branches in various sections of the Province were received during the year, but none of them were entertained, except those from Woodstock and Simcoe, where the business of the Gore Bank was offered to the Directors under circumstances which, in their judgment, rendered its acceptance not only expedient, but desirable, in the interest of the Bank.

The Directors, after mature consideration, came to the conclusion that it was advisable to increase the capital of the Bank from one million to two millions of dollars, and acting on the discretion given to them by the Shareholders at last meeting, they applied to Parliament for the necessary power to make the increase. An Act for this purpose was carried through the Legislature, and is now on the Statute Book.

The decision to extend the capital having been arrived at, the Directors deemed it advisable to anticipate a portion of the proposed new stock by the issue of Provincial receipts to those who desired to obtain it. $409 200 was taken up in this way, and paid in full. $190.800 has been allotted to those of the original proprietors who responded to a circular inviting them to send in applications.

These arrangements had the effect not only of furnishing means to meet the demands of a constantly increasing business, but also prevented the old stock from being materially affected in price, which is usually the case when a large amount of new shares has to be placed on the market.

A considerable portion of the remaining stock could have been readily disposed of to applicants other than the present shareholders; but in view of the valuable business established, and the fact that a reserve of $100,000 has accumulated in two years, the Directors are of opinion that the $400,000, stock still on hand, which it may not be advisable to dispose of for some time, should be held at a premium.

(Signed)

WM. McMASTER,
President.

GENERAL STATEMENT.

LIABILITIES.

Capital stock paid up........		$1,408,875 00
Circulation...................	$1,045,236 00	
Deposits......................	2,064,650 75	
		$3,109,886 75
Reserve for interest and exchange......................	17,229 24	
Dividends unpaid........	334 67	
Fourth Dividend, payable 1st of July	39,728 58	
		57,292 49
Rest	100,000 00	
Balance of profits carried forward........................	3,475 71	
		103,475 71
		$4,679,529 95

ASSETS.

Specie and Provincial Notes..	$972,501 78	
Notes and cheques of other Banks	145,493 74	
Balance due by other Banks, after deducting balances due to other banks..............	37,581 74	
		1,155 577 26
Government Securities...................		143 246 70
Notes and Bills discounted..............		3,329,111 24
Bank premises and furniture.............		51,594 75
		$4,679,529 95

(Signed)

R. J. DALLAS,
Cashier.

Canadian Bank of Commerce,
Toronto, 30th June, 1869.

The following gentlemen were duly elected Directors for the ensuing year:—Hon. William McMaster, H. S. Howland, Esq., William Alexander, Esq., Jas. Austin, Esq., William Elliott, Esq., T. Sutherland Stayner, Esq , John Taylor, Esq.

At a meeting of the newly elected Board of Directors, the Hon. Wm. McMaster was elected President, and H. S. Howland, Esq., Vice President, by a unanimous vote.

THE BANK OF ENGLAND POWER WANING.

An important debate recently took place at the English Parliament, which indicates a disposition on the part of the Gladstone to modify, if not curtail, the present privileges of the Bank of England. Mr. Lowe, the Chancellor of the Exchequer, alluded to the great English financial institution in terms which are certainly novel, coming from a member of the government. Heretofore, it has been usual for English officials to pay the utmost deference to the bank; and it is charged that legislation has been unduly influenced in its behalf. But the present head of the financial department of the English Government seems entirely wanting in the traditional respect accorded to the Bank for so long a series of years.

In effect, Mr. Lowe stated that the government contemplated making a new arrangement respecting the disbursement of the public funds, which has heretofore been transacted through the agency of the bank. He did not intimate the nature of his plan; but he spoke of the Bank of England as a "private banking institution," and depreciated the influence of that institution upon commerce and industry, and accounted for it by the theory that it was a mere fashion on the part of merchants "to set up a sort of monarch over those to whom they pay deference." He intimated that this sovereignty was hateful, and that it was largely maintained by means of the deposits of public money entrusted to the bank The inference is, that Mr. Lowe's plan embraces a scheme for distributing the taxes in local banks in districts where they may have been collected, giving the Bank of England a share only of the balances of the public money, which, of course, are devoted to discounts.

