ways and dealings, he was utterly above the employment of the artifices and plots and circumventing appliances which so many rely upon to further their business ends. All such methods he scorned. He was most considerate in all his dealings with the employees and customers of the Bank, all of whom feel that in him they have lost a valuable friend.

Mr. Smithers was a true man in the highest sense. It is a matter of deep regret that he has been cut off while in the very midst of his labors; but he has left an example behind him of integrity, of God-fearing uprightness, purity of character and conduct, which may well be emulated by all those who remain amongst us, and particularly by the younger portion of the community.

G. H.

BANKING REVIEW.

In last week's issue the usual comparison of monthly figures was made between April and March. The month of April passed over without any material change in the banking position. Of the circulation there was redeemed \$1,053,000, leaving the sum of \$30,500,000 still out in the hands of the public and the other banks. This sum is \$1,200,000 more than the amount at the corresponding period of last year, indicating a greater activity in all those departments of business which are carried on by means of bank bills. To the extent of this \$30,000,000, the banks are able to grant increased accommodation and make loans and discounts to the mercantile and borrowing public generally, thus rendering them a large service in return for the privilege of circulation conferred. It is an entire misapprehension to suppose that the country receives no benefit from bank circulation, and that the entire profit thereof goes into the hands of the banks. Were the privilege of circulating notes taken away, there can be no doubt whatever that an enormous diminution would take place in the means which our banks have of accommodating the public with loans. The effect would be to permanently raise the rate of interest by diminishing the supply of money. By whatever sum the rate of interest is kept down at present, by that sum is benefit reaped by the public. The benefits which the banks confer upon the community by means of their circulation flow through a thousand channels, diffusing the means of carrying on and extending business, making cash payments, and paying off indebtedness to an extent almost impossible to appreciate.

The deposits of the banks have fallen off \$1,380,000: and now stand at \$109,000,000, being \$2,500,000 less than they were a year ago. This diminution in deposits has none of the significance which an increase in

circulation has—a shrinkage of \$2,000,000 in a total of \$110,000,000, is a very commonplace occurrence. The moneys paid in and paid out of our banks in such a great number of places, and to such a variety of people may easily vary one or two millions at any time between one day and another. What is to be regretted is that the deposits of the Canadian banks, as a whole, are not very much larger in volume than they are. They are very far inferior in amount to those of the Australasian banks. In fact those institutions of the southern hemisphere have as many pounds sterling or thereabouts on deposit as the Canadian banks have of dollars. This proportion of 5 to 1 does not indicate that the people of Australia are five times as well off as the people of Canada; but rather that there is very much more of active commercial business in those colonies in proportion to population. The wealth of Australia is largely in its gold mines, which give a return continuously all the year round. The main wealth of Canada is in its agriculture and its forests; both of which only give a return once a year. Agriculture, however, is a permanent source of wealth, the development of the land giving promise of perpetual harvest returns. Mining is more or less precarious.

Our farming population are being teased just now with overtures addressed to them from the other side of the 'Line,' based on the idea that free commercial intercourse with the States would ensure their prosperity. It is difficult to see how Canadian farmers would be particularly benefitted by this. They have the vision of a large market of some 60,000,000 of people held up before their eyes. But the largest interest amongst these very people is that of the farming class, who produce already enormously more than their own market will consume. What then would be the benefit of the Canadian farmer pouring in more supplies to a country like this. If they went in, they would only have to go out again in the shape of exports across the Atlantic. There is no need for our farmers to send their products across the Atlantic in this fashion. We have a route of our own, and it will always be more economical to use it, at any rate during the season of navigation. There is only one article produced by our farmer which the Americans want in quantity, namely barley. Of this they take already all that Canada has to spare, and pay very fair prices for it. But the farmer should remember that the building up of centres of population by manufacturers creates far the best possible market at home. This is one great object of the development of manufactures in the United States, and for that reason their farmers are content with a protective policy. When, therefore, overtures for commercial union are made which would cripple our manufactures, the farmers may well reply, we will do as you do and not as you say. We will develop our own home market, which is the best, and we will look with suspicion on any overtures tending to cripple or destroy it. For that would undoubtedly injure us.

ABSTRACT OF BANK RETURNS.

30TH APRIL, 1886. [In thousands.]

Description.	Banks in Que- bec.	Banks in On- tario.	Banks in other Prov's.	Total.
Capital paid up..	\$ 35,984	\$ 17,907	\$ 8,413	\$ 62,304
Circulation	15,307	9,776	4,199	29,282
Deposits	57,585	42,596	11,299	111,480
Loans & Discounts	85,755	64,649	18,174	168,578
Cash and Foreign balances (Net)...	22,250	7,486	3,448	33,184

30TH APRIL, 1887. [In thousands.]

Description.	Banks in Que- bec.	Banks in On- tario.	Banks in other Prov's.	Total.
Capital paid up..	\$ 35,200	\$ 18,277	\$ 7,506	\$ 60,983
Circulation	15,644	10,480	4,344	30,468
Deposits	52,316	45,407	11,162	108,885
Loans & Discounts	87,468	68,404	16,829	172,701
Cash and Foreign balances (Net)...	17,832	6,138	3,551	27,521

IS BORROWED MONEY AN INJURY?

Some very extraordinary views and opinions were expressed in the Senate the other day by a number of gentlemen on the subject of Canadian loan companies and their operation. The immediate cause of this curious criticism was the second reading of a bill to enable the Canada Permanent Loan and Savings' Company to register its stock in Britain as well as in Ontario, and to do business in other provinces of the Dominion than this. Mr. Wark, in demurring to the passage of the bill, desired "some proof that these institutions were really doing good to the country." He spoke sadly of the Ontario farmers, who owe these concerns some \$80,000,000, and pay \$5,000,000 or \$6,000,000 for the use of it, and had "strong doubts whether it is really for the advantage of the Maritime provinces to allow these companies to go there and lend money on the terms they lend at in Ontario. Our country is too poor to bear such burdens."

Mr. Dickey could see in the bill only a proposal in the interest of people in the upper provinces "who seek to come down and introduce this system of making money into the lower provinces," and he thought that "the interests of New Brunswick and Nova Scotia ought to be considered and some attention paid to what they desire and what they require." Would it surprise this honorable gentleman to learn that there have already been applications from the lower provinces to borrow some of this dreadful and dangerous money, and that at least one company has been requested to open offices in the Maritime provinces? It is perfectly competent for the Senators to regard the interests of the districts they represent, but are they conserving these interests when they prevent their constituents from borrowing capital? Is it not likely, rather, that what these very societies have done for the development of Ontario in the last quarter century may be done for Nova Scotia and New Brunswick? Nay more, these provinces would have an advantage over Ontario people of past generations, for they can nowadays get money at rates three or four per cent. less than were current a decade ago.