

NOVEMBER 1871, Bryce, McMurrich & Co.,

Have received

LARGE ADDITIONS

to their stock, ex steamers recently arrived at Montreal, from

LONDON, LIVERPOOL and GLASGOW,

and all departments being again

FULLY ASSORTED

they will be glad to be favored with orders which will have their best and prompt attention.

There are MANY LINES in our stock which we continue to offer at prices

VERY CONSIDERABLY UNDER

their present value. We refer especially to

WOOLLEN AND LINEN GOODS,

which have already

MUCH ADVANCED

in value in the Home Markets, and must still be much higher, on account of the great advance in the price of the raw material, and also in labor.

BRYCE, McMURRICH & CO.

THE MONETARY TIMES, AND TRADE REVIEW.

TORONTO, CAN., FRIDAY, FEB. 2, 1872.

BANKING REVIEW—1871.

The statistics relating to the position and operations of our banking institutions for the past year have more than ordinary interest. The indications they exhibit of activity and expansion in trade, as compared with former years, are variously interpreted. The problem they present is not one capable of an exact scientific solution, as some of the data may be affected, indeed must be, by events not predictable.

There are those who, with singularly wide experience and special knowledge, both precise and extensive, take the ground that there have not occurred circumstances in our commercial relations to explain the expansion which has gone on in the last ten years in the extension of bank credits to the public. Such persons of course view the bank returns with increasing doubts as to the legitimacy of the business they exhibit as being done. There are others equally competent to judge, and we believe a more numerous class, who consider the large increase in the business of the banks to be mainly on a sound basis, and explainable by the development of the country's resources, by the opening up of new districts, supplying them with railway facilities, the gradual recovery of trade after depression, and the diversion of capital and industry into new enterprises which are profitable alike to the individual trader and the country.

This Journal has taken strong ground in deprecating expansion by speculation. We see too much behind the scenes of many traders to be over sanguine, and the record we recently published of failures in 1871, leads us to pause when disposed to exult over the enormous figures which now appear in all trade returns, such as our imports and bank credits. At the same time we see plainly that the stimulus given by the increase of facilities for moving produce, the power they give to meet the insatiable demand for everything that a farmer can grow and manufacture, and for the wealth of our vast lumber regions, must be enough, to a great extent, to account for that financial activity, and those requirements which make the bank returns so much in excess of former years.

The necessity laid upon the banks to open branches in the, at present, more remote centres of industrial life, at places which bid fair to afford a good paying business in time, but which temporarily supply few deposits, has been one cause of the increase effected in their capital.

There is here a very significant illustration of the position we took in advocating the cause of strong central banks rather than fostering small local ones. During the past year banking accommodation has been given, for first time, to the following places:—Uxbridge, Orillia, Dunnville, Collingwood, Mitchell, Tilsonburg, Orangeville, Almonte, Arnprior, Carleton, Gaspé, Cowansville, Sorel, St. Hyacinthe, St. John, Qc., Renfrew. In most of these places had the traders been compelled to wait for a local bank their operations would have been long restricted and the district kept without most valuable facilities and stimulus.

The table below presents at a glance the main items in the Bank returns for the past three years; the figures are the average for the year, except for 1871, the average given is for the first six months, the change in the form of returns for last six months of 1871, preventing proper comparison beyond that period:—

	1869.	1870.	1871.
Paid up Capital..	\$28,217,264	\$29,778,000	\$31,716,300
Liabilities			
Circula'n.	8,800,240	14,401,200	17,714,000
Total Deposits...	38,002,000	46,738,100	51,371,500
	\$46,802,240	\$61,139,400	\$69,085,500
Assets immediately available	19,814,000	26,172,542	27,186,714
Disco'nts.	53,348,937	63,399,000	76,096,344

On looking at these figures we find that it is not alone the credits granted by the

Banks which have expanded. The saved resources of the public also have enlarged very significantly some thirteen and a half millions in two years. The circulation, which was extremely depressed in the spring of 1869, rose more than 100 per cent. in two years; and even then was two millions below the specie held and other assets at call. In these assets at call has been included the amount returned as due from foreign agents to the Bank of Montreal, which doubtless comprises the amount employed by that bank in New York. As a large portion of this is in the shape of call or short loans, it may fairly be called available, in a practical sense.

The same ratio of expansion is seen in the Dominion notes from 1869 to 1871 as in the Bank issues.

The following gives the percentage which the total deposits of various past years bore to discounts—1871 being taken up to end of June, as before:—

1863.	1865.	1867.	1870.	1871.
51'80	59'03	58'30	73'70	67'50

If only these deposits are taken which were left at interest the percentages are to discounts as follows:—

1860.	1865.	1867.	1870.	1871.
24'17	32'24	29'80	46'68	45'17

These comparisons seem to us gratifying in a very high degree, and will doubtless be to many as surprising as pleasing. The significance of the above figures may be clearer to some by this illustration; it shows that the country is much in the position of a trader who commenced in 1863 with \$1,000 capital,—240 per cent. his own and \$760 borrowed—now he has \$450 his own and only \$550 borrowed. So that although the expansion has been great, it has been exceeded by the saving power of the people. They have been rapidly accumulating money.

The following is the usual official return for the Banks of Ontario and Quebec to Dec. 31st, 1871. At the close of the year we contrast the figures with the average for the half-year:—

	Dec. 31, '71.
Capital authorised.....	\$50,566,666
" subscribed.....	46,567,656
" paid up.....	38,542,026

LIABILITIES.

	Average, June	
	Dec. 31, '71.	to Dec.
Circulation	\$22,919,342	\$21,199,000
Govt. depts. on dem'd..	2,953,293	2,252,000
Public do. ..	28,119,881	26,739,200
Govt. depts. on notice..	6,084,865	6,118,260
Public do. ..	19,273,450	19,351,500
Due banks in Canada..	989,877	978,820
do, not in do. ..	934,307	2,124,450
Sundries.....	31,082	36,766

Total liabilities, \$81,306,097 \$79,799,986