Mr. Lowe's views are as yet too vague and indifferent to warrant an opinion as to their probable scope and tendency But the mere fact that the Chancellor of the Exchequer should have expressed a feeling of dissatisfaction with the bank, and hinted at a change, has naturally produced a very marked sensation in the financial circles in England. In a certain sense, the Bank of England is a sort of international institution. By increasing or reducing the rates of interest, it can render money cheap or dear throughout the world. Our American money market has often felt the influence of the bank policy, the most recent effect being the increase in the price of gold a few weeks ago, which was largely due to the advance in interest for the avowed purpose of checking the demand for Five-Twenties.

Further information respecting the policy of the Gladstone cabinet, in reference to the Bank of England, will be looked for with eager interest on both sides of the Atlantic. The Bank of England system largely permeates the financial, industrial, and even the social relations of that country, and has a potency, compared with which, the enormous power of the old Bank of the United States was nothing. But, there is a deep and increasing feeling of the opposition to the Bank in English financial circles. It is objected, and with good reason, that its management is illiberal and narrow; that it fails to keep pace with the progress of commercial enterprise, and that its whole policy seems to consist in embarrassing trade by making money artificially dear at the very time when it should be cheap, and cheap at the time when it should be dear. It deals with gold at one time as a mere commodity, and at other times as money, and seems to be only influenced by the one idea of retaining a certain quantity of it in England, irrespective of the true interests of the business community. In fine, it is now claimed that the time has arrived for establishing free trade in money and in banking the same as in other departments of business.

Many of the objections to the Bank of England policy arise from the laws arbitrarily limiting the circulation to the amount of specie. If the Gladstone ministry would institute larger and liberal measures of reform, that would impart a degree of mobility to money, there is no doubt that the effects would be beneficial to the commerce, not only of England, but of the whole world. But it is manifest that a petty division of the government funds among the various banks would not touch the real evils complained. This measure savors too much of the old American Pet Bank system, to inspire confidence on this side of the Atlantic. But something is gained to financial progress that any English minister should indicate the necessity of a reform in the great moneyed monopoly of that country.—*New York Economist.*

THE TENDENCY TOWARDS RAILROAD CONSOLIDATION.

The era of railroad consolidation upon which we have entered appears to be an outgrowth and necessity of our industrial development. Decry as we may the evils of concentration and monopoly, it is difficult to resist the conclusion that the reorganization of our railroad system under a few leading companies is likely to prove conducive to the best interests of the country. It is nothing more than an effort to correct the patch-work system of railroads and adopt it to the altered circumstances of the nation and the requirements of modern commerce. Forty—or even twenty years ago, no one dreamed of the vast lines of railroad connection with which our minds have now become so familiar. All that was thought of was to suit the exigencies of the hour and connect neighboring cities.

A fenced in country and rapidly increasing population from the east to the Mississippi, and thence to the Rocky mountains and the Pacific ocean, did not enter into the comprehension of the men a couple of decades ago. The idea of connecting short lines of railroad and supplying necessary links between remote centres of commerce only loomed up gradually as the west filled up. The first great step in railroad consolidation was the union of the various local lines of what now constitutes the New York Central under one management. That answered very well until the unknown trans-Mississippi region loomed up as States and Territories and the Pacific Railroad became a fixed fact. Then additional consolidations became expedient. It is proposed to unite the Hudson River, the New York Central, Buffalo and Erie, the Lake Shore, Cleveland and Toledo, and the Chicago and North Western Railroads under a single company, with 2,486 miles of completed railway, extending from New York to Omaha, the eastern terminus of the Pacific Railroad. The actual value of these various companies is estimated in rolling stock and constructed railway, &c., at $165 000,000, represented by a nominal capital of $130,000,000, besides the mortgage debts and secured property of the respective lines.

This proposed consolidation is already sufficiently advanced to give assurances of success. It is a magnificent scheme, and gives New York a through line to San Francisco. Of course an enterprise of this kind provokes rivalry, and we find that both Philadelphia and Boston are entering the list to contest the grand prize of direct trade with the east. What the Central Railroad management is trying to achieve for New York, the Pennsylvania Railroad company proposes to effect for Philadelphia. By a junction of the Pennsylvania, the New Jersey Central, the Pittsburgh, Fort Wayne and Chicago, and Rock Island Railroad Companies, a thorough line to Omaha will be secured which will be one hundred miles nearer to the seaboard from the eastern junction of the Pacific Railroad than the New York Central consolidation This enterprise will unite 1,534 miles of completed railroad with an estimated actual capital of $122,000,000, represented by $67,000,000 of stock.

