WANTED—A BRITISH AMERICAN MINT.

THE gold production of British North America now reaches considerably over half a million dollars *per annum*. The amounts returned as the total yield of Nova Scotia have gone up from 7,275 ounces in 1862, to 24,867 ounces in 1865, and Canada is already producing 10,000 ounces per annum. So numerous are the veins and so various the ores, that it is now very desirable that a Government Assay Office should be established, or, at least, that some competent chemist, to be paid by fees, should be authorized to give official assays for the guidance of discoverers and capitalists. And in connection with this, we would suggest that it is now time to think of establishing a mint for British North America.

From the *Year Book and Almanac of British North America*, we find that the Colonies have already imported minted money to a considerable extent, as under:—

	Gold.	Silver.	Copper.
Newfoundland—			
$2.00 pieces	$20,000	....	....
20 cent pieces	......	$ 32,000	....
Cents	......	....	$ 2,400
Nova Scotia—			
Cents	......	....	15,9[illegible]3
Half Cents	......	....	2,000
New Brunswick—			
20 cent pieces	......	55,002	....
10 cent pieces	......	30,000	....
5 cent pieces	......	10,000	....
Cents	......	....	12,930
Canada—			
20 cent pieces	......	146,079	....
10 cent pieces	......	121,640	....
5 cent pieces	......	96,904	....
Cents	......	....	73,020
Shewing a total of	$20,000	$480,721	$117,207

Thus, besides British, American, French, Mexican and and other moneys, there are *thirteen* different Provincial coins in circulation. The coins of one Colony are hardly current, and certainly not legal at their face value in any other; a state of things which cannot possibly be allowed to last, for with or without Confederation, these Colonies ought to have but one money, weight or measure.

Of course, it would be possible so to arrange matters as to have the new coin struck at the Royal Mint, in London, as the present ones have been, but we should much prefer to have it done in British North America. Probably it would be best to have the mint in Montreal, with a branch at Halifax. Philadelphia retained the United States mint when the head of Government was established at Washington. Montreal, which is to be the seat neither of local nor general Government under the Confederation of British America, may, perhaps, in like manner claim the mint, to which its proximity to the Canadian gold fields gives it the added claim of convenience.

The new coinage for British America would probably reach a million of dollars, within the first year, and on the ground of expense, it would be better to have it struck here, avoiding insurance, freight, &c., in its transportation from Europe. Besides—in connection with the Assay Office—it would establish a market at our own doors for the gold we raise, and so relieve our miners from the loss they must now often suffer from dealing with middle-men, too often foreigners.

BANK DIVIDENDS.

THE declaration of a dividend at the rate of ten per cent. per annum by the Bank of Montreal, has given rise to an amount of talk and discussion, which seems out of all proportion to the difference between this and the rate customary of late years. It does, indeed, argue either that Canada has been a very poor field for banking enterprise, or that her banks have been poorly managed, when we find that the oldest and most prosperous institution amongst them, which has had for more than a generation the choicest business that the country could afford, has not accumulated a revenue to the extent of twenty-five per cent. of its capital, and that the fact of increasing its dividend from eight per cent. to ten is looked upon as something extraordinary. That very little fault can be found with the management is a fact known to all men of business; for the banks of Canada, generally, have been distinguished, with but one exception, for the cautious style in which their affairs have been carried on, and the Bank of Montreal has always had the best banking talent of the country in its service.

Something may be attributed, beyond doubt, to the poverty of the field of operations, as evinced by the small amount of deposits held in proportion to capital, and not a little to the wretched state of prostration in which Canada West was left after the revulsion of 1857, a prostration from which it is only now emerging. Against these, however, should be set the fact that the banks have it in their power to make considerably higher profits during years of scarcity and depression on the same amount of business, than they do when money becomes plentiful.

There is one feature in the operations of a bank which scarcely comes under the head of management, (that is, so far as its ordinary working is concerned,) but which has a vital influence on prosperity, especially in future years. We refer to the important subject of the accumulation of a reserve fund.

We have before us a tabular statement of dividends and bonuses paid by the Bank of Montreal from the commencement of its business in 1817 to the year 1858, as given in answer to a Parliamentary Committee, and published in a Blue Book.

From this return, it appears that in the second year of the bank's existence a dividend was declared of 8 per cent., the Rest amounting to only £1,042 on a capital of £160,000. For many years afterwards, the bank declared 6 per cent. the Rest growing very slowly meanwhile, when a bad year came and swept it away except £3,000. For three years afterwards the dividend was little or nothing, the Rest now accumulating to a respectable sum, but scarcely had a fair amount been obtained than a higher rate of dividend was declared—*all, apparently, taken out of the Rest.* The five years succeeding 1831 are distinguished by the fact that in every one of them a *bonus of from four to six per cent.* was declared, in addition to a dividend of seven or eight per cent., small additions meanwhile being made to the rest, which now amounted to the sum of £27,000 or 11 per cent. on the capital. The next year the rest was increased to £49,000, after which the very grave mistake was made of giving away the larger part of it as a bonus, leaving the bank with the utterly inadequate sum of £11,000, on a capital of nearly £400,000, as a reserve against all the contingencies of its business, then and in the future.

