

advantage of the law and run the circulation up to the amount of their capital, but they cannot and be secure. The present Railroad facilities and other means of communication are too rapid to keep out a large circulation, and another thing, our extent of country in which business is transacted is too limited.

I stated in the former part of these remarks that to abolish the *Treasury* entirely would enable the Banks to make their manufacturing customers as profitable to them as their exchange customers. I do not say the *Mechanic* will have to pay double the present rate, nor at all. I believe if the law was unrestricted the profits on exchange would be reduced, because hitherto the Banks have relied on this mode of getting the market price for their money. They cannot dispose of all their funds to exchange customers; a large part must be lent to those who are not. An advance of one per cent on the aggregate amount of the latter, would be as much to the interest of the Bank as the ordinary rate and the profits on exchange, because in no case there is only one risk in the other there is two. The Banks do not traffic in exchange without loss occasionally; they must be paid for the risk, so although they get a high rate from the exchange customer, a lower rate from the mechanic is considered equally as much the interest of the Bank as there is only one risk.

It is said that two millions of coin and bullion is no security for eight millions of promises. Now does any man in looking at the statement of the Liabilities and Assets of the Banks in Canada entertain any doubt of the ability to pay their promises. True they have not bullion for the full amount, but supposing a run upon one or a number of them, our proximity to the United States, and quick communication with Europe, would soon bring a supply of specie, and another thing, shrewd business men would not be terrified by a run, and would be glad of the opportunity of a speculation, to buy up their notes at a small discount, which would certainly be more satisfactory to the bill holder than the tedious process of a protest.

A great deal more might be said on this subject, but having already exceeded the limits intended for this article, I will reserve further remarks for some future occasion.

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PETERBOROUGH—ITS HISTORY AND GROWTH.

Prior to the year 1818, that portion of the country lying north of Rice Lake, now comprised within the United Counties of Peterborough and Victoria, was unknown to civilized settlement—the hunting grounds of the aborigines of the country. In that year a number of English families, from the county of Cumberland, took advantage of the survey then being made of the township of Smith, and settled upon the Communication Road. What were the privations of those sturdy pioneers of settlement, who, unused to the new mode of life, had ventured thus far back to conquer the forest, and carve out for themselves a competency amid uncivilized and the unsettled regions of this country, may be easily imagined. Separated from intercourse with the world abroad by an almost impassible barrier of dense forest; deprived of the ordinary appliances of civilized life; without a mill to reduce