Boston is also bidding for the western and Pacific trade by the consolidation of the various lines of railroad between that city and Ogdensburgh. The bill for that purpose has passed one branch of the Massachusetts Legislature and will be undoubtedly adopted. The object is to tap the great route of western traffic at the lakes, and direct a portion of it to Boston. This project proposes partially to affect what is to be accomplished on a grander scale when the completion of the Hoosic Tunnel opens the west to Boston. Portland, Me., with commenab'e enterprise, is also bidding for this trade by connections and missing links through Northern New York that will bring the west still nearer to the sea.

These railroad consolidations, vast as they are, by no means represent all the plans for the junction of companies now in process of development throughout the country. They do not even represent the enterprises resulting from the completion of the Pacific Railroad. Nearly all the western cities are competing with each other for connecting lines with Omaha. Chicago, of course, takes in a complete net-work of railroad lines intended to attract to that city not only the Pacific trade, but also the far more valuable commerce arising from the country along its track. This way-trade of the Pacific Railroad is destined to be infinitely more valuable than the through traffic, and Chicago, with characteristic enterprise, is preparing to lay hold of both. St. Louis will, of course, compete for the southwestern trade, but Chicago is probrbly destined for a long time to come to be the commercial capital of the great northwest, with all its swarming millions.

Amongst the other projects of railroad consideration, the enterprise of Cincinnati deserves attention. That city has resolved to give its credit to the amount of $10,000,000 for the construction of a direct railroad to Chattanooga, to connect there with the great railroad system of the South, and, more particularly, with the Alabama and Chattanooga company direct to New Orleans. The object is to open a through line to the gulf for the South American and West Indian trade, and also for the vast cotton trade of the South Atlantic and Gulf States. This is a magnificent scheme, and cannot fail to prove most advantageous to Cincinnati. The Alabama and Chattanooga Railroad, which is to connect Cincinnati with New Orleans, is in course of construction Over 5,000 laborers are now at work on it, and 200 miles will be finished in fifteen months. The new railroad enterprises between New Orleans and Texas will also increase the value of this road.

Thus we see that the consolidation of the various railroads as far as possible under a single management is one of the most important features of the times. That it will prove advantageous both to the business public and to the respective railroad companies can scarcely be doubted. Divided management always entails additional expense. Then' there are the delays and loss of time arising from a number of isolated lines. The public are offered, as a result of consolidation, increased speed, and regularity and cheaper rates. The positive advantages go far to neutralize the evils threatened by monopoly and the combination of vast railroad capitalists. Besides there is a certain point where high charges destroy trade. It must always be to the interest of the great railroad companies to transport goods and passengers as cheaply as possible. Even the closest combination of capitalists can scarcely prevent competition, in view of the necessary number of western trunk lines. Boston, New York and Philadelphia, and, probably, Portland, will always try to underbid each other to attract trade. Then, too, there is the great Mississippi water route to the ocean which must always exercise an important influence in keeping down railroad transportation rates.—*Dry Goods Reporter.*

FINANCIAL OUTLOOK.

An American paper says:—The extreme dullness of business for some time past has not been without some compensating advantages. There can be no doubt that if the recent violent fluctuation in the money market had occurred during a period of business activity, the mercantile world would have experienced a shock amounting to downright panic. It is entirely out of the question that ordinary business profits could cover the extravagant rates that have been exacted for money during the past month. Business men could not compete with speculators for money. The extreme rate of 7 per cent. and ½ and 1 per cent. per day, equal to 273 per cent. per annum, is said to have been paid by stock operators. The average for several weeks has been 7 per cent., and a "commission" of ⅛ and ½ per cent. per day, equivalent to 45 and 180 per cent. per annum. Of course it is out of the question for business men to pay these rates, and the absence of disastrous failures in the mercantile community affords conclusive evidence of the limited demand for money in ordinary business operations.

The stringency last week was entirely owing to artificial agency. Last week the market experienced a decided and immediate relief on the announcement of Secretary Boutwell's intention to equalize the sales of gold with the purchase of bonds, so as not to withdraw currency from circulation. At the commencement of last week the money market had almost regained its normal condition of ease. But at the commencement of the present week a "locking up" process was inaugurated in the interest of certain railroad cliques. Some heavy payments by the banks to corporate and state associations on account of the July dividends, aided the speculators by causing a temporary inability on the part of the banks to discount with their usual freedom, The consequence was a decided squeeze for money, and the forcing up