

yond the risks of insolvency. And it is to be expected that before facing this undesirable contingency, a Director will use every possible influence with the management of the Bank to obtain supplies of money.

As to the endorsement for others, the same rule undoubtedly applies that has been mentioned before, viz.: that fellow-directors or a manager may be more easily influenced to grant advances when vouched for by a Director than when guaranteed in another way.

The above are, I submit, very obvious considerations.

When, then, the amount of Directors' liabilities in a bank assumes such a portentous form as to amount to more than the whole paid-up capital, it is certainly a case for enquiry.

The Government not long since made enquiries that were universally regarded as unreasonable. Certainly no fault could be found if they enquired into such a remarkable state of affairs as this.

It is largely a question for stockholders, it would be pertinent for them to notice, when liabilities of directors assume unusual proportions what lines of business directors are carrying on, and whether they are likely in a legitimate manner to require much money themselves or to guarantee much for others. Abuses would soon be unearthed, if publicity and enquiry were freely used for their legitimate ends. The case to which attention has been called seems to suggest the desirableness of reviving the former method of limiting these liabilities by Act of Parliament.

Your obdt. servant,  
A BANK SHAREHOLDER.

—The call made by the management of the Bank of Hamilton of the subscribed capital of 10 per cent., is made, doubtless, for the purpose of keeping its circulation within the prescribed limits of the law, and at the same time increasing its earning power.

#### CUSTOMS AND EXCISE RETURNS.

	Oct. '82	Oct. '81	Inc. or Dec
Montreal customs...	\$656,436	\$628,357	28,079 I
" excise .....	155,281	132,938	22,343 I
Toronto customs...	273,746	252,893	20,853 I
" excise .....	82,101	77,367	4,734 I
Hamilton customs...	2,771	81,371	1,400 I
" excise .....	31,488	27,735	3,753 I
Halifax customs...	113,874	121,591	7,717 D
" excise .....	22,420	21,959	461 I
St. John customs...	106,088	105,073	1,015 I
" excise .....	31,193	27,960	3,233 I
London customs...	38,824	35,079	3,745 I
" excise .....	26,238	23,599	2,639 I
Kingston customs...	22,111	16,680	5,431 I
" excise .....	.....	.....	.....
Belleville customs...	.....	.....	.....
" excise .....	8,505	9,283	781 D
Guelph customs...	6,411	4,486	1,925 I
" excise .....	.....	.....	.....
Brantford customs...	.....	.....	.....
" excise .....	.....	.....	.....
Ottawa customs...	28,428	18,420	10,008 I
" excise .....	.....	.....	.....
St. Catharines cust'ms	.....	.....	.....
" excise .....	.....	.....	.....
Winnipeg customs...	.....	.....	.....
" excise .....	.....	.....	.....
Victoria customs...	.....	.....	.....

—The Edison Electric Light Company held its annual meeting of the stockholders in New York, on the 24th ult., when the following Board of Directors was elected to serve for the ensuing year: Norvin Green, S. P. Eaton, G. P. Lowrey, Thomas A. Edison, E. P. Fabbri, Henry Villard, James H. Banker, Calvin Goddard, Edward D. Adams, Frederick W. Foote, Jose F. de Navarro, Edward H. Johnston, and William H. Meadowcroft.

#### BANKS, BANKING AND STOCK GAMBLING.

To the Editor of The Monetary Times:

SIR,—It has given me more than ordinary pleasure to read the several articles contained in your issues of 20th and 27th inst., on financial questions of vital importance. The handling of the subjects referred to evinces a bold and fearless expression of sound views which I sincerely trust your paper will continue to advocate.

The "Banking Review" as contained in your issue of the 20th exposes a state of affairs which must be startling to all, but particularly to those who are not in the habit of watching the monthly statements: and there is no use denying that the Banks have extended their credits to the "utmost farthing"—those who are mixing in financial circles frequently hear of this and the other Cashier or Manager being "at his wits' end" what to do; and why? simply because "credit" seems to have been inexhaustible, but like everything else the people now find it has an end, even if long deferred. It is beyond all doubt that the dispensing of credit within proper limits is an absolute necessity, it is equally certain that in transgressing these limits, credit becomes a positive calamity. Surely the Banks have had warnings enough, and severe ones at that; even within the past few months failures of respectable houses with large liabilities, should act as storm signals, warning the over sanguine and heedless financier of impending danger.

As to "Stock Gambling" I cannot find words sufficiently strong to condemn it; it seems to pervade all classes from the highest to the lowest in all grades of our Merchant and Banking circles. The Loans made "on margin" now amount to such an exceedingly large sum that I question very much if the banks dare generally "call" their stock loans. Of course isolated calls may be made successfully, although it is very probable any one institution calling in a fairly large amount, would seriously depreciate values, and it is all nonsense to suppose the banks could call their loans generally, if they did they would simply "knock the bottom out of" the very securities they hold and ruin those who have borrowed from them—I point out this phase of the question because some institutions, when taxed with making these loans, are apt to claim that they find it well to have a considerable amount "on call" (mostly, if not altogether loans "on margin") leading one to believe it can be had under any circumstances. Whereas I question if you can now find one cashier to come forward and boldly say that the bank could call their loans and get their money without creating a panic ending in most disastrous results to borrower and lender alike.

