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The Office of the MONETARY TIMES has been removed to the next office north of the one previously occupied. Our location is now No. 64 Church Street.

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

TORONTO, CAN. FRIDAY, NOV. 29, 1872.

## BANKING REVIEW.

The ease which was manifest in money earlier in this month, after a prolonged strain extending more or less through the Summer, is again giving way and a certain degree of tightness prevails. The movement of the crops weakened the stringency, but this has not provided sufficient strength to counteract the influence of the English money market, which has been so long unsettled by the operations arising from the payment of the indemnity by France to Germany. Recently there have been heavy drafts upon the gold reserves of the Bank of England; sufficient indeed, to induce shipments of specie from New York in preference to bills or securities. The action of the German Government in retaining so vast an amount of gold in its coffers is seriously deranging the course of European trade, and has also the effect of tightening the markets of this continent. It is known that some \$80,000,000 specie has been absorbed by Germany which is simply locked up. A great portion of this gold is in course of minting for the new currency, which in January next will become the legal tender of that Empire, and which once in

circulation will obey the law of supply and demand like any other negotiable valuables. The certainty of the reaction this large addition to the world's coinage will cause, and the precision with which it is thought possible to name the period at which it will occur, has caused considerable comment on the action of the Bank of England in raising its rate to so high a figure. But there is another element in the English financial situation, which is of itself sufficient to account for a rise in the price of money, viz., the very large deficiency in the harvest, which is in effect so much abstracted from the anticipated income of the country, so much withdrawn from the resources available for its trade to pay for food. The effect on us is that we realize more for our crops, but have somewhat less financial facilities and consequently a little dearer price to pay for them.

For the present, the movement of crops and lumber has well nigh ceased. The former will again be active as soon as the sleighing season sets in, but the movement of lumber to market, except in small quantities cannot be resumed till May. The want of railway and shipping accommodation has had much to do with the delay which will cause considerable losses in holding over. High prices however, still prevail in the leading markets of the United States. Every timber lot, especially where there is oak, is being bid for, and the owners of such property have had to exercise unusual diligence to prevent the land being stripped by trespassers, whose depredations, where they are not watched, are carried on as systematically as though they were legal. The price of timber will continue high, as the demand in the States is large with light stocks in Albany, and doubtless the requirements of Boston for rebuilding will have a marked effect upon this article.

We have before us a circular posted to merchants here from Shanghai, from which port in China we have now direct importations of tea. Apart from the interest which the opening up of a direct trade between the youngest of nations with the oldest excited, there is in this fact the indicator of great changes in the commercial position of this country. The mere change of market from England to China to which we resort for so large an item of imports, involves a considerable change in our financial relations with England. As we become more direct importers of Eastern produce there will come a great stimulus to such native productions as will be open for export in exchange, and the shipping necessary for this trade will, doubtless fall into the hands of our people and become a great source

of activity and profit for native enterprise. The following is the official return for October 31st:—

<i>Liabilities.</i>		Sept. 30.	Oct. 31.
Capital authorized...	\$53,316,666	\$53,316,666	
Do. paid up.....	44,157,690		45,003,435
Circulation .....	24,422,451		25,906,863
Govt. deposits on demand .....	4,567,281		3,663,302
Public do.....	29,000,706		28,949,947
Govt. depts. at notice .....	5,290,095		4,228,322
Public do.....	18,723,564		20,007,536
Due other Banks in Canada.....	945,795		970,868
Do. not in Canada.	3,594,114		2,510,844
Sundries.....	42,709		97,834
	86,286,715		86,335,516
<i>Assets.</i>			
Specie .....	6,601,380		6,593,990
Provincial notes....	6,271,684		6,853,581
Notes, &c., of other Banks .....	3,876,895		3,736,042
Due from other banks in Canada.....	1,575,803		1,599,010
Do. not in Canada.	9,715,939		9,869,402
Total available assets .....	28,041,701		28,662,115
Government stock...	1,352,035		1,347,169
Loans to Government .....	557,238		508,252
Do. Corporations.	2,319,082		2,415,216
Discounts includes over-due notes....	107,262,716		107,461,045
Real estate .....	703,784		701,825
Bank premises.....	1,885,690		1,905,874
Sundries .....	1,774,406		1,644,846
	143,836,652		144,646,342

The changes in the Bank figures during October are of little significance. An increase of one and half millions in circulation arises from the aid given in moving crops and doubtless the additional quarter of a million of discounts arises from the same source.

A sharp attack has been made by a writer in the Montreal Gazette upon the Bank of British North America, for having lessened its loans by \$1,000,000 between 31st July and 31st October, while its deposits increased about one-fifth that sum. It is charged that this operation was effected in order to add to the power of the bank in New York, its Canadian customers being victimized to favor this object. Such a charge is pure guessing and mischievous. Considering the rate at which speculation was being carried on in this country and the prevalence of over trading, the vigorous restrictive policy of this bank is not a just cause of complaint, nor can it be shown to be opposed to Canadian interests. The recent failures in Montreal are significant enough of what an undue line of discounts leads to; a trader may be irritated and disappointed by being denied all the accommodation he requires, but there it ends; while it is a sure way to ruin to grant a man facilities for doing a business in excess of his capacity and disproportioned to the