

change is now worth 15 per cent, so that a bill for £100 sterling at 60 days' sight would give them here in cash £127 15 6 currency, while £100 of British silver would command £125, from which deduct for expenses, including interest of money, insurance, freight, &c. at least 3 per cent, and we find they lose £5 15 6 currency on every £100 sterling they import of silver, so that they have commenced their operations by making a present of £2000 or so, probably more, to the other Banks, for which we hope they will be excused any censure when hereafter in selling exchange the balances turn in their favour. We trust we have made it apparent that when capital is invested in Banking and paid up it makes no real difference whether the specie is imported from England or New York, or brought through the medium of Bills of Exchange, or taken from other Banks by sending them in their bills.

We are not aware of any common objections made to Joint Stock Banking which we have left unnoticed, and shall conclude this part of our subject by expressing our surprise that the Banking Institutions of this Province should be modelled after those existing in the United States, instead of those in Great Britain and Ireland; and although we admit, as before stated, that in England overtrading has existed to a great extent, we deny that in Scotland or the North of Ireland any charge has been made against the management of the Banks, and we feel satisfied that should any improvement be made in the system in England, the principle of full responsibility on the part of the Shareholders will not be given up, nor will it ever be required of persons wishing to associate for Banking purposes to apply to Parliament for a special charter.

Having freely stated our opinions on the subject of Free Banking, we proceed to offer a few observations on the present position of the different Banks in Upper Canada.

We must premise that during the last Session of the Legislature a Restraining Law was passed, preventing any association of persons or individuals from hereafter issuing paper, intended to circulate as money.

Five Banks were excepted from the provisions of this Act—four Joint Stock Companies, viz., the Bank of B. N. America, the Farmers' Bank, the Bank of the People, and the Niagara S. B. Bank, and one private Bank, Messrs. Truscott, Green & Co.