discounted, took the bills, traded them off for other bank bills, and with them paid up the calls. The notes were renewed, some were paid and some were not. It is possible a similar process will be followed in getting up the stock for this new bank.

If we trace the inevitable operations of this new bank we will find that as fast as it discounts paper and gives its notes for them, that gold will be demanded for them to pay for over-importations, it will have a deposit account and as the capital paid in is drawn out to redeem its notes, it will encroach upon its deposits exactly the same as the bank of Montreal has. We cite this bank because we are often asked for a comparison with it. The bank of Montreal has paid out all its capital, $6,000,000, all its deposits *on interest*, $5,524,171, and on the first of September only had $1,592,369 of its $3,607,450 of deposits *not on interest* left. Remember if it does not furnish exchange it must furnish gold and can only prevent that drain of gold by refusing to discount, and as soon as it refuses to discount there is a demand made for deposits and for notes in circulation.

It is deprived of all control of its gold through the *over-importations*, and is—and all the other banks with it—floating down a stream that has no bottom, and the moment they try to hold up they are drawn under and sunk. The Banks in England are now in the same position. England has immensely over-imported during the past year, and the inevitable result is, that they are being one by one scuttled.

Our existing banks dare not loan money, unless it is to be paid out for produce for shipment to foreign countries, that it may get back the exchange or gold, before the bills will be presented for the gold.

If Canada did not over-import and our banks had in their vaults their paid-up capital in gold, amounting to $25,000,000, they could issue $75,000,000 of bills upon its security, as authorized in their charter. They would besides have a large amount of gold deposits and government securities, on the basis of which they could issue a still farther amount of notes. It is thus clear to see that no bank in the country can safely loan, to carry on the internal industry of Canada, so long as we so vastly over-import. If it is not possible for any of our existing banks to furnish accommodation to our manufacturers and tradesmen, how can it be expected that a new and weaker institution can do so? It proposes to furnish more money capital for the country. Capital only accrues from money earned in the country, or from that invested by those who permanently settle in the country.

This new scheme for furnishing money originates with those who have *no* money; with those who wish to get the money of others that will be placed in their hands as deposits, upon the security of which they have secured the privilege of running three times the amount in debt. If they succeed, the fools are not all dead.

We would much like to see the *Leader* show how it is possible, under existing circumstances, for this new bank to afford the accommodation and advantages it promises to the classes it asserts, will be benefited.

QUARTERLY REVIEW NOTICE.

Many of our subscibers have desired that the second volume of the Review should commence with January, for many reasons it is better: to that end we have dated this number for January, the April No. will be due in February, the July No. in June, and the 4th number in October; with the October No. will be furnished an *Index* for the two years.