

These reserve funds, which may be considered so much additional capital to be employed by the banks, have increased greatly. Between 1885 and 1895 the fund increased by \$9,393,784, or nearly 53 per cent.

950. The following table gives the overdue notes and debts in chartered banks, the proportion being to total amount of call loans, current loans and loans to governments:—

October 31, 1873.....	\$2.07 per \$100	October, 31, 1885.....	\$2.45 per \$100
“ 31, 1874.....	2.02 “ 100	“ 31, 1886 ..	1.63 “ 100
“ 31, 1875.....	4.73 “ 100	“ 31, 1887.....	1.61 “ 100
“ 31, 1876.....	4.30 “ 100	“ 31, 1888.....	1.54 “ 100
“ 31, 1877.....	4.45 “ 100	“ 31, 1889.....	1.28 “ 100
“ 31, 1878.....	4.56 “ 100	“ 31, 1890.....	1.26 “ 100
“ 31, 1879.....	4.90 “ 100	“ 31, 1891.....	1.24 “ 100
“ 31, 1880.....	4.24 “ 100	“ 31, 1892.....	1.14 “ 100
“ 31, 1881.....	2.68 “ 100	“ 31, 1893.....	1.34 “ 100
“ 31, 1882.....	1.90 “ 100	“ 31, 1894.....	1.55 “ 100
“ 31, 1883.....	2.45 “ 100	“ 31, 1895.....	1.94 “ 100
“ 31, 1884.....	3.57 “ 100		

951. In 1895 the rates of discount in Canada were, if anything, lower than in 1894. The reason being the great accumulation of deposits in the banks seeking an outlet in commercial discounts.

RATES OF DISCOUNT ON LOCAL BILLS.

YEAR.	Average rate of Discount.
1878.....	7½ per cent.
1885.....	7 “
1890.....	6½ “
1891.....	6 to 7 “
1892.....	6 to 7 “
1893.....	6 to 7½ “
1894.....	5½ to 7 “
1895.....	5½ to 7 “

The above figures are for the city of Montreal, in which place, as well as in Toronto and other commercial centres, discount rates are, as a rule, from one to two per cent lower than they are in country towns; and, moreover, in cities rates are more frequently graded according to the standing of the customers. As far as has been learned, the custom does not prevail in Canada to the same extent as in many other countries of regulating the rate according to the date of the bill, and though sometimes an additional 1 per cent may be charged on bills over six months, as often as not no distinction is made.

952. The rate of sterling exchange was abnormally high throughout the year. This was entirely owing to the operations of the syndicate of capitalists in New York who guaranteed to prevent the exports of gold from the United States Treasury between the 1st February and the 1st October, 1895.