This long continuation of bonuses was nothing less than an illustration of the fable of killing the goose that laid the golden eggs, for had the sums then foolishly distributed been allowed to accumulate as a Reserve, the bank could then, and might ever afterwards have had a margin of twenty-five per cent on its capital to fall back upon in case of unexpected disaster, and have been paying dividends of ten per cent steadily for many years back. When the disasters and calamities of 1847 swept over Canada, bringing half of Montreal to ruin, the bank had only the sum of £75,000 accumulated to meet such contingencies; an amount, which as every one knows, was utterly inadequate, considering the extensive and widely ramified business of the bank at that time. Now, had the Directors been wise and far-seeing in the years from 1831 to 1838, and retained the sums which were given away over and above eight per cent, the Reserve in 1847 would have amounted to £200,000, and the dividends might not only have been unaffected by the losses of that year, but after the lapse of a few years more, have been increased. It is to be said, to the credit of the Directors in subsequent years, that the mistake of 1837 has not been repeated. No further bonuses were paid from that year up to 1858, the date when the return closes, and to the best of our recollection there has been none from that day to this.

The question is sometimes asked: What is the object of accumulating a Rest, and what is the proper amount at which such accumulation should cease?

But a small acquaintance with the business of banking is needed to enable an answer to be returned to the first question; with regard to the second, experience is the only safe guide.

A bank accumulates a reserved fund in order to preserve, at all times and under all circumstances, its capital from being infringed upon. The contingencies of discounting in Canada are well known to all men of business, and even in ordinary times, and with the most careful management losses must occur. But every now and then in the history of Commerce financial revulsions sweep over the whole field of business, carrying down with them houses of the first reputation. At such times the burden falls most heavily on the banks, and unless an ample margin is held, to cover such contingencies, some portion of the capital, and even the whole of it, may be swept away.

So much for the object of the Rest. As to its amount, that is to be determined by the amount and character of a bank's discounts. It ought to be larger in a country like Canada, than in England, and we think it would be safe to say that a bank ought not to cease accumulating a Rest until the Reserve amounts to 15 or 20 per cent of its average line of discount. When that is attained the Directors may safely divide all the profits of the Bank.

We have some further remarks on this subject which must be deferred to another issue.

NAVIGATION AND SHIPPING.

NAVIGATION is now closed for the season, mostly all the craft of our lakes and rivers having gone into their winter quarters. The harbour of Montreal is clear of vessels—presenting a marked contrast to its appearance during mid-summer, when all was bustle and activity. The season has been, taking it all in all, a favourable one for our marine. The losses by storms and otherwise have not been so numerous as during some previous years, and there has been a steady and remunerative business carried on. Freights have offered freely, keeping the different steamers and other vessels well employed, although we regret that our marine is not far larger than it is. So far as the American Government could interfere to restrict the traffic of our shipping they have done so—our chief consolation being that their restrictive measures have been quite as injurious to their own subjects as to us. It is to be hoped that more sensible and liberal views will soon obtain among our neighbours, and that with a freer commerce, our lake shipping may greatly increase.

There is no better system of inland water communication in the world than ours, and it is to be hoped that the day is not distant when the sparkling waters of our magnificent lakes and rivers will be studded with sails. According to the trade and navigation returns of the Province, the number and average tonnage of Canadian vessels passing through our canals during the last half of the fiscal year ending June 30th, 1864, were as follows:—

Character.	No.	Tonnage.
Sailing vessels	724	87,197
Steamers	86	11,936
Total	810	99,133

These returns will convey to the reader some idea of the extent of our inland shipping, and whilst it is not by any means discreditable to our enterprise, we need not point out how desirable a thing an increase should be. During the same period, the American vessels passing through our canals were as follows:—

Vessels.	No.	Tonnage.
Sailing vessels	393	83,487
Steamers	37	9,681

Neither the shipping of the United States nor of Canada on our inland waters, is as extensive as it should be. It is, in fact, remarkable that it has not swelled to greater proportions before the present time. When we consider that all the cities which cluster around the great lakes have water communication direct to Europe—that the cost of getting freights by such a route ought to be far cheaper than by New York or Boston, with their long rail journey—it does seem strange that our shipping is not far greater, and that our fine water communication is not more largely used. It is as palpable as anything can be, that nearly all the exports and imports of such cities as Chicago, Milwaukee, Cleveland and Detroit, should pass out and inwards by the St. Lawrence route? Why, then, do they not do so?

There are three reasons which, the writer believes, more or less serve to bring about this result. First and mainly, because our Welland and St. Lawrence Canals are not large enough to admit of ocean vessels of large tonnage passing clean through from Chicago to Liverpool and back; secondly, because at present, ocean freights from Quebec and Montreal are generally so much higher than *via* New York and Boston; and lastly, in consequence of prejudice on the part of the Americans against using our route in preference to their own. By obviating the first difficulty—that is, enlarging our canals—both the others would, we think, soon disappear. By this means a great increase would most likely take place in the ocean shipping to Quebec and Montreal, and this would beget competition and lower prices for ocean freights. When it became of great advantage to the people of the West to use our route—when they could make the usual saving which water communication gives over that of land—any prejudice against our Canadian routes would melt away as snow before the sun. The whole difficulty may be said to hinge upon the inadequate depth of our canals for ocean vessels, for it is unreasonable to suppose that the Western imports and exports