

BANK OF ENGLAND.

	Dec. 24, 1868.	Dec. 27, 1867.
Bank rate of discount	3 per cent.	2 per cent.
Bank reserve	£10,433,640	£13,578,182
Bank stock of bullion	18,158,315	21,941,047
Price of Consols.	92½ x d	92½ x d

As usual just before the close of the year more demand for money has been experienced this week, and in the open market 2½ per cent. is paid for the best three months paper. Some tightness in the market will probably be experienced next week. On the Stock Exchange the rate for advances on British Government securities is 2 to 2½ per cent.

BANKING IN FRANCE.

The first bank of circulation in France was established by John Law, a Scotchman, who in 1716 obtained from the Duke of Orleans, the then Regent, the privilege of establishing a "general bank" to receive deposits, discount commercial paper, and issue bills payable to bearer on demand. In spite of the very small capital with which it was started, its beginnings were fortunate; but the visionary theories of its founder, and the passions of a necessitous and unscrupulous government, plunged it into speculations which speedily occasioned its downfall. After only four years of existence, it was compelled to suspend operations. Fifty years elapsed before any further attempt was made to establish a bank of circulation in France. In 1776, under the ministry of Turgot, a bank of discount was established at Paris. Its original capital was only seven and a half million of francs, contributed by its shareholders. In 1779, by an order in council, its capital was increased to twelve millions. The rate of discount was fixed at four per cent. on bills of exchange having two or three months to run. Shortly afterward it issued bank bills, and by this means doubled its capital. In consideration of its public utility, the institution was authorized, by an order in council of November 28, 1781, to assume a coat of arms, which should serve both as a seal for the bank and an official stamp for its stock certificates. Such was the activity it imparted to the circulation during the war which ended in 1783, that in the opinion of the most enlightened merchants of the time, commerce could not have supplied itself with silver, even at the rate of six per cent., which was the uniform rate which it commanded during the latter years of the war. But during the revolution which ensued, the embarrassments of the bank were so great that it was suppressed in March, 1793, by a decree of the Convention. Various associations were subsequently formed at Paris for carrying on the discount business, the most distinguished of which was the "Caisse des Comptes Courants," or bank of current accounts, which was founded in 1800, but was almost immediately afterward merged in the Bank of France.

By the law of April 14, 1803, the monopoly of the bank was declared, and the other establishments of like character, of which the "Comptoir Commercial" was the most important, either closed up or were united with it. The same law authorized it to issue bills, payable to bearer on demand, of the denominations of 500 and 1,000 francs. By the law of March 25, 1841, issues of 250 francs were authorized; by that of June 10, 1848, of 200 francs; and by that of March, 1848, of 100 francs.

By the provisions of articles ten and eleven of the act of April 14, 1803, the whole body of stockholders is represented at the annual meeting by the two hundred of them holding the largest number of shares; but each of these representatives has only one vote, whatever may be the number of shares which he holds.

The chief direction of the bank is intrusted to a Governor and two Deputy Governors, who are

appointed by the executive government of the empire; and to fifteen regents and three censors appointed by the shareholders in general meeting. The management of funds, amounting annually to eight thousand million francs (\$1,600,000,000), is therefore directed by these twenty-one functionaries. On the 31st of December, 1866, the number of chief managers, directors of branches, managers, clerks, and inferior agents, was 1,193, of whom 574 were at Paris, and 619 at the branches.

The original capital was thirty millions of francs. The surplus fund having been used to purchase shares of the bank, its capital, in 1812, had been reduced to 67,900,000 francs, by the cancellation of 22,100 shares. It remained at this figure till 1848. On the 1st of January, 1849, the capital was increased by the addition of twenty-three and a half millions, resulting from the union of the provincial banks with the Bank of France, pursuant to the decrees of April 27 and May 2, 1848. With this addition it became 91,250,000 francs. The law of June 9, 1857, doubled that figure, and stipulated that out of the proceeds of 91,250 new shares to be issued, 100 millions of francs should be deposited in the public treasury in exchange for an inscription of inalienable three per cent. rentes of four millions a year. This transaction was completed on the 31st of December, 1860. This portion of the capital constitutes the reserve, necessary for the redemption, over the counter, of the bills which the bank puts into circulation. The limit of the circulation was fixed by three decrees of 1848 to an issue of 452 million francs; by the law of December 22, 1849, it was raised to 525 millions; but by that of April 6, 1850, all restrictions upon the amount of it were removed.

The law of June 9, 1857, required that within ten years from that date, the bank should have a branch in each of the departments. At the end of 1866 there were fifty-five branches established, and their united operations in that year amounted to 5,069½ millions of francs.

