the Government has withdrawn a considerable amount of gold from the banks: this they can only do by arrangement, but a sufficient inducement has no doubt been offered.

Money for stock loans is in very active demand. Large operations have taken place and buyers speculating for a rise have had to hold over longer than looked for, prices being if anything, on the decline.

RESUMPTION OF SPECIE PAYMENTS IN THE UNITED STATES.

A large amount of attention is being given just now to the question of the resumption of Specie Payments. A Bill to facilitate this consummation has just been introduced to the senate by Mr. Sherman, providing, that after the end of the present year, the notes of the United States shall be redeemed in coin, or (a very important alternative), be exchanged for bonds payable in gold after ten years: providing also, that any bank redeeming its notes in gold or legal tender notes shall be exempt from the obligation of keeping a reserve; also, that the limitations prescribed by law as to the total amount of national bank notes shall be abolished, provided, that such banks deposit bonds to cover all the notes they issue.

To any person who has considered, from a practical point of view, this question of resumption, it is scarcely necessary to discuss the first and second of these proposals at all. Specie payments can never be brought about by mere legislation, but must come by the natural working of events. When gold ceases to command a premium, then specie payments will be resumed as the ordinary course of things. Gold was once worth 250: it is now worth 113; the sole meaning of which is this, that at one time the prospect of the promises of the United States being fulfilled in money which was good all over the world, was very remote, for then war was raging and no soul could see the end. Now peace has been conquered, expenditure is stopped, the debts of the country have shown a reduction nearly every month, and there is a fair prospect, at no distant day, that the obligations of the country will be paid—paid we mean, in what all the world will take as money,—and it is the nearness or remoteness of this probable event, as measured by the demand for gold every day in New York, which creates the fluctuations that are quoted in the papers. When a man who has got a promise of the United States to pay him a hundred dollars, is willing to surrender that and similar promises for twelve dollars more, to get only one hundred dollars of money which will pass in Europe, it means that he thinks the promises of the United States will not be fulfilled for some time to come, and that he is willing to sacrifice the equivalent of about two year's ordinary interest to obtain payment now. For if the people who are buying gold were convinced that by waiting six months only they would get it in exchange for notes, they would certainly never give more than four or five premium for immediate payment.

The promises of the United States, it should never be forgotton, are payable in theory. The promise is to pay a dollar on demand. Now a dollar is an article as clearly defined and as well known as a bushel of wheat or a barrel of flour. It consists of a certain definite weight of silver, duly certified and stamped by an officer of the government. A piece of paper is not a dollar, no matter what may be printed on it; just as a warehouse receipt is not a bushel of wheat. A dollar is a piece of coin that has cost in labor all it passes for; and the bills of the United States are simply promises that such dollars shall be forthcoming on demand. They are not forthcoming at present; which means, that the nation takes an indefinite extension from its creditors, but the community believe the promises will be fulfilled some day, hence they are willing to redeem the bills for the government, by selling gold at a price which will pay them for waiting.

The premium then, being at present some twelve or thirteen per cent., the question is, what will cause it to go down to nothing?

The answer to this may be found by considering the causes which brought the price of gold down from 250 to where it is now. So long as the war went on, so long gold steadily rose. As soon as the war closed and a settled state of things prevailed it began to decline. Month by month, as it was seen that the debt of the country was being reduced, the tendency was steadily downward, until the low figures were reached which have been current for some time back. Still, however, there is a premium; and it is a significant fact, that the premium is higher to-day by four per cent. than it was a year ago. It seemed more likely, a year ago, that specie payments would shortly be resumed than it does to-day. What then is keeping them back?

The answer will be found in the consideration of one or two important facts. The first is, that there is far less gold in the American treasury now than there was a year ago. Last year, on January 20th, there was $103,000,000; of which the treasury owed to bankers and others $37,000,000, leaving a net balance of $66,000,000 on hand. This year the treasury has $64,000,000, of which it owes $25,000,000, leaving only $39,000,000 of its own on hand. With such a diminished stock of gold, it does not seem very probable that specie payments can be resumed at present. When specie payments are resumed, they can only be maintained by a reserve of gold being kept on hand in the same way that the banks and our government do here. But the net amount in the treasury at present is far below the requirements of a reasonable reserve, and the amount must be increased to at least double its present sum, by production or importation, before such a requirement could be met.

But what is the reason there is so great a diminution in gold during the last year? The answer is, that the imports have enormously exceeded the exports, and gold has been shipped in payment. Here, then, we come at last to the touch-stone of the whole business. The American people are enormous consumers of goods that have to be purchased abroad and paid for either by other goods in return, or in gold. Many of these goods are necessaries, such as they get from Canada, and in part from Europe also. But a vast quantity are simply rare, costly, and extravagant luxuries, imported to satisfy that taste for inordinate display, an expenditure which is so marked a feature of American city life. The imports were $425,000,000 in 1869-70, and $557,000,000 in 1871-2: the increase, $132,000,000. Exports were, $376,000,000 in the former period and $428,000,000 in the latter: increase, $52,000,000.

Let any one ponder these figures well and say whether the prospects of specie payments will not have to recede into remote distance if this is to continue. Gold must keep at a premium when it continues in such demand to settle balances due to foreign countries, and the question is, whether the premium is not likely seriously to advance, in spite of the heavy production of California.

MUTUAL FIRE INSURANCE BILL.

The Bill brought in by Attorney General Crooks relating to mutual fire insurance in Ontario, is regarded by the mutual companies not as an attempt to wisely regulate the conduct of their operations, but as a premeditated assault upon the system itself. Certainly the clause authorising members of such companies to cancel their policies at pleasure is open to that construction, in fact, unless it be regarded as a mistake, it is hardly open to any other construction. If, then, the intention is to close up fire in-