

debtedness. The new railways just completed, or in course of construction, have contributed not a little to swell our annual imports; these works are no doubt good investments, but municipalities and companies have largely increased their indebtedness to construct them. The importing houses have also pressed goods upon the retail trade very freely during the last two or three years, and there can be little question that a large amount of personal indebtedness exists at the present time. Under all the circumstances, we are gratified to find that the galloping pace at which our imports had for years increased, has been arrested, and that for last year we have a small decline instead of a further expansion of millions. This will enable old stocks to be worked off, and afford opportunity to importing firms to decrease the burden of their foreign obligations, which have been pretty severely felt of late in some quarters.

This article would be incomplete without a word as to the future. We feel a great deal more confidence in it, since we saw these trade returns upon which we are commenting. They may be assumed to manifest caution on the part of importers generally, and an indisposition to go on increasing importations until the markets are glutted and a crisis produced. They show that our exports are still augmenting, and besides both these considerations, it is now absolutely certain that the harvest just gathered in, is one of the best obtained for many years. Taking these facts into account, we regard the immediate future as promising and hopeful; but still there is ample necessity for caution and forethought. A bad harvest this fall, many would have felt severely, and sooner or later this contingency will have to be faced.

The development of our commerce since Confederation has been gratifying. The first year, the total volume thereof was \$129,553,194; last year we are able to boast that it was \$217,255,772. These figures bear their own testimony to the progress of Canada, and its growing importance among the countries of the world.

BANKING REVIEW.

By a statement published in the *Montreal Herald*, it appears that the total importations at that port for the nine months ending 30th Sept. were \$34,488,910, against \$32,063,390 in the corresponding period of last year. The increase is \$2,425,520, or nearly two millions and a half. On these facts the journal quoted comments in this language:—"During the past few years the

"importations into this port have been on so extensive a scale that a large proportion of the goods entered were carried over from one year to another, which resulted in a partial depression of trade for a considerable period of the season. Our importing firms and other wholesale establishments have scarcely exercised the necessary judgment in their disposal of these goods. Extravagant orders were forced from country dealers, who were unable to discharge their obligations at the proper time, and the result in many cases has been either voluntary or compulsory insolvency." There is now, our contemporary argues, a reformation in this respect; and he thinks that stocks will be well exhausted by the close of the season. It is difficult for us to reconcile this opinion with the fact of such large and increasing importations. We incline to the belief that importations are still too high, that goods are pressed on the country as strongly as ever, and that the reformation our contemporary speaks of is a forced reformation, arising from the fact that existing indebtedness and stocks in country stores are so large as to curtail transactions. It would, however, give us great pleasure to feel assured that importers have taken in a larger stock of prudence, and arrived at the determination to limit their purchases to the legitimate wants of the country.

The barley trade is very active just now, owing to the good demand from the United States, which is due to the superior quality of our grain in the estimate of American malsters. The price has been a sore trouble to them, but sales have been very large; 1,467,614 bushels have been shipped to Oswego, an increase over '73 of 344,392 bushels. The demand has led some farmers to increase their stock by buying on speculation; a business they will do well to leave alone. Shipments of wheat from Montreal to Europe are some 90,000 bushels less this year than at the same date in '73; those of flour also are less by 18,000 brls. A very heavy trade is being done in cheese this season, and high prices realized. Shipments of butter are less, however, than last year, it being scarce and dear from drought after harvest. Lumber is stagnant; a diminution in quantity being considered the necessary prelude to better times. The timber trade is somewhat livelier, but this has been a wretchedly poor season; heavy losses have been made, and some have lost their all.

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

	Sept. 30, '74.	Aug. 30, '74.
Capital authorized ..	\$65,366,666	\$65,366,666
Capital paid up	56,906,418	66,471,202

Circulation	25,912,212	23,744,825
Government deposits	14,692,673	12,221,554
Public deposits on demand.....	33,397,922	34,515,285
Public deposits at notice.....	27,317,248	26,660,782
Due other Banks in Canada.....	1,372,711	1,528,371
Due other Banks not in Canada.....	9,427,033	10,313,223
Sundries	33,623	117,320
	\$112,153,422	\$109,101,360

Assets.

Specie	6,753,068	6,700,805
Dominion notes	8,994,471	8,707,092
Notes and Cheques of other Banks ..	5,230,265	6,368,244
Due from other Banks in Canada.....	3,116,557	3,438,594
Due from Banks not in Canada.....	10,749,882	9,880,044
Available assets	34,844,243	35,094,779
Government Stock..	1,174,428	1,174,428
Loans to Government	1,040	23,617
Loans to Corporations	3,037,155	2,849,478
Discounts.....	135,037,977	131,394,052
Real Estate	617,770	496,921
Bank premises.....	2,540,822	2,498,043
Other assets.....	1,414,177	1,407,840

\$179,167,612 \$174,939,158

The increase in calculation is close upon the average for the month of September, which for many years has taken from two to three millions extra note issues, in consequence of the active movement of grain to market which begins in that month. The ease with which, under our system of free circulation, these issues take place, and the perfect check on over-issuing by a constant system of redemption afford a striking contrast to the iron-bound system of irredeemable notes prevailing in the United States. Our system of circulation works with the most perfect regularity. Our bankers commence what may be called the circulation year in September, with their safes full of their own notes, ready for the demands of customers. The notes flow out regularly during September, October, and a part of November, and no monetary contraction is necessary during the process. In December the tide turns, and notes come back in large quantities for redemption. The funds necessary for this are provided by the realization of produce in foreign markets. Soon after the new year the winter's movement of grain to market begins, and disbursements are continued on account of lumbering operations. The circulation flows out once more in a steady stream during January and February—perhaps during March—and then begins to return. The return tide flows back during all the spring months, (with a short interruption from wool purchasers, which gives a temporary impetus to circulation in June), and redemption goes on steadily until the cir-