(1) Specie and Dominion notes—
February $19,791,000
March 17,800,000

Diminution $1,991,000

(2) Balance due in the United States—
February $21,397,000
March 20,539,000

Diminution $858,000

(So then, it is clear that instead of the banks drawing money from the brokers to send to New York for higher interest, the banks withdrew $860,000 from New York to enable them to supply the wants of their customers).

(3) Then those institutions that had money at their credit in England, withdrew it as follows :—

Due by English Banks to Canadian Banks—
February $1,159,000
March 375,000

Diminution.......... $784,000

(4) Further, the banks that were using their credit in England and drawing thereupon, drew still more largely as follows :—

Due to English banks—
February................ $4,760,000
March 6,412,000

Increase in debt........ $1,652,000

(5) There remained then of resources the large amount of money which the banks had lent on stocks and bonds payable on demand. The banks called upon them as follows :—

Call loans on bonds and stocks—
February................$19,456,000
March 17,655,000

Diminution...........$ 1,801,000

Now, considering the very large amount that the banks have out in this form, and that it is a part of the agreement on which the business is done that the money shall be repaid when called for, the wonder is not that the banks called in $1,800,000, but that they did not call for considerably more. For every person borrowing on call knows that he borrows out of the floating surplus funds of the banks, as they may happen to be either less or more from time to time. We say the floating surplus funds of the bank advisedly. For the stock of money held by any bank must be held, in the nature of things, first, to pay those who present the bank's obligations payable on demand, and second, to lend to those of its customers who are carrying on the business of the country and require money for the purpose. The demands of the first must be met by a bank under penalty of closing its doors. The demands of the second, that is, the legitimate and reasonable demands, must be met under penalty of losing its business. It is only after these demands have been complied with, as they are made day by day across the counter of a bank, that any institution can properly place money for temporary use on the Stock Exchange. And obviously the money must be so placed that if any demand of a more serious character than usual is made upon it owing to the course of trade, the exigency of the seasons, or what not, the requirement shall be met at once.

If we come to enquire how it is that such heavy demands were made upon the banks for increased accommodation during the month of March, it is obviously a question that cannot be answered without knowledge of the customers of every bank in the country. The demand appears to have been a general one and applicable to all parts of the country. The principal increases of current loans and discounts were as follows :—

Bank of Commerce...............$1,592,000
Merchants' Bank of Canada........ 724,000
Bank of Montreal................ 710,000
Bank of Toronto................. 541,000
Molsons' Bank................... 334,000
Quebec Bank 416,000
Bank of B. N. America 359,000

The remainder of the increase is distributed over the remaining banks of the country in amounts from $300,000 downwards. Only one bank shows an important exception, namely, the "Dominion," whose loans were reduced $314,000, instead of being increased. But if one may enter upon the region of probabilities, it is likely that the increased requirements were largely—

1st. From lumbermen and timbermen.

2nd. From importers for the payment of duties and the discharge of foreign debts.

3rd. From the holders of and dealers in agricultural produce, including hogs and cattle; and also from various lines of manufacturers for laying in stocks of raw material. These, however, are mere surmises; what is certain is that there has been an enormous demand for money during the whole of March, and that banks had to call upon their resources in almost every form in order to meet it.

ABSTRACT OF BANK RETURNS.

31st March, 1892. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's	Total.
	$	$	$	$
Capital paid up..	34,503	17,362	9,651	61,516
Circulation	15,990	11,016	5,478	32,484
Deposits	79,639	61,544	21,625	162,808
Loans Discounts & Investments....	104,715	73,673	32,714	211,102
Cash, Foreign balances (Net) and Call Loans.....	31,909	22,654	5,026	59,593
Legals	5,150	3,898	1,505	10,553
Specie	3,130	1,989	986	6,105
Call Loans...	6,198	7,229	1,478	14,905

31st March, 1893. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	$	$	$	$
Capital paid up	34,721	17,516	9,709	61,946
Circulation	16,354	11,637	5,440	33,431
Deposits........	84,005	68,978	23,936	176,919
Loans, Disc'ts & Investments...	110,440	81,400	34,438	226,278
Cash, Foreign Balances (Net) & Call Loans..	33,415	23,665	5,452	61,532
Legals	5,593	4,064	2,037	11,694
Specie......	2,918	1,987	1,258	6,163
Call Loans..	7,014	9,442	1,199	17,655

THE SILVER QUESTION

The latest development in this vexed and troublesome business appears to be that the Government of the United States under President Cleveland is determined to maintain gold payments for all its obligations. So long as the United States maintains that position, and takes measures to fulfil it, our financial relations with that country will go on harmoniously as hitherto; and all corporations and persons having money due them in the United States will receive payment in gold or its equivalent, *i.e.*, the current money of the United States will continue to be of the same value as the current money of Canada. If the Government of the United States declines from this position, the current money of that country will go to a discount, less or more according to circumstances, and all persons having money due them in the United States may be paid in this depreciated currency and lose thereby. There is every reason to believe that the Great Republic will take all possible measures to prevent a depreciation of its current money, which would be little less than a national disgrace.

THE UNITED STATES TREASURY AND THE BANKS.

In the plans discussed for the relief of the United States Treasury, there was a wide difference between the proposals of the Administration and that of the New York banks. Secretary Carlyle's plan was an issue of 3 per cent. bonds, at one year's date, in exchange for gold. The banks proposed, in return, that the issue should be for ten years, not absolutely, but contingent on the Government not being able to repay at the end of the year. It would be an inconvenience for the banks to part with $50,000,000 of gold for the short term of a year, during which it would scarcely be worth their while to deposit the bonds with the Government, as a basis of a note issue, and unless they did this, they would have to draw in loans from other quarters. But it was too much to expect the Government to issue bonds at ten years date in order to enable it to tide over a crisis of a few months. The truth is the New York banks believe the Government to be at their mercy, and proposed terms which are alike hard and unreasonable. But the Government, to the surprise of the banks, at once rejected the offer. The Boston banks then agreed to advance $5,000,000, on terms which were acceptable to the Treasury. But this small amount will be insufficient for the needs of the Government; it is only one-tenth of the amount for which it was negotiating with the New York bankers. Where is the balance to be got? That is now the question to be answered.

FAILURES OF AUSTRALIAN BANKS.

The continued failure of large joint stock Australian institutions is creating a condition of excitement and alarm in those colonies that is almost without precedent. These banks have all of them enormous deposits, of which very large amounts have been obtained in England. The plentifulness of money has led them to employ it unwisely and in methods condemned by banking experience, namely, in loans resting on city and town property, on farms, sheep-ranches, and other forms of fixed investment such as properly belong only to loan companies. These banks that have failed are probably every one of them able