

BRYCE, McMURRICH

& Co.,

IMPORTERS AND WHOLESALE

DRY GOODS

Merchants.

WAREHOUSE

34 YONGE ST., TORONTO.

**THE MONETARY TIMES,
AND TRADE REVIEW.**

TORONTO, CAN., FRIDAY SEPT. 24, 1875.

BANK REVIEW.

In the absence of authentic statistics such as civilized countries now all but universally compile by their officials as to their harvests and food requirements, we fall back upon the general impression which prevails on these matters in relation to the crops just gathered here, and probabilities of their value. That is, that the yield will be found above the average, and in the case of barley very large, the quality more varied than last year, some being very fine, some fair, and some dark and inferior. Barley is the first to move off, the demand being good from the United States both in East and West at prices ranging from 70 to 95 cents at present; though the article is always exposed to great fluctuations. It is now being brought to market in considerable quantities, and there is every prospect of large amounts of money being received by the country in exchange for this great staple. In the course of a few weeks this will probably affect the general money market to some extent. But as we pointed out, money is not so particularly scarce at present. Those who are carrying on legitimate business in a business-like manner find no difficulty in procuring facilities for it. The rate is somewhat higher than the average, but money can be had when it is wanted.

Wheat has not yet commenced to move in quantity, but will meet a good market, and we trust that every facility will be given by the Banks for an early realization of this crop. The delay indulged in last year produced considerable mischief, and was found

to be a serious economic mistake by the holder. The Banks are now brought so directly into communication with the farmers by their branches that they can exercise no little influence over them, and they would do well to direct the attention of Agents to this question of holding grain over so that the country may be protected from a repetition of the folly of last year. Had we statistics prepared they would at a glance dispel the illusion from which this grain hoarding arises. The notion that such holding back will drive up the price could not be cherished were our wheat growers made aware of the utter inadequacy of the Canadian crop to affect the great market of the world which controls the price of their grain. The accepted estimate of the requirement for England this year is eleven million quarters, or nearly ninety million bushels, but we must remember that last year this amount was taken although last year's deficiency was calculated at only half that volume. Prices may probably fluctuate a good deal, as it is clear that the high price of wheat will tend to a very unusual demand for bread. But wheat is a good price now, and holders who are wise will take it.

The lumber trade is still much depressed. The reaction from several years of high prices seems likely to be protracted equally long, and the longer it continues the more is evident how forced and visionary were the stimuli which drove up this trade to such proportions so swiftly. In Quebec timber is moving slowly, but still moving. Several large lots have been sold recently which have been hanging in the market for a long time. They have gone at prices which do not cover cost of production, and so leave their late holders not only without the profits of the business they represent, but minus also the expenses incident upon carrying stocks, and more still, not paying outlay of manufacture. This trade has furnished already an illustration to the chief authority on political economy of the law that excessive profits are always attended by proportionate risks and drawbacks, but the force of his demonstration is weak compared to that which the experience of the last year has given to many who fancied this trade to be a short road to wealth.

The following is the last official return for the banks of Ontario and Quebec compared with the same date last year:—

	Aug. 31st, '75.	Aug. 31st, '74
Capital authorized..	\$467,66,666	\$65,366,666
Capital paid up	60,412,050	56,471,202

Liabilities.

Circulation	\$18,869,023	\$23,744,825
Government deposits	12,195,000	12,218,555
Public deposits on demand	29,507,770	34,515,285

Public deposits at notice	24,941,920	26,660,782
Due other Banks in Canada	2,298,000	1,528,371
Due Banks not in Canada*	3,280,790	5,446,554
Sundries	55,842	117,320
	\$91,148,345	\$104,231,695

Assets.

Specie and Provincial Notes	\$13,250,950	\$15,407,997
Notes and Cheques of other Banks.....	3,685,166	6,368,244
Due from Banks in Canada	3,391,324	3,438,594
Due from Banks not in Canada.....	5,162,388	9,880,044
Available Assets	25,489,828	35,094,879
Government Stock ..	1,162,259	1,174,428
Loans to Government	62,450	23,617
Loans to Corporations	5,809,596	2,849,478
Discounts	130,470,050	131,394,050
Real Estate	903,647	496,921
Bank premises	2,684,792	2,498,043
Othes Assets.....	2,494,066	1,407,840
	\$169,076,688	\$174,939,256

These figures afford a very stern lesson to those who have been urging the inadequacy of banking capital to business needs, and pushing on new institutions to supply the defect. Here we have an increase of capital going on, while simultaneously there has occurred a contraction of business to a most serious extent. The circulation alone, if placed at the figure of last August, would have more than made up the provision of the enlarged capital. The total volume of current business, as indicated by these figures taking both totals, shows a fall from 278 to 260 millions. The decrease in deposits is seven millions, and discounts which have gone up year by year for five years, by such leaps and bounds, have decreased since last summer.

The suspension of the Mechanics' Bank is an event of little significance. Its operations were so little of the nature of banking as hardly to justify its being honoured by an obituary notice amongst defunct banks. While, therefore, we lament the trouble caused the depositors we gladly witness the removal of an institution from the business world which was of no service to it alive, and only is a reproach in its end. We commend the Molson's Bank directors very much for declining to take up this concern. Had the business and condition of the Mechanics been healthy, no such absorption would have been desired, and being far otherwise it is better for a sound bank to keep clear of the troubles incident upon winding up such a business, and wise to avoid the possible scandal of amalgamation with so inferior a concern.

*Deducting the capital of Bank B. N. A. from last year's figures.