

BRYCE, McMURRICH & CO.

34 YONGE STREET.

CIRCULAR.

TORONTO, June, 1871.

Having completed the bulk of our purchases of Canadian Manufactured Goods, for the Fall Trade, embracing several large lines, of

TWEEDS

of various grades,

ETTOFFES, FRIEZES, CHAMBLY FLANNELS,

RUBBED SHIRTS AND PANTS, HAND LOOM MADE DO.,

HOSIERY, JACKETS, SCARFS, SASHES, YARN, &c.

We beg to advise you that our representative will wait on you shortly with a full set of Samples, when we shall be glad to receive your orders, which shall have our best attention.

Yours respectfully,

BRYCE, McMURRICH & CO.

IN STOCK.—Dundas Manufactures in Domestic, Cotton Yarn and Bags.

Office—34 Yonge Street, Toronto.

AND

WEST REGENT STREET, GLASGOW, SCOTLAND.
Toronto 32-ly

THE**Monetary and Commercial Times.**

WITH WHICH HAS BEEN INCORPORATED

THE MONTREAL TRADE REVIEW.

TORONTO, CAN., FRIDAY, JUNE 30, 1871.

BANKING AND COMMERCIAL REVIEW.

We hardly anticipated that the remonstrance we uttered in the last Review against the inflation of stocks through speculative "bulling" operations, would have been so quickly followed by the effect aimed at. The collapse was as sudden as that of a soap bubble on being touched; yet on this fragile structure many were hoping to float themselves to fortune, and on its continuance not a few have risked, not fortune only, but more, reputation and honor. Experience teaches best; and we doubt not that buyers of Montreal stock at 300, and others, have learnt a lesson for life. We knew that a very large amount of this and other stocks were placed in the hands of brokers for sale at a certain figure, quite enough to drown the market; and that of Montreal at 300. &c.; enough were on hand to absorb ten times the available funds in use for these speculations. We cannot permit this occasion to pass without protesting against the practice of Banks advancing funds on the security of their own stocks, or of others, unless for some sudden emergency strictly trading in character, and for a very brief period. To advance on its own stock is utterly vicious in principle, a stockholder is a partner, and has

no right to ask from the firm he is in for a loan of his share in the capital. In any private well conducted enterprise, a man would quickly be told that if he could not spare his contribution to the joint funds of the concern, he must sell out to some one who could, and in any Bank where there is the requisite intelligence for managing such institutions, a proposal for advance on stock held by the borrower would be met with the same answer, "sell out."

There have been occasions in which timid boards have sought to strengthen the market by keeping needy stockholders from selling, or by buying stock in themselves, but the policy is dangerous and futile. Such tampering soon becomes known, it is quickly judged to be a sign of weakness in the Bank and distrust of its prospects by the directors, and the invariable consequences are general suspicion, forced sales, and instances could be quoted in which this policy has been the ruin of the institution. It should be the policy of a Bank to strengthen its proprietary, to weed out, whenever possible, weak and merely speculative holders. The public notice the list of stock proprietors, and discern pretty shrewdly what its record and variations tell, and a systematic conservative policy, such as is here indicated, makes itself manifest in the growth of public confidence, and in that which justifies and sustains it, increased growth and stability.

In presenting the official bank return which follows, we have to express regret at the errors which are too frequent in the Gazette statistics. In the column "total liabilities" 31st May, the figures for Banque du Peuple are wrong by \$20,000; and in "total assets" the figures for Union Bank of L. C., are in excess \$27,000 of the correct ones. Yet the grand total is put as though these errors did not exist. Such errors having passed unnoticed through the audit office suggests a doubt as to the degree of confidence with which other statistics may be quoted beyond detection, by a careful observer, and we must ask Mr. Langton to see that these matters are more carefully revised for his own credit and for the protection of the press and public from error.

Official return, Banks, Ontario and Quebec, May 31st, 1871.

Capital authorized..... \$40,266,666
Capital paid up..... 22,554,073

LIABILITIES:

	May 31, '71.	April 30, '71.
Circulation.....	\$17,068,393	\$17,890,341
Due to other banks....	2,645,879	2,587,358
Deposits not bearing interest.....	17,045,415	16,095,643
Deposits bearing interest.....	34,943,453	34,716,312
Total liabilities.....	\$71,703,140	\$71,289,654

ASSETS.

	May 31, '71.	April 30, '71.
Specie.....	\$11,654,402	\$12,925,041
Landed or other property.....	1,692,563	1,683,229
Government securities....	4,240,600	4,274,663
Notes of other banks.....	3,218,395	2,689,414
Due from other banks.....	12,674,940	11,483,686
Notes discounted.....	77,660,119	76,849,621
Other debts.....	1,811,154	1,834,500
Total assets.....	\$112,952,178	\$111,749,159

CIRCULATION.

	May 31, '71.	April 30, '71.
Bank issues.....	\$17,068,400	\$17,890,300
Provincial notes.....	7,027,800	7,394,300
	\$24,096,200	\$25,284,600

The drain of gold still continues, the reserve being now \$5,200, and less than at corresponding date in 1870, or about 35 per cent. diminution, and is now lower than at any date since October, 1869. At that last date the circulation was ten and a half millions; specie held, eleven and a quarter millions, and in November 1869, the specie reserve exceeded the circulation by \$2,000,000. The extraordinary change in the financial state of the country is very strikingly shown by comparing this fact with the present proportion existing between Bank issues and specie on hand, the former being five and a half million in excess of the latter; that is specie has gone from 20 per cent. above circulation to 35 per cent. below it since the fall of 1869. The reports coming in from all parts of the country are favorable, grass is not very heavy generally, but a fair average, and the wheat, &c., is looking promising, so that we shall ere long, we trust, have something else to export for our creditors over the water than gold.

We gave some explanation in a previous issue of the mode of operating short loans in the New York market, by which the Bank of Montreal had made large profits. A strange development in connection with this business has come to light. Loans on the pledge of gold are thought to be secured by that gold being held, but on Monday, the 12th, a large bank was called upon by a firm of brokers to return them a heavy amount of gold which it held subject to delivery on demand. The bank lent out this gold for a charge of an eighth per cent., and was compelled to pay a half per cent. in order to produce the gold demanded. So the operation brought considerable loss and no small discredit. It would seem as though the dishonorable recklessness characterizing the cliques of gold speculators infected all who came into contact with them, and even the purest are defiled by the touch of pitch.