

EXPORT TRADE OF MONTREAL.

WE publish elsewhere a tabular statement of the exports of Montreal by sea and rail for the years 1835 and 1836. In goods not the produce of Canada there is a decrease of \$839,416, but on the other hand, of the productions of Canada \$1,925,934 worth more have been exported from this port in 1836.

The following are the totals:—

	1835.	1836.
Goods the produce of Canada....	\$5,331,184	\$7,589,979
" not the produce of Canada.....	2,151,638	1,312,152

Total export from Montreal..... \$7,612,722 \$8,902,131

This increase has taken place chiefly in the items of Barley, Oats, Oatmeal, Peas, Flour, Butter and Cheese, the shipments of Oats being nearly a million bushels in excess of 1835.

If the trade of Montreal is to be taken as any index to that of the whole Province, a very great increase in every respect may be looked for. The shipments of lumber in 1835 we know to have been very heavy, and also of horses and cattle from various parts of the country, and there is no reason to apprehend any falling off in other articles.

LACHINE HYDRAULIC SCHEME.

THE great project originated by enterprising citizens of Montreal of damming the Lachine Rapids, is attracting considerable attention from the press of the Province and from private individuals. One leading Western Journal speaks of it as a work of "tremendous magnitude and transcendent importance," whilst many others commend the public spirit and enterprise which prompt the efforts about to be made to realize it. Had it not been for the astonishing advancement the world has made of late years in carrying out great undertakings, the idea of placing a dam across the north shore of the St. Lawrence at the Lachine Rapids might well have been scouted as impracticable. But the skill of man is becoming omnipotent. Our Victoria Bridge, the Atlantic Cable, and half a dozen other important undertakings, fully attest this, and this new project, so creditable to the enterprise of our principal citizens, and so necessary to the manufacturing progress of the city is by no means impracticable. Heron Island and the other smaller ones above it, can, without doubt, be connected by a dam to the shore—not, of course, without a large expenditure of time and money. But in judging of the propriety of entering into the work, its great importance and utility must be considered. Fifteen years ago it was probably unnecessary. The manufactures of Montreal were then but small compared with what they are now. In no particular has the city advanced more rapidly during that period than in the number and extent of its manufactories, the benefits of which are too well known and appreciated to require to be pointed out by us. The Lachine Canal does not now afford sufficient water-power, and unless some means were found of increasing it, it would not be long until our industrial progress received a check. If the Lachine rapids are successfully dammed across at Heron Island—not to speak of the contemplated canal—the motive force obtained will be enormous. It will completely settle the water supply for Montreal for many years, and when the canal is finished, we will literally be able to say that we have "enough and to spare." The great importance of this gigantic undertaking to Montreal, and indeed to the entire Province, can hardly be over-estimated. There are many reasons why this city should become the chief manufacturing district in this country. To begin with, we have cheaper labour probably than any other place; this fact, added to our unequalled water-power, give this city an advantage over many other localities, and when to these advantages is added the superior market which Montreal affords, we have said enough to show why it ought to become the chief manufacturing place in the country. The project of the St. Louis Hydraulic Canal, any, if successfully carried out, will do much to ensure the manufacturing supremacy of this city. Two million of dollars is undoubtedly a large sum to contemplate spending on any single private enterprise. But when we considered the immense advantages which that expenditure may produce—the mills and factories it may set in motion—and the workmen to which they will give employment, we believe it will be money well and profitably spent. The same journal to which we have already alluded, gives its opinion that this great undertaking—adding as it will so immensely to the water-power of Montreal will

cause it to double its population in ten years! This may appear to some rather an extravagant estimate, but we should not be the least surprised if it were realized. One thing at least we may be certain of—it will greatly augment the already rapid progress of this city, and served to render it more than ever—the commercial metropolis of Canada.

TRADE AND FINANCE.

SOME interesting particulars regarding the Trade and Finances of Canada have recently been published. On both of these points, very satisfactory statements are given by our government officials—showing, as they do, that this country continues to enjoy a large share of prosperity.

During the last fiscal year, the balance of trade, for the first time in many years, was in our favour. The total returns of our trade foot up to no less than \$10,130,690, of which we exported articles to the value of \$55,328,339, and imported from other countries to the extent of \$58,962,319. This is a large trade for a young country like Canada, and it is gratifying to know that it has been as profitable as it has been extensive. Of our imports, we bought most largely from Great Britain, the amount being \$28,984,530. Before the late civil war across the lines, the United States held the foremost place in this respect; but during last year they sold us only to the value of \$2,424,635. The difference now in favour of the mother country is thus over \$8,560,000—a fact which shows how injuriously the high taxation and prices in the States have effected their foreign trade. Of our exports, on the other hand, our American neighbours took most; we sold them to the value of \$34,770,201 whilst we only took from them articles worth \$12,951,641. Striking a balance between the amounts we sold the Americans and they sold us, we find that the balance of trade is in our favour to the large extent of \$14,315,556! This is a very significant circumstance when viewed by the light of the abrogation of the reciprocity treaty, and may serve to give brother Jonathan a little light on the question—who pays the duties he has so senselessly imposed.