The principal business of the bank is the discount of commercial paper, bearing three signatures and not having more than ninety days to run. Instead of a third signature, the decree of January 16, 1808, authorizes the bank to receive collateral security of public stocks, or corporate shares of adequate value. Formerly, it discounted only twice a week, but since 1837 paper is discounted every day the bank is open for business, and the proceeds of the discount are paid over immediately, whereas formerly they were held over till the following day.

The progress of discounts at Paris since the establishment of the bank has been as follows:

In 1800 the amount of commercial paper discounted did not exceed 112 millions of francs; in 1805 it had risen to 631 millions; but in 1814 it had fallen again to 85 millions, from which point it rose, till in 1817, it stood at 547½ millions.

The bank pays no interest on deposits, but it makes collections for the depositors without charge.

The amount of the note circulation and of the specie reserved at corresponding dates is one of the facts most worthy of observation. The following figures show the maximum in millions of francs, for the years indicated:

Years.	Circulation.	Reserve.
1807.....	167.6.....	83.6
1817.....	96.2.....	94
1827.....	303.5.....	193.8
1837.....	216.9.....	248.2
1847.....	288.8.....	107.5
1848.....	390.4.....	141.5
1852.....	525.8.....	513.9
1856.....	589.....	132.9
1860.....	801.2.....	549.2
1862.....	869.....	431.3
1864.....	839.6.....	367.5
1866.....	1,029.....	748.7
1867 (Dec. 5).....	1,142.....	987
1868 (Oct. 26).....	1,266.....	1,207

These losses from bad debts are very inconsiderable, in fact, and especially so when the amount of business is considered. Up to 1833, inclusive, the sums carried to profit and loss to cover eventual losses of discounted paper did not reach two millions of francs (\$400,000). After the Revolution of 1848 the suspended debt of the bank and its branches amounted to eighty-four and a half millions of francs (\$17,000,000), but the whole of this debt was paid in the course of the two following years. Up to 1856 the sum charged off for bad debts slightly exceeded three millions of francs (\$600,000), out of a total of sixty thousand millions (\$12,000,000,000) discounted 1-200 of one per cent.—*Translator*. On the 24th of December, 1861, the suspended debt amounted to only 291,021 francs (\$60,000), but at the same date in 1866 it had risen to 3,124,140 francs (\$625,000). This increased figure was due to the crisis of 1866 in England, which had stricken down many of the English banks and caused the suspension of French houses having relations with them.

It was from the outset provided that the stockholders should receive a dividend of 5 per cent., and that the surplus should constitute a reserve fund to secure the maintenance of a uniform rate of interest, the reserve to accumulate till it reached a certain per centage. The minimum dividend was 10 francs (1 per cent.), in 1814; the maximum 272 francs (27 per cent.), in 1856; in 1859 it was 115 francs; in 1860, 140 francs; in 1864, 154 francs; and in 1866, 156 francs for the 133d and 134th dividends since the creation of the bank.

In the sixty-seven years of its existence the total of its operations has reached the sum of 133,390 million francs (\$26,680,000,000), which is thus divided:

1. Discount of commercial paper, 75,357 millions; of bonds of the Mint, the Treasury, and the Bakers' Bank, and orders for cutting timber, 2,954 millions. Total, 78,311 millions.

2. Advances on treasury bonds, canal shares, and other securities, 990 millions; on rentes, 3,940 millions; on bullion, 2,304 millions; on obligations of railways, and of the Credit Mobilier, 4,434 millions. Total, 11,668 millions.

3. Operations in bullion and premiums on gold, 556 millions; operations with the Treasury and the city of Paris, 6,267 millions.

The total of these three classes is 96,762 millions of francs. The residue of 36,628 millions must be referred to operations of the bank and its branches other than discounts and advances.

The gross profits derived from all these operations, including the increase of rentes which the bank holds from the State, have amounted to 902 millions, of which 717 millions have been distributed in dividends, and the balance has been applied to the various expenses of the bank and its branches.—*Banker's Magazine*.

SPEEDY PROCESS FOR RECOVERING DEBTS.—Mr. McColl of Norfolk has introduced into the Legislative Assembly of Ontario a Bill entitled: "An Act to facilitate the recovery of debts acknowledged in writing, and to lessen the cost on their collection." It provides that all debts settled by note or acknowledged in writing, if unpaid for twenty-five days, shall become judgments against the debtor without the usual process of law, "provided such note or other written evidence of debt is undisputed." Such debts before becoming judgments "shall be placed in the hands" of the Clerk of the Court having jurisdiction, with an affidavit of the debt being paid and unpaid for twenty-five days, and the Clerk shall register it as a judgment. Judgments so obtained shall "hold the real and personal estate (now liable by law to be seized under execution for debt) of the debtor until such judgments are satisfied. If the note or other evidence of debt be disputed, the debtor may "on the day of the maturity of such debt, or within ten days thereafter notify the Clerk when such judgments