

cial Bank and the Bank of the County of Elgin made the following returns for the month of March 1859:

	Debentures Deposited.	Discounts.	Deposits.	Circulation.
Provincial Bank.....	\$140,000.....	31,573.....	1,000.....	138,614
Bank of Elgin County.....	\$100,000.....	96,126.....	31,778.....	40,620

It appears from the above that with a circulation of \$138,614 the Provincial Bank had only discounted paper to the extent of \$31,573, so that nearly all its capital was employed in speculation ! Had such a Bank obtained a charter and been permitted to issue its notes without the guarantee of Provincial securities, what security would the bill holders have possessed? Yet, we find the proprietors of this Bank intriguing for the Charter of another institution, and even applying to Parliament for a charter of incorporation for the Provincial itself, while its returns show that it never did and never intended to grant banking facilities to the neighbourhood in which it is situated. The estimation in which this Bank is held may be judged by the fact that its *deposits* amounted to but \$1,000, while those of the Bank of the County of Elgin were \$31,778, although the capital of the latter was forty per cent. less than that of the former, and its circulation only one third that of the Provincial.

The conduct of the Provincial Bank in fixing its head quarters in the most out-of-the-way corner of the country, for the purpose of rendering it difficult of access, and its notes consequently difficult of redemption, has had a most injurious effect upon other new Banking Companies in the country. The Ontario Bank, although conducted upon sound business principles and conferring much benefit upon its immediate neighbourhood, suffered at its initiation from the suspicion that attaches to the Provincial. The greatest evil however inflicted by the Provincial, has been the prejudice which its operations have created against the Free Banking Law, a system of Banking which affords the most ample security to the bill holder, while it cannot fail, under proper management, to be of much benefit to the country. It is not, however, through the Free Banking Law, that the high character of Canadian Banks is likely to suffer. While the bills are properly secured, the loss to depositors, judging from the returns of the Provincial, would in the event of a failure, be very small. The great danger lies in permitting those charters so freely granted, to fall into the hands of speculators, who might flood the country with their "promises to pay," without any guarantee for their redemption.

Of the Charters still in the market, one has evidently found a customer within the past few months. The Colonial Bank, after for lying dormant several