

continues, and whether there is a reasonable prospect of his annual expenditure in premium proving of some avail, else he may find that he has been but pouring his money into a sieve, or into the pockets of swindlers.

THE ROYAL CANADIAN BANK.

The proceedings at the annual meeting of the shareholders of the Royal Canadian Bank were an improvement upon the mere noise and abuse which prevailed at the meeting of "delegates." For the future, those connected with public institutions will see the expediency of having as little as possible to do with delegates; and, we are sure, delegates' meetings will receive small encouragement. Delegates are too apt to imagine that their delegated duty is to bicker; that their appointment is equivalent to the conferment of an illimitable right to talk. Those who undertake to set a large monetary institution to rights, and to win back public confidence, must vary the monotony of abuse, hisses and cheers, with the exhibition of a little common sense, before they can hope to attain their object.

In looking over the directors' report, we find that the first half of the year just closed showed an increase in circulation of \$474,159, in deposits of \$286,337, and in paid up capital of \$68,923. With the second half year began the bank's troubles. The Vice-President, through motives now clearly seen to have been of a very unworthy character, attacked his colleagues, and the result was the withdrawal of public confidence from the institution. Between the 1st of January and the 21st of May, the circulation ran down \$667,413, and the deposits were reduced by \$835,519. A depletion of specie to the amount of \$1,037,309 rendered a suspension necessary. According to the statements now furnished, it appears that the capital is impaired to the extent of only \$71,608 or six per cent.

The report of the gentlemen appointed to examine into the affairs of the bank was confined for the reasons set forth, to the valuation of the paper discounted at the head office. The four agencies at which the principal losses occurred were Cobourg, \$89,084; Kingston, \$32,331; Seaforth, \$58,624; and Paris, \$14,322. These losses are so enormous in proportion to the business done at each place, as to bear on their face the true explanation of their occurrence, namely, wholesale fraud. On the other hand, the profits at Bowmanville, Peterborough, Whitby, Montreal and Toronto, stand out in bold relief.

From what came out at the meeting, we conclude that Mr. McDonald, the virtuous Vice-President, is not a fit man to be on a

bank board; that Mr. A. M. Smith, arrogated to himself a power in management which he was incompetent to use aright; that Mr. Dumble's explanation of the Marmora matter was perfectly satisfactory; that the advance to Mr. Manning, no matter how well secured, was ill-timed, and open to the gravest suspicion; that the directors made an indiscreet use of the information they acquired in the Board room; and that the astutest and most self-willed Cashier in the world could not have fought successfully against such odds as Mr. Woodside had against him. The great wonder to us is, that he has come so well out of the ordeal.

The new President, as we have said, is a gentleman in whom all have the greatest confidence. As a member of Parliamentary Committees, he proved himself to be a hard working man, conscientious and shrewd. If he will devote the necessary time and labour to his office, the best results may be anticipated. Mr. Thompson, the Vice-President, is a merchant of more than average capacity, who stands well with the community. Of the other members of the Board, nothing need be said, as they are well known. They have now before them experience dearly purchased, and if they avoid the shoals and quick-sands on which the old Board was wrecked, they may not only repair the errors of the past, but also evoke a new era of prosperity and confidence.

MERCHANTS' BANK OF CANADA.

From the annual report it appears that the directors have determined to avail themselves of the entire capital authorized by the Act of Incorporation—\$6,000,000. Hitherto only \$4,000,000 has been offered for subscription or taken up. The shareholders are, therefore, invited to take up the \$2,000,000 yet to be subscribed, and as they will have the opportunity of getting this stock at par, they will no doubt very generally avail themselves of the privilege. A telegram from Montreal informs us that on the announcement being made public, the stock went down from 111½ to 105, in consequence of the anticipated increased supply in the market. The bank's rest has been increased to the handsome sum of \$700,000. Fair progress is reported in the work of realizing the assets of the late Commercial Bank, and it is believed the original anticipations respecting the amalgamation will be realized. The business of the Bank continues to make satisfactory progress.

—It is stated, in Montreal, that Mr. Reekie has got the contract for the Toronto, Grey and Bruce Railway.

WE are not sensitive on the score of infallibility, but we prefer that those who assume the responsibility of setting us right should not magnify our mistakes, if such there be, or misrepresent our language. The *Toronto Leader*, in referring to the affairs of the Royal Canadian Bank, assures its readers that we made "the serious mistake of deducting the \$300,000 of losses from the amount of the paid up capital, and reason upon the assumption that the capital has been impaired to that extent." Unfortunately for the *Leader's* sagacity, we neither deducted \$300,000 of losses from the paid up capital, nor reasoned on the assumption that the capital was impaired to that amount. Our contemporary must have been groping about in the dark when it tumbled over the mistake referred to. We deducted the \$300,962, admitted loss, from the difference between assets and liabilities, excluding the capital altogether, and then found that \$366,863 represented the amount by which the capital was impaired. The mode by which we arrived at this result was quite correct; but we did fall into a trap. Mr. Woodside stated before the House of Commons' Committee, that no paper had been written off. In dealing with the bank balance sheet, we proceeded on the assumption that the \$300,962 of losses had not been written off. It now appears that \$297,247 were written off subsequently, and that, in ignorance of the fact, we duplicated the work of the directors. This new light, of course, makes the way clear to some results different from those at which we arrived.

TORONTO, GREY AND BRUCE RAILWAY.—The entire amount of subscriptions necessary to the complete organization of the company, under the charter, has now been obtained, and the meeting for the election of officers will take place as soon as practicable. Great credit is due to some of our leading citizens, for the enterprise and public spirit displayed by them in connection with the project, and that of the Nipissing Road, since their inception. We hope no unnecessary delay will be made in putting both Roads under construction.

—Arrangements are nearly completed for the purchase of the telegraph companies by the English Government, and it is expected that a money bill will be introduced before long for the purpose of acquiring the business of the various undertakings. The sum needed will be about £7,000,000, of which the Electric and International Telegraph Company will claim nearly £3,000,000. Under the management of the Post Office, much greater facilities are anticipated for the transmission of messages from and to the various towns and villages of the kingdom. At the present, the system with regard to the smaller towns and to the villages in particular, is very imperfect; but it is expected that in the course of a few years, every town and village in which there is a Post Office, will be connected with the metropolis by wire.