The Auditor General has recently published an official statement of the receipts and expenditures of Canada during the six months ending the 31st December, which is the first half of the fiscal year 1856-57. This statement must also be very gratifying to the people of Canada for it shows that our revenue has been more than sufficient to meet the government expenditures, and that there is a handsome surplus over. The figures are as follows:—

	Receipts.	Expenditures.
July	\$147,223	\$1,065,690
August	1,326,577	1,140,681
September	1,177,883	716,931
October	1,171,071	922,259
November	982,115	1,217,126
December	794,118	461,282
Total	\$5,932,067	\$6,162,778

A balance in favour of the Province on the six month's transactions of \$728,249, must be considered quite satisfactory. Had a surplus been a common feature of our financial management, there would not have been much cause for comment on the present occasion; but it is well known that we have suffered from a long series of deficits, which have added largely to our public debt, and done not a little injury to the credit of the country. We hail this large surplus as a harbinger of better financial management, and we trust we have seen the last of deficits in our Provincial revenue for some years to come. Another fact bearing on this point also deserves to be mentioned. We refer to the fact that during the period for which the above returns are given, the government has been put to a larger expenditure than usual, on account of the arming and equipping the volunteers, and putting down the Fenian raid. That the greater portion of this outlay should have already been paid, renders the fact of the above balance in our favour all the more satisfactory.

Whilst touching on this topic, we may also mention that a statement regarding the Provincial notes in circulation, is made every month. Up to the 2nd Jan. last, the notes in circulation were \$1,976,307, the amount payable at Montreal being \$1,146,693, and at Toronto \$823,614. The amount of specie held in Montreal to redeem these notes was \$438,600, and at Toronto \$292,000. Three millions of Debentures are held by the Receiver General under the Provincial Note Act. These notes are now to be found in almost every section of the country.

BANKING IN THE UNITED STATES.

THE banking interest in the United States is in a peculiar position. Ever since the New York banks, at the beginning of the war agreed to loan the government fifty millions to carry on operations, they have been so involved with it, that under all circumstances they must sink or swim with it. Unlike bankers here and in other parts of the world, the discounts of the banks are comparatively small,—in many cases not amounting even to their capital. This all confirms what has been so often said during the last few years, that the credit of the government in various shapes had been universally substituted for the old forms of mercantile credit. Cash payments it was said, were the rule, and credit the exception, consequently discountable paper was restricted to very narrow limits, compared with the amount formerly current. Cash payments, however, were really only credit payments in another form, the actual truth being that instead of so many millions being found in the books of traders as due from one to another, or found in the bill cases of bankers as discounted for such traders, the whole mass has been agglomerated into a debt of the government to all and sundry, who ever may be the holders of their bonds or bills for the time being. The fact that a vast portion of the cash current in the country is that of national banks does not affect the question at all, for the notes of these banks rest on Government securities. The vastness of cash current in the country is therefore only an evidence of the indebtedness of the Government. This consideration will enable us to understand how it is that the loans and discounts of the banks are so low. Instead of private individuals owing one another, Government owes them all, and thus, instead of the banks holding bills representing private indebtedness, they have the larger part of their funds employed in bonds and securities representing the indebtedness of the Government. We have before us a printed statement of the condition of the National Bank of Commerce, New York, the bank of the largest capital, and probably the largest business on the American Continent. This bank has always maintained a highly conservative character, and taken the lead amongst the banks of the United States. When its adhesion was secured to the loan of fifty millions before referred to, the Secretary of the Treasury felt secure.

As a matter of interesting comparison, we have placed the statement of this bank and that of our largest institution side by side. The points of agreement and of contrast are worthy of note, as affording an index not only to the course of business pursued by the two institutions, but of the condition of business in the places where it is carried on.

COMPARATIVE STATEMENTS.

	Bank of Commerce, New York.	Bank of Montreal.
CAPITAL.		
Capital	\$10,000,000	\$6,000,000
Reserve	3,200,000	1,000,000
LIABILITIES.		
Circulation	5,521,000	2,429,000
Due to other banks for deposits, &c	3,490,000	400,000
Due to depositors, including Government	10,034,000	9,100,000
	\$19,045,000	\$11,929,000
RESOURCES.		
Specie and Local Tenders	7,870,000	2,100,000
Government securities	12,100,000	2,384,000
New York City Stock	235,000	
Due from Banks	351,000	3,047,000
Notes and Bills of other Banks	4,283,000	541,000
Bank Premises	400,000	350,000
Loans and Discounts	7,277,000	11,288,000
	\$32,606,000	\$19,711,000

An experienced eye on looking over these figures will at once interpret their meaning. On a capital of \$5,000,000, the Bank of Montreal discounts \$11,200,000, while the Bank of Commerce, with \$10,000,000 of capital, discounts only \$7,200,000. But while the Bank of Montreal has lent the government only \$3,300,000, or little more than a third of its capital, the Bank of Commerce has lent in the same manner \$12,100,000, or its whole capital and one-fifth more. The very existence of the Bank therefore rests on the strength of the government. The volume of the daily transactions of a bank may be estimated by the amount of other bank notes and cheques it holds from day to day. The amount held by the Bank of Commerce is eight times that of the Bank of Montreal, and as the whole of its business is done in one office, while the statements of the Montreal Bank includes notes held at its numerous