

petite grows with what it feeds on," this seems to apply to our circulation, the higher it gets, the higher becomes the ratio of increase. In 1869, at this date, the gross paid-up capital, specie and Government securities held by the banks, was \$46,000,000. They then had a circulation of \$10,500,000; at the date of these returns, the gross paid-up capital, specie, Provincial notes, and stock held amounted to \$51,200,000, and the circulation was \$24,210,000. The vast change which has taken place will appear strikingly by comparing these items respectively to the base and superstructure of a building, the one having a bearing capacity equal to its own weight.

In 1869 then we had as it were on a base of 46 tons a weight of 10; this year's on a base of 51 tons we have placed 24 tons. In 1870 the specie government notes and stock held was an equation with the circulation, now the latter is about \$11,000,000 in excess of these reserves—the excess being now a larger amount than the whole circulation of bank notes at any period before the early part of 1870. These comparisons merely relate to one aspect of the question, and that not immediately affecting the general public. So far as the safety and soundness of the circulation is concerned, there can be little or no excess so long as there is such a thorough system of daily specie redemption in operation as we fortunately have in Canada. The want of this is the great defect of the American system, and so long as we maintain it in constant operation the circulation can only expand with the legitimate wants of the country.

The use to which these larger issues have been put, or rather the channel through which they have flowed out, is seen in the development of the discounts items from \$75,500,000 in July to \$85,600,000 in Oct., which shows an increase over last year of over 15 millions. There can be no doubt that these increased discounts, for the most part, are healthy and legitimate, and are a faithful index to the growth of the country. Public deposits are not yet recovering from the tendency to contraction shown in previous Review. The last return shows a gross increase of over two millions, but the increase is in deposits at call only, those at interest, payable after notice, have gone down one and-a-quarter millions since July, absorbed no doubt into the item—"Paid up Capital"—where they will pay the owners better.

The branch of Molson's Bank in this city, named in a former issue, will be in operation about a week hence under the management of Mr. Dallas.

DEVELOPMENT OF NATIONAL ENERGY IN QUEBEC.

It is impossible to read the budget speech of Treasurer Robertson, of Quebec, without being convinced that that province is feeling the beneficial impulse of a new national life. The scheme of Confederation in giving her a Local Legislature whose duty it is to attend exclusively to her local wants, is proving itself admirably adapted to draw out the latent energies of a people. The contrast between her present condition and aspirations and those under the old Union, is in some respects very remarkable. When united in a legislative union with Upper Canada, she was accused of using all her influence to prevent an immigration of which the chief benefit was sure to accrue to her sister, and, in some respects, rival province. Whatever truth there may have been in this accusation, and it does not appear to have been wholly unfounded, her new position marks out for her a new policy. She sees Ontario putting forth efforts to secure a share of the stream of European emigration, and she has the same motive to become a competitor for part of that emigration that she was supposed previously to have had to prevent an augmentation of the population of United Canada by this means. Each province being master of its own destiny, no one can prevent any of the others from attempting to find in the surplus population of the Old World a means of augmenting her own. Every addition to the population of Upper Canada under the Old Union meant a relative decline in the political strength of Lower Canada; and it is easy and not uncharitable to conceive that the weaker province would, under such circumstances, do what it could to prevent itself being outweighed by the stronger. At present her only means of counteracting the effects of the vigorous immigration policy of Ontario is to enter the lists and become a competitor with her in this line. She does so under disadvantages which must be allowed to be very great; for, at the conquest, emigration from France to Canada absolutely ceased, and after the war of 1812 it was the policy of the British Government, and of the Legislature of Lower Canada, to place such restrictions upon immigration from the United States as would impose an effective check to it. During the last year the government of that province has spent nearly twenty thousand dollars on immigration with the result which is to be looked for in the future rather than counted in the past. In the last two years four thousand five

hundred persons from Europe have settled in the Province, and a hundred French Canadian families scattered through the New England States have returned to their country, it is believed, permanently. The significance of this latter fact depends upon whether it can be looked upon as the commencement of a remigration which might bring back a vigorous stream of young blood which had for years been flowing out of the country.

But the awakened energies of the Province of Quebec are nowhere more visible than in her railroad policy. This policy consists of land and money grants to local railways; a policy which would have been difficult, if not impossible, in presence of the jealousies that had developed themselves under the old Union.

The Quebec and Gosford was aided by the sale of a block of land to the Company at a reduced price, and further by direct pecuniary assistance at the rate of \$150 a year for 20 years for every mile of the road built and kept running during that time. Three and a quarter millions of acres were given to the North Shore and 10,000 acres per mile for the 60 or 70 miles of the New Brunswick and Riviere du Loup running through the Province of Quebec. Aid has also been extended to the Levis and Kennebec running some 70 or 80 miles south from Levis, Q., to the Province line. This consists of a money grant to the same extent as that given to the Quebec and Gosford, viz.: \$150 a year for 20 years for each mile of road built, and equipped and kept running during that period, or a capitalization of that subsidy on completion of the road either in cash or Government debentures, which amounts to about \$1,700 per mile. Already some 40 miles of this road are graded and ready for the rails. A similar grant was made to the Richelieu, Drummond and Arthabaska Counties Railway running nearly south from Sorel. This road after reaching Drummondville, is intended to branch off westerly and to cross the Grand Trunk Railway at or near Acton, thence through part of Shefford County by Waterloo and Knowlton, and connecting at or near the latter place with the South Eastern Counties Junction Railway, built last summer. Another branch is intended to extend to Arthabaska and Richmond to connect with the Grand Trunk; 40 or 50 miles of the line was built last summer, and if the whole line as proposed is completed, it will embrace 140 to 150 miles of railway. It is intended to aid the Eastern Townships and Kennebec Railway in the same manner. This line, some 70 or 80 miles in length, commences at Sherbrooke and runs north-easterly, following the