

BANK OF UPPER CANADA.

The Report of the Trustees of the Bank of Upper Canada is published, with Balance Sheet up to the 13th May last. The following was the condition of the affairs of the Bank at that date, and contrasted with the statement presented to the Shareholders in November last:

	Liabilities on Nov. 19, 1866.	May 13, 1867.
Circulation	\$ 723,066 00	\$ 440,684 00
Due to Depositors	369,601 59	300,416 55
Due to Banks in Canada	27,563 61	6,855 15
Due to Trustees' Certificates	141,393 40	141,393 40
Due to Glyn & Co.	299,370 00	287,584 31
Due to Provincial Government	1,149,430 75	1,150,608 39
Dividends unclaimed	9,096 56	9,096 56
	\$2,572,070 71	\$2,336,488 36
	Liabilities on Nov. 19, 1866.	May 13, 1867.
Cash on hand	\$ 41,943 94	\$ 7,419 41
Due by other Banks	5,450 51	
Government Debentures	17,591 99	
Municipal and other Debentures	35,382 53	23,162 53
Real Estate and Bank Furniture	1,673,633 37	1,641,756 67
Bills discounted	2,225,469 30	1,973,136 55
Mortgages	65,590 65	65,593 40
	\$4,061,941 88	\$3,706,673 75

It will thus be seen that the liabilities have been reduced \$336,589 25, and the assets \$356,268 13.

The Trustees are of opinion that the probable loss on the assets of the Bank will amount to \$1,400,000 viz.: \$900,000 on Bills Discounted and \$500,000 on Real Estate, and that they trust the estate will eventually pay all the liabilities.

THE MEETINGS OF OUR BANKS.

SOME of the leading banks of the Province have recently held their annual meetings, and it cannot but have been most satisfactory to their stockholders to hear such gratifying statements as have been put before them. The past year, as every one in Canada knows, has been one of remarkable prosperity, and the fruits of it are very apparent in the remarkable freedom from losses and reverses which characterizes alike the banks of the East and the West.

First in order of importance comes of course the Bank of Montreal, which has not only the largest commercial business in this city but is the banker of the government, and its agent for the redemption of Provincial notes. Its large capital of \$6,000,000, some years ago, was positively burdensome, and it was generally conceded that a mistake had been made in increasing the amount from \$4,000,000 to \$6,000,000. So difficult was the task found of profitably employing so large a sum as \$6,000,000, that the late general manager, Mr. Davidson is reported once to have said, that the days of 8 per cent. dividends were over. The stockholders were led to expect, in fact, that 7 per cent., and even 6 would probably be the rule hereafter. Of late years, however, the trade and manufactures of Montreal have attained so large a development that the Bank has been able fully to use in the most profitable manner, not only the whole of its capital, but a considerable portion of its large volume of deposits. Since the Bank took charge of the government account, it has found a safe and profitable field of enterprise in advances from time to time to the government, the danger, however, (and by no means a slight one), being that with such constant deficits as characterised our Finance ministers' budget for many years successively, the advances might assume the character of a *lock up*, and go on constantly increasing. It may easily be understood that in such a state of things, serious embarrassment to the Bank might ensue. The introduction of the scheme for a Provincial currency, has, we believe, mitigated this danger considerably; in addition to which the finances of the government have taken a favourable turn, and revenue is balancing expenditure.

The Bank has adopted the Provincial currency scheme, (which it could do from the peculiar nature of its business, without loss or embarrassment), and it has for some time been issuing the notes of the government, acting also as the agent for their redemption according to a scale of remuneration fixed by the Currency Act of last year.

