

tion has grown up in their midst, and has become so powerful an adjunct of the immense lumber and timber trade which is controlled from that point.

Financial Summary.

SOME rather mysterious statements have been cabled from London to the daily journals. One is as follows: "It is alleged in the city this evening that the Government has decided to authorize the Bank of England to increase its circulation by £6,000,000 sterling, under restrictions not yet determined." It is hardly possible to suppose that what is here stated will be authorized without an amendment of the Bank Act, for it would be equivalent to its suspension, and there are at present no reasons known to exist justifying a step which was never taken hitherto except under great emergency. That it may be proposed to so amend the Bank Act as to legalize such an increase there would be no difficulty in believing. The act referred to—7 and 8 Vict. cap. 32—better known as the act of 1844, restricts the note issues of the Bank of England to £14,000,000 stg. upon securities, but for all issues above that sum an equal amount in gold must be held. The circulation of the Bank on 31st May, 1873, was £25,982,890 and the bullion in both departments £21,166,552. The numberless complaints made of this act, the evils attributed to it, and the remedies proposed for these evils are matters of notoriety; and it may be that the Government have at length decided to liberate the Bank, in some measure, from the very inconvenient restriction on the note circulation. That such an alteration of the Act is proposed becomes probable in view of another dispatch stating that the *Times* of the 4th inst. had stigmatized the proposed alteration of the Bank Act as an attack on the sanctity of contracts, and an entire subversion of the cardinal principle which has hitherto been regarded as the key-note of business. Although there is great diversity of opinion upon the subject in England, and strong opposition to any measure of reform would be offered, yet there are good reasons for believing that the time has arrived when the restrictions imposed in 1844 upon the circulation of bank notes in Great Britain ought to be relaxed. The next mail will bring a statement of the facts, whatever they may be, which the telegrams already noticed are based upon.

LAST YEAR the ordinary profits of the Bank of Montreal amounted to \$1,820,813, being about 20 per cent. on the average capital employed—\$9,000,000. Can the same rate of profit be maintained with a capital of \$12,000,000, under the present management? There are a good many in business and banking circles who answer this rather speculative question unhesitatingly in the affirmative. It is believed that there will be an absence of that sensational style of banking which characterised the administration of Mr. King; and the operations

of the bank will be conducted with a single eye to the advantage of the institution, which it is now freely asserted was previously not always the case. But, on this point there is a good deal more said than we care to repeat. Mr. Angus will not attempt to assume the powers exercised by the late president, but will devote himself, with the counsel and direction of the board, to the legitimate business of the Bank, of which he is entirely master. There seems, therefore, to be strong ground for the belief that the position of the Bank will not only be fully maintained. But its prosperity enhanced, under the existing management.

IN THE money market there was no special change during the week. Gold drafts maintain their price in Montreal, say 5-16ths to $\frac{1}{2}$ per cent. premium; the former rate is only for round amounts between banks, and the latter is about the average to customers over the counter. Sterling exchange is flat. Nothing doing in stocks; brokers complain of nothing to do. This condition of affairs can hardly be expected to mend during the summer months. Speculators have lost all fancy for stock operations; the market has gone against them so generally that they are mostly disgusted. The minimum rate for money continues to be 8 per cent., but the unusual flatness in trade is well reflected in the inactivity at the banks. In the wholesale grocery trade of Montreal especially, our reporter notices an unusual amount of complaining. The high rates for freight curtail the operations of shippers, and reduce the profits on flour and grain transactions to almost nothing.

THE Bank of Hamilton is about to open an agency in Listowell, Ont.

IN THE Report of the Maritime Bank for the six months ending 31st March last, it is stated that the net profits were \$6,444.80, out of which a dividend of 3 per cent. was paid, absorbing \$4,713; the balance was carried to rest account. The directors say:—

"The Bank commenced operations immediately after the severe monetary crisis through which the City passed last year, and it was deemed necessary to exercise the greatest care and conservatism until business had resumed a more healthy tone; this, with the small capital called up of necessity limited the profits, but now that confidence is restored in the community, your directors naturally look towards increasing the business of the Bank."

It appears that the charges account and preliminary expenses amounted to \$10,535.21. It is proposed to erect a building which will accommodate this bank and also the St. John agency of the Bank of Montreal. Directors were elected as follows:—The Hon. A. J. Smith, Hon. John Robertson, James Domville, Esq., Hon. Wm. Muirhead, J. V. Troop, Esq., Geo. McKean, Esq., W. H. Thorne, Esq.

THE Montreal branch of the Bank of Commerce will—says the *Herald*—occupy the ground floor of the Standard Life Assurance Co.'s building; now occupied by the Jacques Cartier Bank, who are about removing to their new premises on Place D'Armes Hill.

A Warehousing and Dock Company, incor-

porated at the last session of the Dominion Parliament, has been organized in St. John, N.B., as follows:—Hon. Wm. Muirhead, Chat-ham, President; James Domville, Esq., M. P., Vice President. Directors—W. Munro, Manager St. John Branch Montreal Bank; J. W. H. Rowley, Manager of the Maritime Bank, St. John, Geo. McKean, Richard C. Scovil, and James Scovil. Secretary and Treasurer—Thos. W. Lee. We have not seen the Act of incorporation, but the *St. John Globe* says the company appear to have all or nearly all the powers and privileges of a banking institution, unaccompanied by the restraints imposed upon the banks.

At the annual meeting of the City Bank, held June 2nd, a report was presented showing the operations of the past year. Two half-yearly dividends of 3 per cent. have been paid, and the sum of \$41,839 added to the Reserve Fund or Rest, as may be seen by the following synopsis:

Balance at credit of the Reserve Fund or Rest, at last annual meeting	\$25,874 53
Profits of the year just closed, deducting working expenses	113,838 98
	\$139,713 51

Deduct two dividends paid during the year of 3 per cent. \$72,000 00

Balance now at credit of Reserve Fund

\$67,713 51
It has been thought desirable to increase the number of directors to seven in place of five as before. The shareholders are congratulated on the favorable result to the Bank of the long pending suit with the Bank of Montreal. Mr. Renny's appointment as cashier is mentioned with satisfaction—a feeling which will find its echo among the whole body of shareholders. Directors were elected as follows:—A. M. Delisle, John Grant, Hon. Sir Francis Hincks, Robert Moat, W. W. Ogilvy, R. J. Reekie, and Wm. Workman. The new Board afterward met and elected Sir Francis Hincks, President, and Wm. Workman, Esq., Vice President.

A SECOND Gas Company, with \$1,000,000 capital, is about to be established in Montreal. In a preliminary prospectus, the projectors state that the city has long suffered from the insufficiency, the irregularity and the inferiority of the service of the old company, which has been paying dividends such as few stockholders in other companies obtain. "The Consumers' Gas Company," the name of the new organization, will necessarily prove in Montreal, as it has proved in Toronto, something of a misnomer. Here there is no particular identity between the company and the consumers; on the contrary, they present the marked separation of distinct interests. Toronto is increasing at an unprecedented rate; and next year we may expect to see much block pavement put down—two facts in themselves very suggestive.

THE British Government have arranged for the payment of the Alabama indemnity of \$15,500,000 on or before the 15th September next.

—It costs about \$200 per mile to change the gauge of a railway from 5 feet 6 inches to 4 feet 8½ inches.