

## 1875 Fall Trade. 1875

J. &amp; R. O'NEILL,

IMPORTERS AND WHOLESALE

Dry Goods Merchants,

MONTREAL,

Beg to advise their travellers are now out with samples of their Fall Importations of General Dry Goods, all of which are now open

Full lines of Dress Goods,  
Full lines of Wineys,  
Full lines of Staple Goods,  
Full lines of Small Wares and  
Haberdashery.

An Inspection Invited. Terms Liberal.

Montreal, August 19th, 1875.

## The Journal of Commerce

FINANCE AND INSURANCE REVIEW.

MONTREAL, OCTOBER 15, 1875.

## MECHANICS BANK.

Statement for 31st July, 1875, as furnished Government by the manager and directors.

"Look on this picture and then on that!"

Assets.	
Specie .....	\$ 10,653 00
Dominion notes .....	53,062 00
Notes and cheques on other banks...	79,427 00
Balances due from other banks.....	1,704 00
Bills discounted and current.....	625,369 00
Bills overdue not specially secured..	13,500 00
Overdue debts secured .....	72,500 00
Bank premises.....	66,975 00
Other assets not included above.....	33,832 00

Total called in statement.....\$356,962 00

Liabilities.	
Notes in circulation.....	\$119,950 00
Dominion deposits payable on demand .....	1,000 00
Other deposits payable on demand..	218,811 00
Other deposits payable after notice..	114,424 00
Due to other banks.....	5,421 00
Liabilities not included under foregoing heads.....	1,513 00

Total called in statement.....\$461,119 00  
Surplus of assets over liabilities!!!  
by last sworn statement. ....\$495,833 00  
Directors liabilities, \$10,143.00 !!!

## Capital Account.

Subscribed capital..... 500,000 00  
Paid up.....\$456,510 00

The following statement is now offered to the public:

Assets.	
Cash, specie, cheques and notes of other banks.....	\$ 14,260 00
Balance due by other banks.....	3,340 00
Bills discounted current.....	453,029 00
Bills past due.....	186,694 00
Overdrawn current accounts.....	30,625 00
Rents past due.....	895 00
	\$688,843 00

## Liabilities.

Notes in circulation.....\$126,462  
Deposits, current accounts. 92,421  
Savings Department..... 136,823  
Balances due other banks... 3,741

\$359,447

## Capital Account.

Capital stock paid up.....\$ 456,510  
Less stock assumed by the Bank in payment of past due debts..... 47,571

Capital stock.....\$408,939

on which dividend fails to be paid.

These figures are given over the signature of Mr. W. Dunn without one word of explanation as to the nature and present status of the different assets, or to what extent they may be considered good, or become available to meet the liabilities of the Bank. There is nothing so simple as stringing a lot of figures together as they appear on the books, and by including items that should not be noticed as realizable assets, and making no deduction whatever for bad debts that have been made on overdue notes and overdrawn accounts, and no allowance for loss certain to arise from the collection of the large amount of \$453,029 Bills discounted and current, covering perhaps more paper of questionable value than any other similar amount of Bills taken indiscriminately from any other Bank in the city, we say there is nothing so simple as the production of a statement very *promising* in its appearance and warranting a report based thereon quite complimentary to the board of directors; but if these gentlemen imagine that such statements can for a moment lead any sensible business man astray they are very much mistaken. What the shareholders want, and an uncompromising public sternly demands today, is the production of an honest statement of affairs showing the actual position of the Bank, after making due allowance for all losses and contingencies that have arisen or may arise, and when the absolute deficit is ascertained it must be intelligently accounted for or the gentlemen responsible for the management of the Bank shall take the consequences of their acts.

No more trifling, gentlemen, but *face the music*. If the time or tune does not suit you, do not forget that the *instrument* is of your own manufacture, and charmed you exceedingly as the work progressed.

In the meantime it might not be amiss to make an approximate estimate of the actual state of affairs from the statement made public. We shall give Mr. Dunn credit for accuracy in the figures he furnishes, and proceed to value them as we might do if we contemplated ascertaining our own liability as shareholders.

## Approximate Estimate.

Assets.	
Cash, specie, cheques and notes of other banks.....	14,260 00
Balances due by other banks.....	3,340 00
Bills discounted current and past due.....	186,694 00
Less allowance for bad debts and other contingencies 75 per cent.....	140,020 00
	\$46,674 00
Overdrawn current accounts.....	30,625 00
Deduct 50 per cent. for losses .....	15,312 00
	15,313 00
Rents past due.....	895 00
Bills discounted and current.....	453,029 00
Allowance for losses, &c., &c., 33½ per cent .....	151,009 00
	302,020 00
Estimated total assets.....	382,502 00
To meet liabilities so far ascertained .....	359,447 00
Balance on hand of.....	23,055 00
To reimburse stockholders having claims to extent of.....	498,939 00
Estimated loss to shareholders.....	\$385,884 00

This is a very serious state of affairs to ponder over, and when it is borne in mind, that in all probability, owing to the *peculiar character*, of a great deal of the paper discounted by the manager, a lower estimate of the possible loss is made than may eventually occur, the shareholders can hardly expect to save anything from the wreck of the Mechanics' Bank, at least this is our opinion, based on facts that have come to our knowledge, and we are not likely to change it after perusing the statement of affairs published.

## CANAL ENLARGEMENT.

No greater tribute could be paid to the wisdom of Canadian legislation on this subject than is contained in the article copied from the *Chicago Tribune* which appears in our present issue. It will be seen that the most effective measures have been taken to secure the completion of the work necessitated by the enlargement of the Welland Canal in the most substantial manner, well calculated to secure the vast carrying trade of the Great West that seems to be increasing in a ratio likely to tax to its utmost capacity this great National work when completed. It is a matter of congratulation that no local jealousies have arisen in the neighborhood of this work to interfere with the execution of the plan adopted by the Government in all its magnificence, but if we are to have the full benefit of our great natural advantages, and of the immense outlay the enlargement of the Lachine Canal must be on a scale proportionate to that