

which would overwhelm us with an inflated and irredeemable currency.

### BANKING REVIEW.

The enormous mass of produce for transportation this spring has rendered the late opening of navigation more than usually unfortunate, by crowding up heavy stocks, and necessitating loans to carry them for a longer period and at a higher rate than the small profit likely to be realized on them can afford. The stocks on hand were bought generally at high prices, and are not likely to realize more than a trifling advance. The excessive rain-fall in England since January is all but certain to lower the yield of the next harvest considerably by placing a certain area out of cultivation for wheat, and retarding the spring sowing of a much larger area, so that fears are expressed that there will be another harvest as low in yield as 1871.

Despite the vast importations from this continent, the stocks in England are very low—in London and Liverpool alone they have gone down since December, 225,400 quarters, so there is every certainty of prices being fully maintained, and great probability that they will advance, and the whole of our last harvest's crop will be sold at exceptionally good prices. The lumber trade is highly active, and rates advancing, the demand being such as to absorb at once the large quantities being got out, most of which is of exceptionally fine quality. This interest has before it a long career of activity; the extension of public works in our own borders will ensure a very prolonged and large demand for timber, not only in their construction, but for those enterprises which they will develop and feed.

The prospect of cheaper money seems receding rather than approaching. The supply has been greatly enlarged by the last abundant harvest, but the demand has been stimulated by that abundance, and its absorption by new buildings, new enterprises, new investments, has been so rapid and complete that it has no effect in reducing the value of money. There are, too, before the country several schemes of gigantic magnitude to facilitate locomotion and transportation through the older channels of traffic—all too restrained for the increased volume of freight being poured into them—and for new lines through new districts as far as our western shore. These must have a controlling influence on our finances for many years, and although, doubtless, foreign capital will be available to a large amount, still the burthen will fall most heavily on our own shoulders. It will indeed be a matter of national pride to raise

from national home resources as high a proportion as possible of the funds these great undertakings will require, in order that we may keep them under Canadian direction, and for national purposes and advantages.

We append the usual official bank returns to 31st March:—

	March 31st.	Feb. 31st.
Capital authorized....	\$46,566,666	\$46,566,666
" subscribed ...	43,277,466	.....
" paid up.....	41,093,689	39,565,783
LIABILITIES.		
Circulation .....	\$23,209,790	\$23,027,791
Govt. depts. on dem'd	3,759,800	2,791,545
Other do.	27,513,780	27,634,804
Govt. depts. at notice	6,913,768	5,540,174
Other do.	18,847,081	20,220,344
Due banks in Canada.	1,237,780	953,818
do. not in Can..	1,457,162	1,642,125
Sundries.....	12,202	6,669
	\$82,951,363	\$82,037,270
ASSETS.		
Specie.....	\$6,544,386	\$6,168,964
Provincial notes....	6,965,175	6,734,265
Notes, &c., other bks.	3,788,123	2,706,274
Due from do.	1,612,096	1,410,636
do. not in Can.	12,095,773	13,581,935
Govt. stock .....	1,422,604	1,422,604
Loans to Govt.....	501,793	501,793
do. Corpor'ns..	1,719,095	1,690,691
Discounts .....	94,079,220	92,523,753
Notes over due not secured .....	1,330,335	1,408,232
Real estate.....	824,995	821,576
Bank premises.....	1,791,812	1,368,850
Sundries.....	1,381,563	1,477,862
	\$135,129,883	\$133,087,578
CIRCULATION.		
Bank issues.....	\$23,209,797	\$23,047,790
Provincial notes....	9,485,000	9,550,000
Total .....	\$32,694,797	\$32,597,790

This return again shows the operation we have before noticed, the transference of funds from the account "Deposits payable after notice" to "Capital paid up." The former item diminished in March \$1,373,000, the latter was increased \$1,527,900; the capital of eleven out of eighteen Banks having been proportionately enlarged out of this sum.

That "deposits on notice" should now be over a million less than before any of the proceeds of the harvest were in hand, is a novel phenomenon in these returns, the usual and apparently natural course being for a gradual increase of deposits to occur more or less steadily, and to a greater or lesser extent, month by month, as soon as the crops were gathered. For some years the growth of their deposits enabled the Banks to do a constantly extending business without increasing their capital, a process which could not fail to produce eventually an enormous expansion of trade from the facilities given for discounts, which when obtained led to large imports and a stimulus to retail purchasers to consume them, and so to a stopping the source

of the supply which gave this business its momentum. While, therefore, the savings of the people were accumulating, the Banks had ample means; but, as the habits of increased expenditure grew, stimulated by the temptations offered to buyers by retailers, and even more by the influences which come by the development of the country, the Banks had found this source of funds less available, and have been compelled to call up no less than \$12,000,000 of capital in the last year and a half. We are inclined to think that it will be some years before the deposits shew much increase. The farmers are awakening to a sense of the necessity for better implements, better breeds of stock, more liberal outlay in fertilizers, &c., &c., all of which will keep more capital moving, and occasion less in store; besides which we are entering upon an era of public enterprises which will drain off all the spare money the country possesses, or is likely to have during their construction.

The following shows the changes in the amount of Government and private deposits and the discount item of the Banks, which the Ontario Ministers selected for the Government account:—

	MAR. 31, '72.	DEC. 31, '71.
Bank of Commerce.		
Government depts..	\$410,000	.....
Private do. ..	1,362,700	1,426,726
Discounts.....	11,297,300	10,836,329
Ontario Bank.		
Government depts..	410,000	.....
Private do. ..	1,337,100	1,188,920
Discounts.....	5,319,000	4,764,050
Royal Canadian.		
Government depts...	640,174	340,174
Private do. ...	383,347	332,423
Discounts .....	3,858,710	3,090,500

We have no intention to repeat our protest against the selection of certain institutions to the exclusion of others, and merely present these figures to show how the government account is distributed.

### OPPOSITION TO THE INSOLVENT ACT.

A division taken in the House of Commons on the second reading of Mr. Colby's bill to repeal the "Insolvent Act" renders it at least doubtful whether that statute will outlive the present session. There is a wide spread feeling of hostility to the Act, but the general tendency of opinion is manifestly in favor of its amendment rather than its repeal. It is admitted, for it would be useless to deny the fact, that the powers conferred by the Act have been grossly abused, both by the debtor and creditor classes; but the necessity for such a law being once granted it seems almost whimsical to wholly erase it from the statute book. The opposition to the Insolvent law