

with the Western States, and Canada, on the one side, with Boston. We will now endeavor to examine the extent of the influence to be exercised over the New York trade.

It must be remembered, in the examination of the canal question, that the end in view of the advocate of a given policy must not be lost sight of. Thus many of the advocates of the Caughnawaga Canal, cannot be brought to contemplate a direct connection between the west and the seaboard. There ever remains the transshipment at Montreal, the break in the navigation, the assumed necessity of a difference of build in vessels navigating the lakes, and vessels sailing on the ocean. We see this view plainly in the reports of the engineers who reported on the project. They name the locks as 230 feet by 36 feet by 10 feet; that is, of course, for a purely river navigation. While consistently advocating the construction of this canal, we would lay down, as a principle, that its locks should be identical with those of the Saint Lawrence Canals. To argue on the capacity suggested, is to some extent to weaken our case; still, for the moment, we are quite content to do so. The readers of these articles must have seen that the connection between Lake Erie and Albany, is by the Erie Canal, or by the Welland Canal to Oswego, by the branch Canal to Syracuse, where the Erie Canal is joined, the time of transit being 11 days. It is argued that the propeller having a new and sufficient connection to Lake Champlain, would abandon this old route. We have only to suppose such a vessel in Lake Champlain, to see how little chance there is of such a consequence. All would be plain sailing until the propeller, needing a lock 230 feet in length, came to the Whitehall Canal. This canal is 67 miles long, and unless the locks have lately been enlarged, they are 90 feet by 15 feet, with 4 feet water. Moreover, we believe, that it is impossible to enlarge this canal to any extent. It is supplied by a feeder from the upper waters of the Hudson, at Glen's Falls; and it is a question whether the supply will admit of any great additional tax. Nothing positive can be said on the subject, without examination of the capabilities at the engineer's command, but we believe that very little additional enlargement can be counted upon. But even were it otherwise, there is every reason to expect great opposition in the State of New York, to such an improvement, especially in the cities of Buffalo, Syracuse, Oswego, and we will add, even Troy, and Whitehall, and Albany, because such propellers, would sail through the entire distance without having any business to transact in these cities. There would be great disinclination to create a rival to the Erie Canal, a State work, bringing in a cer-

tain income, and which has cost upwards of \$32,000,000. There is the expense of enlarging the present Canal, some ten or fifteen millions of dollars. These various reasons, each one powerful in itself,—in one case to the extent of shewing that the improvement called for is itself impossible,—all tend to establish the view that the Caughnawaga Canal would have no bearing on the New York trade; and, indeed, if that end be put prominently forward as a reason for the construction of this Canal, it may be added that no step should be taken until a satisfactory capacity of the Whitehall Canal be assured by the New York Legislature. But even if it be developed to the theoretical requirement and we have the route perfected to all that fancy can suggest, there is the St. Lawrence, itself, the waters of the river passed over by the propeller *Her Majesty*, furnishing a known result. With a developed navigation and a class of vessels, fitted to it, the propeller could proceed directly to the harbor of New York from Montreal in 9 days. The distance by the Canals and Lake Champlain may be estimated from 6 to 8 days. But we conceive that, practically, all the advantages lie on the side of the longer sea route; because there is no break of bulk, no canal dues, while a larger cargo would be taken than the more contracted vessel could carry, with perfect freedom from charge of brokerage. Moreover, the passage by Nova Scotia, would give the chance of purchasing fuel cheaply. If all this be correct, the advantages of a passage through Lake Champlain to New York, cannot be said to be in any way great.

#### THE ROYAL CANADIAN BANK.

The next worst thing to indifference is unwise zeal. Neither is commendable; but, perhaps, the latter produces the greater variety of ill consequences. The shareholders of the Royal Canadian are fast proving this. They are, naturally, provoked at the loss of their money. We cannot quarrel with them for displaying some irritation, and we can find excuse for their striking about wildly, hitting many heads in an endeavour to bruise the right one. But the question arises, is such conduct wise; is it calculated to restore the public confidence in their bank? For our part, we are inclined to think that recriminations and abuse are very poor substitutes for earnest work, judicious pruning and the determination to inaugurate a proper state of affairs. Hence we are bound to condemn as unwise in the extreme the recent exhibition of temper at the meeting of delegates in Toronto. Hon. Mr. McDonald allowed himself to be carried away by a desire to avenge himself of his colleagues, and we know with what applause his name was struck from the

list of those nominated for the presidency of the bank. This action is an indorsement of our view. The delegates should have applied the same rule to themselves, and restrained their vituperative tendencies, for the sake of appearances at least. We have no desire to take sides in the quarrel, for it is essentially one of their own making, but we have an interest in its result. The existence of an important institution is at stake, and the loss of a large amount of capital is threatened. If the annual meeting is to be but a repetition of the recriminations and abuse which characterised the meeting of the 25th, the longer it is postponed the better for all concerned.

It must be very gratifying to the Cashier to know, that amidst so much suspicion, doubt, and turmoil, his integrity stands unimpeached. In answer to any charge of participation in mismanagement, he may reasonably urge that he has not had a fair chance. We have, indeed, reason to believe, that most of the losses were made through not following his advice. However, as executive officer he has to bear an equal share of blame, and should be afforded an opportunity of setting himself right with the shareholders.

Apart from these objectionable features of the present crisis, there are sufficient reasons for a careful examination into the bank's affairs, and a cool estimate of the bank's strength.

The figures furnished by the Board of Directors show the following:—

Total profit	.....\$704,078	say 60·17 p. c. of present capital.
Expenses	.....236,244	" 20·19 p. c.

Net profits	.....467,834	
Supposed loss	.....300,962	" 25·77 p. c.

Net profits	.....\$166,832	" 14·25 p. c.
-------------	----------------	---------------

The total profit has been equal to about 60½ per cent. of the present capital, the expenses to 20½, the losses equal to 25½, and the net profits, according to their own estimate of losses, 14½. The expenses were equal to 33½ per cent. of the gross profits, the supposed losses 42½ per cent., and their net profits equal to 23½ per cent. of their gross profits.

Total Liabilities (ex. stock)	.....\$1,163,711 31
Assets, as shewn	.....2,268,298 96

Apparent surplus	.....\$1,104,587 65
Admitted loss	.....300,962 00

Available	.....\$803,625 65
-----------	-------------------

Taking this as a basis, we find that the \$1,170,488 of paid up capital has an apparent value of \$803,625, or about 68 per cent. If the losses be \$600,000, instead of \$300,000, the stock would have an apparent value of 49 per cent.

Of course it is impossible to tell exactly how affairs stand, without such a thorough investigation at the various agencies as will be free from the bias of an interested scrutiny. The necessity for such investigation has been