The policy of the Bank has been severely criticised of late, in consequence of the withdrawal of those facilities which have been afforded through its branches for transacting the business of Canada West. Viewed simply as a matter for the consideration of the authorities of the Bank, we can easily understand how it would seem desirable to them to concentrate their loans into a more manageable shape, and leave the discounting business of the West to banks on the spot. The business of banking requires such incessant watchfulness at all points, if losses are to be avoided or kept down to a fair average, that it is almost beyond

the power of any Board or any individual, no matter how able and vigilant, to carry on active operations with success over such an extensive field as was embraced by the bank a few years ago. We have good reason to believe that many of the heaviest losses of the Bank had their origin in the immense diffusion of its business; and no one can blame the Board, if acting simply for the interests of the Bank, they have initiated a policy of concentration, so far as any rate, as discounting is concerned. Their Western offices are now largely mere banks of deposit, although they do keep on at certain points, a few old and safe accounts. They are ready also to make short advances on produce and the like, but speaking broadly and generally, the above statement correctly describes their position.

It is well known also, that the Bank lends gold on good collaterals and for short terms, in New York, and it is said that transactions of this nature sometimes are of very great magnitude.

We have entered into these details respecting the policy and business of the Bank of Montreal, because of the prominent position it occupies in the country. Its affairs concern its stockholders in the first instance, but to a large extent they concern the public as well, especially in view of the fact that the bank is the official agent of the government.

To the public, therefore, it is a matter of interest to learn that the profits of the Bank during the last year have been so large that after paying a ten per cent. dividend, the large sum of \$300,000 has been added to Reserved Fund, raising that fund to a sum equal to 25 per cent. on the capital. The Bank has netted more than 15 per cent. during the year, and this, after making fair and full provision for every loss. This is in striking contrast to what was so gloomily anticipated some years ago, and we cannot wonder under such circumstances that the stock of the Bank stands at so high a figure as 131.

The result of the present years operations is so striking that there can be little doubt of the continuance of the present policy of the Bank with regard to its branches. And it will have this good effect that the business of the Bank will be more in the hands of those who are on the spot, and can deal with it on personal knowledge, while there will be a diminution in that competition for accounts which makes the business of lending and discounting so dangerous, and is so prolific a source of bad debts and losses.

We have not space to pursue the subject further at present; next week we may notice the meetings of other banks.

THE CORDWOOD QUESTION.

THE cordwood question is of vital importance to all the inhabitants of all the cities in Upper Canada. Fuel in this country takes its position beside wheat as one of the necessities of life. And anything bearing on its price occurring in the various transactions of individuals and companies, cannot fail to attract general attention. The paper warfare that has been raging of late regarding the proposed rival railways through the counties between the metropolis of Upper Canada and Lake Huron, has brought the cordwood question prominently forward, and Torontonians have been suddenly let into one of the secrets by which, for years past, they have been heartlessly fleeced and imposed upon and made to pay from fifty to seventy-five per cent. more for their firing than they ought—the enormous profits aforesaid going to unduly enrich one or two unscrupulous heartless speculators. Some such state of things, as is shown by the revelations made by Mr. Cumberland, the Managing Director of the Northern Railway Company, and those made by Mr. Laidlaw, his opponent, would account, no doubt, for the exorbitant price of cordwood in every other city in Canada as well as Toronto.

Let it be remembered that cordwood, during the past winter, was selling in Toronto at from \$7.50 to \$8 per cord. The misery that these prohibitory rates entailed on the poor, may be better imagined than described. It was so great as to produce a public agitation. Then all at once railways became philanthropic, corporations became charitable, and a few hundred cords of wood were laid down in Toronto for the exclusive use of the poor at from \$4 to \$5 per cord. To get it at this rate, however, a series of applications and certificates were necessary; in fact, it had to be used for *in forma pauperis*, so that the bulk of the middling classes had to buy at \$7 or \$8 or freeze to death. Mr. Cumberland, in his June pamphlet, now tells us with refreshing coolness that all this was unnecessary,

and that all Toronto, comprising the high, low and middling classes, could, and ought to have been supplied with wood last winter at a rate less than \$5 per cord! Hear him:—

"It is a fact that we have brought very large supplies of cordwood every year from Innisfil (sixty miles) and delivered it in Toronto to the merchants at a prime cost to them of \$3.84 per cord; and if we add twenty per cent. thereon for profit, the selling price would be only \$4.60. Again, on one occasion we brought down from 700 to 800 cords all the way from Collingwood (ninety-four miles), the prime cost of which, delivered to the merchants of Toronto, was \$4 a cord, to which, if we add twenty per cent. for profit, the selling price should be \$4.80 for a splendid sample of hardwood brought nearly 100 miles."

