abundant at comparatively low rates of interest." Months ago we inadvertantly gave the reason for the deceptive anomaly to be, that there was comparatively no more property in the country to mortgage that men will loan money upon; that over two-thirds of all the landed property in Canada was already encumbered for all it was worth. The *Witness* colaterally confirms our statement when it mentions that lands are "mortgaged and re-mortgaged for ail and more than they are worth." One of our loaning institutions, having British capital, in its last report to the stockholders in Britain, informed them that many of the mortgages that had been taken were guaranteed by "collateral securities." It is our poverty that makes money for loans abundant, and not our wealth as supposed by the *Globe*. It is our poverty that now secures a premium for good mortgages, and the earnest enquiry for vastly more Municipal debentures than are issued.

The Montreal *Witness* of August 29th, set forth that "money has become dangerously scarce;" that the "reasons assigned by well informed persons are:"

"1. The great rise in the value of dry goods, caused by the rise in cotton and other materials, and in duties, renders nearly twice the banking capital necessary to turn the same quantity of goods."

We answer that by stating, that it is the *cost*, and not the *quantity* of goods that makes money scarce; that more goods have been imported than our banks could get money to pay for, and that the banks and the country have been and still are at the mercy of the importers—and that either a very high tariff or a National Currency, as we have heretofore described, are the only legitimate remedies that can be adopted to insure us against the periodical calamities that the importers—the speculators in foreign goods bring upon us.

"2. The derangement of the currency in the United States has prevented the settlement of large contracts for lumber, extending to almost two years' supply, a good deal of which is borne by our banks. The dullness of the English market also prevents the prompt realization of lumber in Quebec, and the burden, in one way or other of that great business, rests chiefly on the banks."

That lumber and timber idea is all a fallacy: the United States advances nearly all the money for the lumber manufactured for them, and England advances nearly all the capital for the immense timber trade of the country. Those who use it pay seven per cent. interest on it, and seven-and-a-half per cent. commission to the agent in Quebec through whom it is forwarded; and if the notes are a day overdue they have an extra 7½ per cent. to pay. Our banks have no burthen to bear therefor. It is true they furnish the bank notes that are paid out, but they get dollar for dollar in British gold, and make a handsome profit by the exchange.

"3. The high rate of interest in Britain prevents the Banks from using their credits, except at a considerable loss."

That simply amounts to saying, our banks are accustomed to borrowing money in England, and are in danger of becoming insolvent, because the rates there are now so high. How does that tally with those *accumulations* of capital in the banks that the *Witness* tells us of? One statement evidently conflicts with the other.

"4. The almost complete displacement of bank bills by silver in the circulation of country parts of Canada."

There is no legal money in Canada except specie, and therefore it is a truly original idea to suppose the abundance of silver money in circulation is the cause of a scarcity of money. In Montreal the silver is deposited in the banks in $50 sums, and silver receipts are given by the banks for that amount, which circulate in place of the silver. They