

of body also. It shall be our object, as it has heretofore been, to endeavor to do justice and in exercising the prerogative of criticism we deprecate the imputation for improper motives until we have shewn ourselves recreant.

It is needless to say that our ideal of what a journal such as ours should be, has not yet been reached; but while we fully appreciate our distance from the proper standard, we are certain that every effort will be made to increase the usefulness of the *MONETARY TIMES*, to surround ourselves with a staff of writers whose contributions will reflect credit on the journal and on the country, and to furnish such information as will be of service to the various interests we represent.

THE GORE BANK.

As was stated by Mr. Street at the late meeting of the shareholders of the Gore Bank, the practical question is, what is to be done with the institution. It is claimed that seventy-two and a half per cent. of the capital is intact. This estimate leaves \$586,710 available for future use. The liability to the public is:

Circulation	\$201,512
Due to Banks	26,295
Deposits	268,666

\$496,473

To meet this the bank has

Coin and Prov. Notes	\$192,350
Real Estate	82,007
Government Securities	82,733
Notes of other banks	17,608
Due from other banks	80,959
Notes and Bills Discounted	730,013
Other Debts	195,509

\$1,381,179

Of the value of this the following approximate estimate may be made, making allowances for contingencies:

Coin, &c.	\$192,350
Real Estate	52,000
Government Securities	82,733
Other Banks	17,608
Due from Banks	60,959

\$405,650

We presume that the balances due from banks include the Bank of Upper Canada debt, and if such is the case the estimate we have given is near the truth. Of the \$192,350 of coin and Provincial notes, we imagine that the largest part is Provincial notes which Mr. King doubtless insisted upon being held by the bank. However, after making every allowance and taking things at their worst, the bank has enough to pay all sums due to the public less \$100,000, and still have \$730,013 of notes and bills to the good.

Such being the state of the bank's affairs, it is natural to enquire what course should be pursued. It is proposed that the shareholders shall wait without dividends until sufficient is earned to replace the capital that has been lost. Another suggestion is that permission should be obtained from the Legislature to reduce the capital. The other alternatives are amalgamation or liquidation. But as amalgamation seems to have met with no advocates, it may be taken for granted that it is out of the question.

The bank has undoubtedly suffered by the withdrawal of public confidence. A comparative statement of deposits and circulation of 30th June, 1867, and of the same date in 1868, shows a decrease in deposits of \$761,000 and in circulation of \$335,000—total \$1,096,000. On that confidence rested the deposit account and the circulation. Any calculation of future profits must be toned by the knowledge that two important sources of profit are well nigh closed, and competition has to be expected with institutions in the full enjoyment of both. Small means imply small accounts and small profits. But the shareholders are for the most part individuals whose influence and wealth would tell greatly in favour of any institution which they chose to do business with. If they all determine to stand by the bank, and a thorough investigation, such as is now contemplated, reveals nothing worse than what is known, public confidence might be again commanded. The Bank of Montreal at one time was in as bad a position as that which the Gore Bank now occupies, yet it has become the largest and wealthiest bank in the country. The gross profit for the year ended June 30, 1868, is placed at \$71,265. If such a profit was realized during a time of more than ordinary anxiety and trouble, when confidence in the bank was well nigh carried away in a panic, when every bank suffered to a greater or less extent from "runs," when bill holders were frightened and shareholders themselves grew timid, when ignorance prevailed regarding the bank's true position and the worst, of course, was imagined, it is not unreasonable to expect a greater degree of success in a state of circumstances infinitely more satisfactory. There is about \$600,000 to work with, and the double liability of shareholders to fall back upon.

The fall in the market price of the stock can be easily understood. A local bank in a small city will always have trouble with its stock. A few thousand dollars worth of shares put on the market is not readily absorbed. It may not be sold from any desire to get rid of the stock, but rather on account of a necessity to use the proceeds. It

will be found, we think, that the first noticeable decline in stock was occasioned by a few shareholders selling out, not through fear, but to procure funds for use elsewhere. When shares do not float lightly in Hamilton it cannot be expected that they will do so elsewhere and a fall is the consequence. We are inclined to think therefore, that if continuance in business be determined on, it would be well to bring the head office to Toronto—a central locality—establish a branch in Montreal and keep an agency in Hamilton. A reduction in capital would then be advisable, as it is a poor business keeping afloat an institution without dividends. There are two great centres of business in the provinces, Toronto and Montreal, and the best prospect is afforded to the Gore bank by migrating to Toronto.

There is no necessity for going into liquidation. The rejection of Mr. Street and others who are largely interested in the bank and whose assistance is invaluable, we conceive was unwise. It is said that the present Board advocate a winding up. Were the bank's doors closed to-morrow and the process of realization commenced it would take a length of time to complete the work and the expense incurred would necessarily be heavy, but not more so than it is at present to keep the institution open.

The circulation and deposits would at once commence to carry six per cent interest, and this, under present circumstances, would perhaps involve an expenditure of, say \$10,000 for the first year. Then a forced realization of the notes and bills would certainly cause a heavy loss, say from ten to twenty per cent. If liquidation be determined on it might be just as well to let the business go on, due caution being exercised and at the same time realization might continue in progress. If, at the end of a certain time, public confidence were not restored and success seemed distant, the whole business could be closed up at once. For these reasons we are inclined to agree with the late President, that business should be continued and a bold effort made to regain public favor. It is a pity to throw away a business, be it small or great, which it has taken long years to secure, to lose the money paid away to obtain a charter and to sacrifice an investment when the chances are rather in favor of than against improvement and the institution is perfectly solvent. As we take it, Hamilton is deeply interested in the existence of its only local bank; its fall will be a loss of prestige which an ambitious city cannot safely stand. Much depends however, on the report of the Committee of investigation. Unless a full enquiry be made and a trustworthy report