Again, in another place he says:—"We bring in (to Toronto) every year something approaching to 8,000 cords, at costs which are quite consistent with a selling price of from \$4.50 to \$5." And as touching the supply of wood that it is abundant, he argues:—"A short supply simply proves that the wood merchants under-estimated the demand, or had no capital with which to lay in sufficient stock during the season of navigation."

Here is an extraordinary state of things. The selling price of cordwood in Toronto ought to have been from \$4.50 to \$5 per cord last winter. It was in reality from \$7.50 to \$8! At the first blush one would be inclined to say the citizens themselves were to blame; that they lacked energy and enterprise, and that they allowed themselves to be swindled by a few monopolists. But it is not so. Mr. Laidlaw's pamphlet explains it. Mr. Cumberland, he says, has told only half the truth. Cordwood could be laid down in Toronto at from \$4.50 to \$5 selling rate, and so it is. Only, however, for the benefit of the "Northern Railway wood yard," and one or two other wood monopolists who have combined to sell to the citizens at from \$7.50 to \$8, or \$9 if they can raise the price up to that figure. There is no free trade in wood. The Northern Railway will only carry the article for their own wood yard, and for the wood yard of one or two parties in league with them. This is substantiated by the following notice signed by Mr. Cumberland and distributed at all the stations along the Northern line:—

"Notice is hereby given, that in future no cordwood will be received, or allowed to be stacked at the stations, or on side of track excepting only such as is sold and delivered under contract to the Company; nor will any cordwood be hereafter carried except from regular stations, nor then except when loaded from the teams direct on the cars. All train rates and special contracts are hereby cancelled."

Besides this prohibitory order, Mr. Laidlaw quotes a circular letter addressed by an agent of the Northern Company to a few wood monopolists, offering to sell them some thousand cords of wood "which the Company have to dispose of" at various stations along the line. This letter and the above notice fully account for the fact that wood could be laid down in Toronto at a selling price of from \$4.50 to \$5 per cord, while in reality the selling price is forced up to from \$7.50 to \$8. There is no competition allowed in wood—no free trade in fuel. As Mr. Laidlaw justly complains:—"A citizen cannot buy his year's fuel from a farmer delivered at a station on the Northern Railroad, and get it down like a car of lumber, timber or wheat."

Now as we said at the beginning, this question of cheap fuel is one that affects every city in Canada. The Cumberland-Laidlaw revelations prove that in Toronto, at all events, fuel could be sold nearly at one-half its present cost if wood was dealt with by railways in the same manner as wheat or lumber. For our part, we see no good reason why any railway should be allowed to become buyers and sellers as well as carriers, or to discriminate against the carriage of an article of prime necessity. If any Railway Company were to go into the wheat business, and were to combine with a few other monopolists to force up the price of wheat, what a shout of indignation would be heard from Sandwich to Gaspe! If any Railway Company were to issue a notice to all the station masters along their line, stating that "no flour will be received or allowed to be stored at the stations or on the side of the track, excepting only such as is sold and delivered under contract to the Company," what a tempest of honest rage would agitate the land? Yet that is precisely the manner in which a leading Railway Company presumes to deal with cordwood. Is not cordwood as important an item in the domestic economy of country and city as wheat and flour? But say that it is of less importance, still we can see no justification of the conduct of the Railway Company that refuses to carry it. Railway Companies are so far trustees for the public, that it would be highly in-