

dollar per bushel, barley fifty cents, with oats, peas, and other articles in proportion, the increase in circulation would have been far more than \$3,300,000. It would certainly have moved up beyond \$4,000,000.

Now that navigation is closing, we can estimate with some degree of accuracy what the volume of our exports has been, but it has always appeared to us that the statistics of our exports are very imperfect. While the shipments by water from Montreal are no doubt accurately estimated, and those from this port by water also, it is doubtful if the large amount of grain which has been sent from Manitoba to the United States, is properly estimated. Certainly Canada loses the benefit of all these exports in the returns of the Board of Trade in England, for there they will undoubtedly be classed as exports from the United States. Some compensation for this may be found, perhaps, in the fact that we ourselves receive credit, in all probability, for grain the product of the Western States, which is shipped from Montreal. But the quantity of Canadian grain shipped from Manitoba to the United States is almost certainly far beyond the quantity of American grain shipped from Montreal, so that an injustice is done to Canada constantly in this matter. It is doubtful, also, whether the statements of our lumber and timber exports are properly and sufficiently made. The attention of the Minister of Trade and Commerce might very rightly be directed to this matter. We only give the foregoing, let it be noted, as a matter of opinion. The means of information possessed by the Department in Ottawa may be more complete than we suppose, but the matter is worth looking into.

So far as the exports from Montreal are concerned, those of cheese and butter this year have largely exceeded anything hitherto known, and the price has been satisfactory. The exports of butter have increased very largely, the increase doubtless being due to the efforts made by governments, provincial and general, to promote the manufacture of a better article. But very much more might be done than has been done, and we look for increasing developments of a favorable character, year by year.

The shipments of cattle, too, have been on a very large scale, but the net result to the shippers has not been as favorable as could be wished. There were several weeks of good trade in which considerable profit was realized, but taking the whole summer together it has been a very disappointing season.

The shipments of North-Western cattle were the most disappointing of all, in consequence of the poor quality of the animals. It had always been expected that exceptionally fine cattle would be shipped from the North-West when mixed farming began to prevail more and more, and considering also what rich nutritious grasses were produced on western ranches. The business has probably been allowed to drift somewhat; but with more attention to breeding, housing and feeding, there ought to be a steady production of improved high-class animals year by year for export from our North-West.

The deposits of the banks have increased \$1,600,000 during the month, and the discounts a little over \$4,000,000. It is evident that the circulation has enabled the banks, as usual, to lend money for moving the crops without the slightest embarrassment to other customers. This admirable system has been exciting attention amongst financiers in the United States for some years back. The problem of circulating notes, is one that demands adjustment, and the country will not be in sound and settled condition until it has been placed upon a solid basis. The issue of circulating notes by the Government has been most sorely abused

in the States, and its practical working has justified the opinion and action taken by bankers in Canada many years ago, when it was proposed that the whole circulation of the country should be in notes of the Government.

It is a great fallacy to suppose that Government notes must always be satisfactory. There is hardly any Government's issue of notes in the world but has at some time or other fallen to a discount, and remained at a discount for long periods together. And where a Government has determined—like the Government of the United States has done (much to its credit)—to keep its notes from falling to a discount, the effort to do so has been so difficult as to necessitate the co-operation of financial syndicates, and the straining of the resources of the Government to such a degree as to cause embarrassment to every industry in the country. It is always forgotten by theorists on this subject that while it is easy enough for the Government to *issue* notes, the task of *redeeming* them, keeping them at par, and holding proper reserves against them, is almost beyond the power of any administration, unaided, to effect.

An object lesson in municipal finance has recently been displayed in Argentina. The new mayor of Buenos Ayres, after thorough investigation, has recently declared the city to be in a state of bankruptcy, and that it will be impossible for it to extricate itself without assistance from the national treasury. Buenos Ayres is a city of about the population of Montreal, and it resembles that city in its general character, as a great centre of export trade and railways, besides being the capital of the province. It appears then that extravagance in civic administration may actually result in *bankruptcy*. And it is as well for our legislators to note through what quarter assistance is likely to be called for in case such a state of things arises.

We append our usual comparative statement of the condition of banks by provinces:—

ABSTRACT OF BANK RETURNS.

31st October, 1895.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up	34,819	17,759	9,387	61,965
Circulation	17,210	11,704	5,757	34,671
Deposits	95,999	73,283	11,181	197,423
Loans, Discounts and Investments	113,373	81,100	35,007	229,480
Cash, Foreign Balances (Net), and Call Loans	43,360	28,165	10,507	82,032
Legals	8,189	5,577	2,455	16,221
Specie	3,509	2,755	1,143	7,407
Call Loans	5,790	9,452	1,955	17,197
Investments	6,665	11,798	4,504	22,967

31st Oct., 1896.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up	34,819	17,291	9,615	61,725
Circulation	17,365	12,407	6,183	35,955
Deposits	96,881	75,593	28,756	201,230
Loans, Discounts and Investments	119,870	85,213	37,681	242,764
Cash, Foreign Balances (Net), and Call Loans	37,501	26,712	9,412	73,625
Legals	6,335	5,506	2,879	14,720
Specie	3,841	3,157	1,846	8,844
Call Loans	4,800	7,799	1,349	13,948
Investments	7,011	12,444	4,583	24,038

Government Savings Banks \$47,188,000

Montreal City and District Savings Bank

La Caisse d'Economie, Quebec 9,569,000

Loan Companies, 1895 5,252,000

19,000,000

Bank Deposits 81,009,000

Total Deposits of all kinds 201,231,000

\$282,239,000