

The Monetary Times

AND TRADE REVIEW,

With which has been incorporated the "International Journal of Commerce" of Montreal, the "Trade Review" of the same city (in 1870), and "The Toronto Journal of Commerce."

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION—POSTAGE PREPAID.

Canadian Subscribers.....\$8 a year.
British ".....10s. sterling a year.
American ".....\$2.50 U.S. Currency
Single Copies10 Cents.

BOOK AND JOB PRINTING A SPECIALITY

Office—Nos. 64 & 66 Church St., Toronto, Ont.

EDWD. TROUT, MANAGER.

TORONTO, CAN. FRIDAY, JUNE 22, 1883

THE TRUST AND LOAN COMPANY.

There are some feeble signs of awakening in this company; and a new era in its career is promised, by the commissioners, in an indefinite sort of way. What is certain is that Mr. Chapman, the manager, is to be superannuated. Age and deadening routine had destroyed his usefulness. Much will depend upon his successor. The Board of Commissioners is inclined to make some changes in the constitution and management of the company; and in conjunction with a new and energetic manager much might be done to retrieve the fortunes of the company.

In this company, "the other side of the table" has long been dissatisfied, for there has been a regular opposition to the rule of the commissioners. A triumph for "the other side of the table" has been announced, by no less a person than the chairman himself. "We have," he said at the annual meeting on the last day of May, "been endeavoring to carry out the policy which was indicated upon the other side of the table, at the last meeting, and to which we then gave more or less our assent." The reduction of the amount of loans in default proceeds at a snail's gallop. Within two years, the amount has only been reduced from £80,000 to £75,000. At this rate of progress, a whole generation would pass away before these accounts would be closed. Sir George Killner, who is a very competent man, has been sent to Canada to make an independent valuation of the properties in default; and his report may form the basis for new action. At the time of the meeting, he had not finished his work. At the latest moment he reported by telegram, "good progress made in settlement;" prospect altogether improving." He had written before to say that "good progress has been made in the last six months in the settlement of outstanding claims." If this six months' work be contained in the report, the reduction being only from £80,000 to £75,000 in two years, it is difficult to see where the satisfaction comes in. There is something here which requires to be cleared up. Unless there be some progress not reported, the rate is not satisfactory, in spite of the dictum of so able a gentleman as Sir Geo. Killner.

So much as to what has been done. About what it is proposed to do, the President did not vouchsafe much information. The commissioners have an oppressive consciousness that something must be done. But they are confessedly groping in the dark in search of some unknown plank of salvation. One

thing is clear: they will call on Parliament for help, but what cry they will utter is still under consideration, the very gravest of grave consideration. The commissioners have employed a parliamentary draftsman, but whether they are to tell him what to say or whether he is to tell them what they ought to say is an inscrutable mystery. Any how, they are to have a draft bill; and then, when they get this draft, with the help of two or three gentlemen who have the time and the competence to consider these matters, "we," the President says, whether in hope or in despair, "should go carefully over this draft and see what we can apply to Parliament for." Just so. What the Fates will send, the Fates refuse to say. How long the agony will last, none can tell. So the future is all delightfully indefinite.

With such work accomplished and such a nebulous prospect, the inside critics have ceased to be a compact body. Mr. Grimshaw has capitulated. His uniform complaint was that the stockholders never knew the worst; now he rejoices to think that "we knew the worst right through." How he made the discovery no one can find out, least of all himself. But Mr. Porter is neither convinced nor vanquished; he still scowls defiance from "the other side of the table," a very terror to the commissioners, including the Right Honorable chairman. His advice, often tendered, has not been taken, and he refuses to be comforted. And the fact that a whole generation must, at the present very satisfactory rate of progress, be born and die before the debts in default can be got rid of, with whatever aid from the sponge, is not a specially comforting prospect.

