

constant correspondence and visitation is it to be ascertained whether the multitude of assignees in Ontario are doing their duty and complying with the Act. One or two hasty visits a year might possibly be made to each Assignee, if the inspection did not involve much examination of details; and no doubt a general inspection would tend to keep Assignees up to their duty. But the power to remove an assignee appointed by the creditors does seem to be an undue stretch of authority. It would be scarcely possible to prevent this being abused. Surely it would be sufficient to empower him to report, without giving him power of summary removal.

We greatly fear that these appointments will either give rise to an infinitude of trouble or become a dead letter. If attempted to be carried out, there is likely to be constant squabbling and worry between the Inspector and Official Assignees. The Inspector will find the efficient performance of his duties impossible, and it will be necessary either to appoint district sub-Inspectors, or to increase the number of Inspectors of full rank. And with every addition to the staff will come an increase of expense to be borne by the creditors. Either this, or the Inspector finding that to carry out the letter of law is impossible, the office will gradually become of the merest perfunctory character, and perhaps degenerate into a sinecure.

These Inspectors are to have salaries of \$4,000 each (not too high by any means for the kind of men required) and the Governor-in-Council is authorized to impose a tax on dividends in order that their expenses may be paid.

If these provisions, or any of a similar character, pass into law, it is of the utmost importance that a proper selection of officers be made. To fit a man for the post he should have a first-rate knowledge of accounts, a wide mercantile experience, some general knowledge of law (for he has to advise creditors on questions arising under the bill), and such a general weight of character as to ensure respect for his decisions. We have the gravest doubts whether it will be possible to administer such a controlling department without an enlarged machinery and increase of expense, but it is certain that without a large amount of tact and judgment on the part of the officers appointed, there will be perpetual difficulty and disturbance.

Whilst on this subject of Inspectors, we may as well call attention to the vast importance of selecting not only capable but thoroughly honest and reliable men for the responsible office of Insurance Commis-

sioner. Experience has shown how easy it is for improper influences to be brought to bear upon such an officer; and unless he is both of such a character as to be above suspicion, and has such a remuneration as to make him perfectly independent of Companies, there will be great danger of unsound and insolvent concerns obtaining such an endorsement as will eventuate in heavy loss both to the public and stockholders.

BANKING REVIEW.

The following is the last official return of the banks of Ontario and Quebec:

	Jan. 31, '75.	Feb. 28, '75.
Capital authorized....	\$66,866,666	\$66,866,666
Capital paid up	59,139,035	59,361,285
Liabilities.		
Circulation	\$23,893,625	\$23,013,181
Government deposits..	14,891,888	13,958,633
Pub. depts. on demand	31,680,454	29,704,658
Public depts. at notice	29,073,811	29,486,449
Due other bks. in Can.	1,226,859	1,115,258
Due bks. not in Canada	10,263,267	11,609,205
Sundries	269,742	82,277
Total.....	111,889,646	108,969,660
Assets.		
Specie	6,711,635	6,615,622
Provincial notes.....	7,924,091	7,593,902
Notes and checks of other banks.....	4,510,969	4,119,918
Due from other banks in Canada	3,583,845	3,653,931
Due from bks. not in Can	7,842,828	6,318,174
Available assets.	30,573,368	28,301,547
Government stock	1,186,594	1,186,594
Loans to Government..	10,180	6,271
Loans to Corporations.	2,747,506	3,123,260
Discounts.....	142,327,084	142,375,795
Real Estate.....	538,281	534,843
Bank premises.....	2,694,742	2,715,873
Other assets.....	1,350,375	1,402,056
Total.....	181,427,130	179,646,236

The scarcity of money and its consequent dearthness, and the denial for other purposes than the essential operations of trade at this season, have excited the money market, and all dealers therein for some weeks past. Last year at this date we were profusely supplied with funds from New York seeking employment here, and the opening of navigation was known to be close at hand. Every item in the Bank returns showed an influx of means, and the increase of loans in February '74 was five millions. Since December last there has been a steady drain of the resources of the Banks, and a restriction of their means, so that an operation usual at this season, the payment by our merchants for imports, which last year was not noticed, so ample were the needful funds for purchasing exchange, this year has been an important factor in the financial account. Very probably, the freedom with which discounts were extended a year ago was to some extent calculated

upon again for this season. The extraordinary and most exceptional condition of the Banks this year may be judged by noticing that the Deposits fell off to the enormous amount of \$6,500,000 in two months, and circulation \$2,400,000. A drain of \$8,500,000 in two months is entirely without precedent in Canadian banking, and fully explains the severe stringency of the last two months. For, at the very time when this extraordinary drain of the resources of the Banks was taking place, they were being pressed by their customers for increased loans. Engagements maturing abroad had to be met, or numbers of failures would have ensued. The Banks could only obtain the exchange necessary for this by remitting gold to New York, which they did, and incurred the odium of thoughtless people thereby. But this policy, severely as it taxed their resources, has carried their customers through so far, and they will doubtless persevere until the opening of navigation brings ease. The following figures are of themselves a complete explanation of the tightness recently prevailing:

	Dec. 1874.	Feb. 1875.
Circulation	\$25,412,000	\$23,013,000
Deposits	79,188,000	73,149,000
Total decrease.....	8,438,000	145,505,000
Discounts.....	144,029,000	147,600,000
Increase		1,476,000
Due English agents...	9,083,500	11,002,300
Increase.....		1,918,800
Available assets	34,566,000	28,301,000
Decrease.....		6,265,000

It is satisfactory to note that the more permanent deposits have not been drawn down, a very pleasant indication of there having been no disturbance of confidence, as might have naturally followed from criticisms of the policy of the banks made in utter ignorance of their position and business needs. It is a fact which borrowers from a bank find it very hard to realize that a large part of the funds which a banker lends are not his own but are deposited with him by others. The banks have at this moment \$145,000,000 lent to the people of Canada. Out of this, not more than one-half is from their own capital and accumulated profits. The balance is wholly from funds which bankers hold from the public, and are liable to be called on for, either at any moment, or after short notice. Now it is evident that if depositors in banks draw out their money, the banks must at once begin to draw in their loans. A banker, of course, retains money on hand as a reserve against his depositors' demands, and pays depositors out of these funds to begin with. But all experience shows that this reserve cannot go below a certain point without danger. When, therefore, the banks find a million after million