And finally, it is really alarming to find how many men of moderate means, nay, even on moderate salaries are engaged in this "gambling on margin." I leave out of question altogether the wealthy men who have the right, if they wish, to risk their money, dealing only with those whose means do not warrant it or even if they do, whose position of trust forbids the example to their subordinates. Is it reasonable to suppose that if the head of a mercantile house, or the cashier of a bank gambles on the Stock Exchange, his employees will desist? The influence is not often resisted and these examples are very frequently the primary cause of dreadful disasters. I state unhesitatingly and boldly that there are many cases of this kind going on now, nay, even men in high positions of trust openly speculating on margin, with the knowledge of their directors, while it is stated by some that they seek to control the stock of the institution they manage. Astonishment increases when it is known that such men enjoy very large salaries upon which they could not only live well, but save a handsome amount annually.

Thanking you for the space in your valuable columns,

I am sir your obdt. servt.,  
R.—

Ontario, Oct. 1882.

—The News and Stock Telegraph Co. of New York was incorporated at Albany last week, with a capital of \$600,000, and with the privilege of increasing it to \$2,000,000. The line is to run through the United States, Canada and Mexico.

—It is stated that prominent holders of stock of the Mutual Union Telegraph, have placed a majority of shares of the company in trust for five years to prevent the possibility of control by the Western Union Telegraph Company.

#### THE CREDIT SYSTEM.

That a man's worst enemy may be the man who is readiest to grant him favors sounds paradoxical, but nevertheless it is often true. Of its truth no better example need be looked for than in the case of individuals or firms who allow themselves to be cajoled into accepting more credit, in the way of purchases, than is good for them. Nor need anything in this view militate against the wisdom or expediency of using a moderate credit in a moderate way; but the difficulty is, mere character is often given too much weight in establishing credit. That a man, whose character for uprightness indicates him as a man who can be trusted in a monetary way, is a better or safer debtor than one of the different class, no one will dispute. But uprightness of character alone will not make two dollars of assets pay three dollars of debts. And the man or firm who leaves the uncertainties of life and the fallibilities of judgment out of the account in making debts, too often comes to a realizing sense of the impossibility of just that thing.

In the old days, before railroads were introduced, before the telegraph or telephone was thought of, when daily papers were few or feeble, and when the machinery of exchange, as well as the machinery of thought, existed in an embryo condition or not at all, credit within certain limits was in great measure a necessity. Many a man of good character, good ability and sound judgment was, in those days, by the wise use of credit, enabled to establish business, which would have been impossible upon his own unaided means, and many are still doing it. But the changed conditions under which we live too often render such aid more grateful to the imagination than healthy for the purse.—*American Machinist.*

#### STOCKS IN MONTREAL.

MONTREAL, Nov. 1st, 1882.

STOCKS.	Lowest Point in Week.	Highest Point in Week.	Total Transac'n in Week.	Buyers.	Sellers.	Average Price, like Date 1881.
Montreal .....	205½	209½	2360	205½	206½	.....
" x.d. ....	202½	206½	2985	203	203½	.....
Ontario .....	125½	128½	347	126½	127½	59
People's .....	86	148	85	87	87	.....
Molson's .....	128½	126	128½	129	129	.....
Toronto .....	178½	181½	1051	180	180½	.....
Jac. Cartier .....	119	120	610	120	120½	.....
Merchants .....	127½	131	453	128½	129	127½
Commerce .....	136	140	3407	137	137½	10½
Eastern Trs .....	.....	.....	.....	.....	.....	.....
Union .....	.....	.....	.....	.....	.....	.....
Hamilton .....	.....	.....	.....	.....	.....	.....
Exchange .....	.....	.....	.....	.....	.....	.....
Mon. Tel. ....	127½	130	2575	128	128½	126½
Dom. Tel. ....	.....	.....	.....	.....	.....	.....
Rich. & O. ....	74½	75½	1615	75	75½	44
City Pass x.d. ....	125½	132½	4685	127	128½	.....
Gas .....	185½	188½	4342	187½	187½	142½
R. C. Ins. Co. ....	.....	.....	.....	.....	.....	.....
Mchts. x.d. ....	126	127	725	126	127	.....

#### ENGLISH MARKETS.

The market for breadstuffs continues to show a declining tendency, the quotations for red winter wheat showed a fall of 6d. on the week, according to the Mark Lane Express of 29th ult., while California was 9d. easier. Flour also was weaker. Beerbohm's cable of 1st. inst. calls wheat slow, and cargoes especially quiet; red winter off coast 43s. Maize firm, with none offering; fair average mixed American 29s. 6d. to 30s. Liverpool advices of yesterday were that prices at noon were as under: Flour, 10 to 12s.; Spring wheat, 8s. 4d. to 8s. 10d.; red winter, 8s. 2d. to 8s. 6d.; white, 8s. 9d. to 9s. 1d.; club, 9s. 0d. to 9s. 5d.; corn, 7s. 6d.; oats, 5s. 6d.; barley, 5s. 6d.; peas, 7s. 4d.; pork, 102s.; lard, 62s. 0d.; bacon, none on market; tallow, 44s. 9d.; cheese 59s. 6d. Cotton easier; Uplands 62½d.; Orleans, 62½d.; futures dull; November 6½d.

#### MONTREAL MARKETS.

MONTREAL, 1st November, 1882.

There appears to be a general feeling that importations have been heavier this year than the wants of trade would justify, and the banks are now issuing words of warning. The fact of the large surplus of about \$15,000,000 in the Ottawa treasury speaks for itself, and shows that duties have been paid to a much larger extent than was