Mr. Grimshaw, his once hungry sword in its peaceful sheath, has a little notion of his own; that is, one that he made his by a very creditable mode of negative appropriation. Sir John Rose, a man with a keen financial eye, one day, in a lucky moment, let drop the hint before Mr. Grimshaw, that the Trust and Loan could not compete with other Canadian companies, "because we did not take money on deposit." Mr. Grimshaw saw the point and by the law of an agonism came to the conclusion that taking deposits is something that he is not much in favor of. He says clearly enough that it would not do to lock up deposits in uncollectable loans. What he said on this point is worth reading and bearing in mind. "I rather fancy if you get an incompetent manager, which it is quite possible for you to do, and he begins to take deposits and anything goes wrong in the financial world, the stability of your Company, as far as regards the shareholders and debenture-holders, would be gone; you would have an awkward time of it, and therefore I should never propose that the Company should take deposits with a view of competing for business—because after all that is what it comes to—with other and older companies. When the chairman referred to that subject, I was afraid he was going to say that we were going to take deposits." The Company borrows at five per cent., a high rate, which leaves little chance of making a profit by re-lending. With better management, its credit would improve. Mr. Bouverie was incorrect in stating that the *Crédit Foncier Franco-Canadien* in-

discriminately lent at five per cent. If it has done so—its maximum, and indeed its general rate, was six per cent.—no company borrowing money at five per cent. to re-loan, could have hoped to compete with it. In future, the *Credit-Foncier's* rates of interest will be elastic. But until the Trust and Loan can borrow at less than five per cent. it will remain handicapped.

Whatever changes may be made in the management of the Trust and Loan, there is no reason to believe that the Company can be directed, with good results, at a distance of three thousand miles from the scene of its operations. While the commissioners are on the track of reform, they will do well to consider this point. If things be allowed to remain as they are, in this respect, any reform in the management that may be undertaken must be partial and incomplete. Even securities taken for caution, which must rest on inadequate knowledge, convert timidity and what is intended for extra caution, into a snare. There are many defects which local management alone can supply.

FINANCIAL REVIEW.

The statement of Canadian Banks for the month of May last will be found condensed below, and compared with that for the month of April:

	LIABILITIES.	
	April 1883.	May 1883.
Capital authorized....	\$89,646,666	\$89,646,666
Capital paid up.....	61,231,561	61,359,912
Reserved Funds.....		17,052,718
Notes in Circulation..	33,082,658	301,81,076
Dominion and Provincial Gov't deposits...	9,533,306	8,354,370
Deposits held to secure Government contracts and for Insurance Companies.....	1,040,482	1,001,146
Public deposits on demand.....	45,130,180	45,738,304
Public deposits after notice	52,336,808	51,729,825
Bank loans or deposits from other banks secured.....		
Bank loans or deposits from other banks unsecured.....	1,364,726	1,502,079
Due other banks in Canada.....	948,047	979,643
Due other banks in Foreign Countries...	174,093	167,776
Due other banks in Great Britain.....	2,298,491	2,276,723
Other liabilities.....	298,810	679,525
Total liabilities ..	\$146,207,607	\$143,730,469
	ASSETS.	
	April 1883.	May 1883.
Specie.....	\$6,008,328	\$6,255,700
Dominion notes.....	10,183,746	10,631,057
Notes and cheques of other banks.....	6,749,510	5,718,406
Due from other banks in Canada.....	2,778,681	2,900,948
Due from other banks in Foreign Countries...	11,178,542	13,009,295
Due from other banks in Great Britain....	1,703,667	1,892,877
Immediately available assets	\$38,547,484	\$39,902,772
Dominion Government debentures or stock.	900,722	900,722
Public securities other than Canadian.....	1,304,613	1,287,788
Loans to Dominion & Prov. Governments..	1,611,809	1,787,060
Loans on stocks, bonds or debentures.....	13,304,684	12,588,874
Loans to municipal corporations	1,205,862	1,335,854
Loans to other corporations	12,952,106	12,337,574