

charging from a quarter to a half per cent. more for sterling exchange than in Montreal, especially in view of the fact, that the produce which creates the exchange, is grown and shipped from this section. We are glad to say, however, that there is a considerable improvement in this respect. The rate rarely averages above one quarter per cent. advance, and by the influence of one of our leading local institutions, the Ontario Bank, which has always sold exchange at Montreal quotations, this disability under which Toronto labours is gradually lessening, and will, we hope, eventually disappear.

The constant increase in the paid-up stock, the rapid gain in deposits, and the withdrawal of the means hitherto invested in the United States, leaves an amount of capital in the hands of our banks, for which, it appears, it is very difficult to get profitable and safe employment. Results both good and evil, will flow from this excess of money. On the one hand, the competition between the banks will compel them to operate on the same principles which must govern any other business to secure success, and we shall probably have less monetary despotism. On the other hand, an evil result of excessive capital, is that to which we have referred in our notice of the produce trade,—the disposition to exceed the legitimate accommodation to the dealers and movers of the crop, without regard to their responsibility, or the prices at which they buy. By the undue encouragement of a numerous and weak class of men in their thirst for the gains of this business, the banks do little else than enter the market themselves as speculators, the eventual profit in a direct manner of which is doubtful, while the indirect evil will be to drive out of the trade men of standing, who will not risk their means in the unequal contest with men of straw, but backed by the accumulated power of the banks.

In this respect there is a great and commendable difference, with regard to importers and merchants generally. Though treated with liberality, the lines of discount are regulated by the standing, extent of means, and safety of the trade in which they are engaged.

With regard to the stability and soundness of all our Canadian Banks, there can be nothing more satisfactory. As a rule, they have been managed with a degree of ability and prudence, excelled in no other department of commerce, and, we think, hardly surpassed in any other country in the world. Bank stockholders, in the main, have had continuously a good profit on their investments; depositors a safe and not unprofitable place for their money; borrowers a ready and cheap source of supply, and the public generally, a uniform, convenient, and a perfectly safe currency.

The tables which we herewith present exhibit the operations of our Canadian Banks for the past eight years. It will be seen that, as compared with the close of 1862, their present condition is very gratifying. An increase is noted of nearly half a million in paid-up capital, very

nearly a similar amount in discounts, a growth of circulation to an extent of over three-quarters of a million, and a gain of two and three-quarter millions in deposits. In specie there is a slight decrease of less than one hundred thousand dollars, while in November the amount was larger than in the same month a year ago. The highest circulation, it will be seen, is always attained in October; thus last year it was \$11,228,000; in 1862, \$11,122,000; in 1861, \$15,259,000—the highest return ever made)—in 1860, \$14,756,000. It is, of course, understood that from two and a half to three and a half millions, in these latter years, were circulated in the United States. The comparison cannot be correctly carried further back, as previous to that year neither the Bank of British North America nor the Gore Bank made any return to the Government. The amount of specie held in proportion to the circulation, has been greater during the past year than ever before since the returns were made. Thus in August and September they had \$1 in gold for every \$1.80 of paper in circulation. In 1856 the paper afloat was \$5.50 for every dollar held in gold. The discounts keep remarkably regular, reaching the very highest point since our returns commenced in April last,—say \$47,363,000. The deposit column is perhaps the most remarkable in the table, indicating a rapid but steady increase from twelve millions to twenty-three millions of dollars, the highest point yet touched, and which was reached in November of the year just closed. Of course, a very considerable portion of these deposits consists of American capital. A large gain is also noted in the Government Securities held by the Banks—an item not included in our table; in December, 1861, these amounted to \$3,500,000, in the same month of 1862 they had increased to \$4,000,000, and in 1863 they had increased to \$5,350,000.

The following table, showing the highest and lowest premium on gold in New York every month since June, 1862, is interesting and valuable for reference.

1862-3.	Premium.	
	Lowest.	Highest.
June.....	3½	to 9½
July.....	8½	to 20½
August.....	12½	to 16½
September.....	16½	to 24
October.....	22	to 37½
November.....	28½	to 33½
January.....	33½	to 59½
February.....	52½	to 72½
March.....	39	to 71½
April.....	45½	to 57½
May.....	43½	to 55½
June.....	40½	to 47½
July.....	23½	to 45½
August.....	24½	to 29½
September.....	26½	to 43½
October.....	40½	to 56½
November.....	43	to 54
December.....	47½	to 65½

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