

lation; the masses, therefore (who can show their power at election times), are most likely to exercise it in obedience to the will of a demagogue such as can be generally found in every community, and who will find no difficulty in persuading them that what is owned by the few has been acquired at the expense of the many. This is an old cry. It has been heard in England, again and again, during the last four or five hundred years, and not in England only, but in nearly all the countries of Europe.

The connection that we, in Canada, have with all this is partly direct and partly indirect. Directly, Canada is affected to the extent that it is a creditor of the United States, a factor which bulks much more largely in reality than persons would be inclined to believe. Not to speak of the great interest that our leading banks have as creditors in the United States, there are, undoubtedly, considerable investments held by Canadians in United States securities. The balance of mercantile indebtedness, we fancy, is always in favor of Canada. To the extent that individuals and corporations would be affected by a depreciated currency, Canada has a direct interest in the result of the coming contest between a gold or a silver basis. In addition to this, it must not be forgotten that every insurer with an American life company is a creditor at present, and that his heirs and executors will one day be creditors for a very much larger sum. One of the most serious aspects of a possible depreciation of currency is the effect it may have upon holders of life policies. Holders of fire policies, of course, can better protect themselves, as their policies are almost universally for shorter periods and can be changed at maturity.

Even if such policies are payable in gold, it is the evident intention of the dominant faction of the Democratic party to prevent such gold contracts from being carried out. They intend evidently not only to deprive any creditor of the right to enforce a gold contract, but to make it illegal for the debtor to fulfil it. It is quite possible that if such legislation were passed it might be declared unconstitutional by the Supreme Court of the United States. But meantime there would be enormous disturbance to business interests, and all parties in Canada who will be in the position of creditors cannot be otherwise than affected by it.

The indirect effect it is very difficult to calculate. It is hardly possible to imagine that socialistic and anarchical doctrines can spread amongst such a population as that of Canada. But there are undoubtedly amongst a certain class persons who sympathize, more or less, with these views, and would be glad to have an opportunity of carrying them out in this country. But it is quite possible the effect might be exactly contrary to their expectations, viz., that a temporary success of this political faction might result in a period of unparalleled distress to the working classes, and so wean them for ever from unsound and dangerous theories.

As to the position in Canada, the recent political change cannot possibly have produced any effect upon the banking returns as yet. And there does seem to have settled down a quiet conviction that whatever fiscal theories may be entertained by members of the Government individually, it is certain that the force of circumstances will bring about practical modifications in such views. It is one thing to hold theories in the abstract; it is quite another to have the responsibility of carrying them out into practical legislation. The members of the new Government are prudent men as a rule, and several of them have had large experience in practical legislation. They know very well what a network of diverse interests is involved in

our manufacturing and commercial system, and how extremely difficult it will be to move beneficially in any direction without doing as much harm to one interest as good to another. It has come to be generally understood that time will be taken to consider the whole position; meanwhile, any necessary lightening of heavy stocks can be gradually accomplished.

Of course, in a condition of uncertainty like this the starting of new enterprises, or even the extension of old ones, is not to be looked for. But Canada can get on very well with such manufacturing enterprises as she has already.

Meantime money is reasonably plentiful for all legitimate needs, though there is nothing like an over supply, very far from it. The discounts and loans of the banks are quite high enough, and any extension of them would be to be deprecated.

ABSTRACT OF BANK RETURNS.

30th June, 1895.

In thousands.

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up	34,819	17,694	9,188	61,701
Circulation	14,774	10,017	5,315	30,106
Deposits	93,030	71,830	26,675	191,535
Loans, Discounts and Investments	115,292	80,041	34,242	229,575
Cash, Foreign Balances (Net), and Call Loans	35,824	25,185	8,264	69,273
Legals	6,419	4,512	2,542	13,473
Specie	3,511	2,734	1,227	7,472
Call Loans	5,609	10,133	921	16,663
Investments	5,691	11,116	4,153	20,960

30th June, 1896.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up	34,819	17,790	9,589	62,198
Circulation	14,648	10,060	5,628	30,336
Deposits	91,908	71,420	28,784	192,112
Loans, Discounts and Investments	115,843	81,901	37,792	235,536
Cash, Foreign Balances (Net), and Call Loans	33,571	22,653	8,364	64,588
Legals	6,726	4,578	2,704	14,008
Specie	3,557	2,708	1,592	7,857
Call Loans	4,369	7,528	1,127	13,024
Investments	6,930	11,561	4,856	23,347

Government Savings Banks \$45,260,000
 Montreal City and District Savings Bank 9,867,000
 La Caisse d'Economie, Quebec 5,084,000
 Loan Companies, 1895 19,000,000

Bank Deposits 79,211,000
 192,112,000

Total Deposits of all kinds \$271,323,000

GOVERNMENT CIRCULATION.

Small \$7,373,947
 Large 12,998,250
 \$20,372,197

Gold held, \$8,758,235, or 42.99 per cent.

COUNTRY ROADS.

We stated a week or two ago, in writing upon improved country roads, that the Canadian farmer required to be shown that good roads would put money in his pocket before he would take much trouble to secure them. An instance which came up in our reading since, may serve to illustrate to Canadians how improved roads act in bettering the fortunes of a locality.

Conditions such as recently existed in a small town in New Jersey, twelve miles from Philadelphia, form a fitting object lesson of the profit in good roads. In consequence of the bad roads, the wagonmakers near the town in question constructed four-horse vehicles to carry 55 bushel baskets as a maximum load, which was regarded as heavy hauling. Real estate thereabout had gone a beg-