

ered. Much of this, however, might have been---indeed ought to have been---avoided. At all events, accommodation could always be procured by paying the price. Of course, rampant speculation was checked; but our own impression has always been that these periodical squeezes were carried to too extreme a point. The one most keenly felt was that inaugurated late in August, which continued pretty fiercely until the end of October. During this period our largest banking institutions extracted 10 per cent for the major portion of their discounts, and had no difficulty in placing all their available means at that rate. Some other of our most important banking concerns, for a short season, only advanced 1 to 2 on the minimum of 7 per cent, the range of others being 10 to 12, for second and third class mercantile paper. On the open market for several weeks, 12 to 15, and sometimes, 20 per cent. per annum, was paid to carry Stocks, many being by the pressure forced to realise at extremely low prices. At this juncture, the unexpected announcement was made by the President of the Bank of Montreal, that the paid-up capital of that bank must, if its business was to be maintained, be increased to \$12,000,000. To say that the community was startled does not represent the feeling of astonishment which prevailed for some days, and the shares, which then had touched 208½, it was confidently anticipated would sell down to 200; but such was not the case. A few days later, Mr. King intimated to his Co-Directors, that at the expiration of the current year he would cease to take an active participation in the management of the bank,—information, it is needless to state, which, when it reached the street, caused addi-

tional astonishment, although those best acquainted with Mr. King's movements had for some time previous reason to believe that such a step was inevitable. The money market at that moment was in a very feverish condition; rates ruled high, and all classes of investments were lower than at any other period of the year. They soon recovered, however, Bank of Montreal selling up from 208½ to 240, and previous to the issue of new shares, back to about 222½. All other securities followed in the same course. A review of each stock offered on this market will be found elsewhere. The changes in the position of our banks is worthy of special notice. Large additional means have been required to conduct our rapidly growing trade, and it is exceedingly gratifying to close so remarkable a year with the knowledge that all legitimate business requirements have been met. The monthly statements which were published throughout the year, have shewn the steadily increasing operations of our banks, which, as compared with their condition at the corresponding date of last year, although bearing much heavier responsibilities, are evidently in a stronger position. The discounts, as they appear below, shew an increase of \$20,000,000, against 1871; and it may be asked, where have the means been secured to account for such expansion, and has the trade of the country justified such an extension of credit? The last question cannot be easily answered now. At the close of 1873 we shall be better able to judge. It is a matter of fact, however, that we had \$9,000,000 of imports, and the duties thereon, and the increase in our manufacturing and general internal trade, say of \$5,000,000, to provide for. The condition of our banking institutions on the 31st Dec.