

pletely destroy the system." This is based on the fact that in 1890 there were 3,540 National banks with a capital of \$650,000,000, giving a right of issue of \$585,000,000 notes with an actual issue only of \$123,000,000. In 1881 there were 2,132 National banks whose capital was \$464,000,000, but with \$320,000,000 notes issued. Thus in nine years the banks approximately doubled in number and capital increased about 50 per cent., but the issue decreased \$197,000,000! Legislation, therefore, cannot be long delayed. It only remains to the writer to raise some points of thought as to how such a Bank Act as the Canadian would apply to the United States. These 3,540 National banks would seek incorporation as joint stock companies—their capital would accordingly command an issue of \$650,000,000. But the feature of our joint stock bank here, as in England, is the wide spread of its proprietary, and that the parent bank has often a wide spread family of branches, contributing to or feeding from it, thus distributing the surplus capital of one spot to another, and equalising rates. True, one millionaire president of a National bank may be better than the host of small proprietors. But that is not the spirit or the genius of a joint stock bank system, such as those in this country and England, having the unlimited confidence of the country. The quiet growth of a branch system would be supplanted by chief banks at every point, and so the spirit of the joint stock banking hardly get root under such violent transition from National banks to the chartered of Canada and the incorporated of England; the distribution of capital so beneficial in the branch system would not obtain. Again this vast possible issue would disorganize to a fearful extent for the moment. The fiduciaries of the Treasury would doubtless flow in, and a wild mania for new banks set in. If limitation to allow some gradual output of issue could be devised, it might be well, but a mere change from National banks to chartered would continue the centralization and localization of capital as before, and a great benefit of our system be lost.

How then can this Canadian system, giving safety, elasticity, convertibility and exchangeability, be applied to that vast area of the United States, covering so many varying elements of trade and exchange—what modifications and adaptations does it admit of? As to methods of State inspections and reserves, we have seen that we have none of them, nor in England, where the experienced men of the several banks, as inspectors, challenge the management and keep the business straight.

Amidst the many proposals for correcting the currency, anything like the old State bank system is repugnant to the people. Land banks, Scotch system, Canadian system, Free Silver Coinage are before us, and many others to come. Mr. Cornwell says, referring to the shrinking proportions of the National banks, "We have left a splendid organization, under efficient control, ready for a new system"—that system which must embrace the varied interests of the great United States! What shall the new system be?  
BANKER.

—The Bank of Ottawa, whose business has developed so successfully under the management of Mr. George Burn, is contemplating further extension, and will, in the course of a week or two, we are told, open a branch at Hawkesbury, Ont. This place has been heretofore lacking in banking facilities, and being now the terminal point of the Central Counties Railway, and a lumber centre, as well as being the market for a well-to-do farming country, affords quite a promising field.

## DECISIONS IN COMMERCIAL LAW.

**BAILEY V. OCEAN MUTUAL MARINE INSURANCE COMPANY.**—An application for insurance on a vessel in a foreign port in answer to the questions: Where is the vessel? When to sail? contained the following: "Was at Buenos Ayres or near port 3rd February, bound up river; would tow up and back." The vessel was damaged in coming down the river not in tow. On the trial of an action on the policy it was admitted that towing up and down the river was a matter material to the risk.

Held by the Supreme Court of Canada that the words "would tow up and back" in the application, did not express a mere expectation or belief on the part of the assured, but amounted to a promissory representation that the vessel would be towed up and down, and this representation not having been carried out, the policy was void.

**ALEXANDER V. NORDHEIMER.**—Where a fire destroyed the defendant's house, leaving one of the walls standing in a dangerous condition, and the defendant, knowing the fact, neglected to secure or support the wall or take it down, and some days after the fire it was blown down by a high wind and damaged the plaintiff's house;

Held by the Supreme Court of Canada that the defendant could not shield himself under the plea of *vis major*, and was liable for the damages caused.

**FLETCHER V. EXCHANGE BANK OF CANADA.**—The Exchange Bank in advancing money to F. on the security of Merchants' Bank shares, caused the shares to be assigned to their managing director, and an entry to be made in their books that the managing director held the shares in question on behalf of the bank as security for the loan. The bank subsequently credited F. with the dividends accruing thereon. Later on the managing director pledged these shares to another bank for his own personal debt and absconded.

Held by the Supreme Court of Canada, that upon re-payment by F. of the loan made to him, the Exchange Bank was bound to return the shares or pay their value. The prohibition to advance upon security of shares of another bank contained in the amendment to the general Banking Act, applies to the bank and not to the borrower.

## A WORD FOR STORE CLERKS.

"I should like to see some silk gloves," said a lady to a saleswoman in a large King street store the other day.

"Well, we haven't any under 75 cents," came the response.

"You have not been asked anything about prices yet," was the lady's prompt rebuke.

This sort of smartness in trying to "size up," so to speak, the purchasing power of a customer, is by no means uncommon with certain clerks, and there are stores to which many persons will only go as a last resort simply because of the misdirected shrewdness—amongst other unpleasant traits—on the part of those behind the counter. Sales-people should realize that the reputation of employers lies, in a great measure, in their keeping. It is not the quality of the goods, nor their price, nor the social standing of the proprietor, that alone can retain the patronage of an establishment, be it great or small. Impolite and inattentive servants will seriously handicap the most favorable conditions under which a merchant

caters for trade. We say this not unmindful of the trials of those who have frequently to bear the "whips and scorns" of supercilious buyers who think little, and care less, for the severe strain they put upon the patience of the seller.

Experienced sales-men and sales-women acknowledge, however, that their best effort, while lost on some, is repaid in the end. "You can't tell," said one, "when you may be entertaining an angel unawares. You may never again see the purchaser whose ten cents has just been whirled away in the cash-basket to the desk. You never know. But it's pleasant to think, as is often the case, that even so insignificant a purchase was the beginning of many a good bill thereafter. And when your counter is sought for at each visit, the feeling, I think, is pardonable that you are playing no unimportant part in keeping that custom. This is one of the gratifying features of store life. It helps take the edge off much that is uncongenial."

## WORTHY OF IMITATION.

Misfortune often comes to a business man at a time when least expected, but there are those who make failure a stepping-stone to success, who preserve their integrity despite the most unfavorable circumstances. The San Francisco *Grocer* does not, however, find a record of business integrity like that mentioned by a Syracuse journal. In 1848 Mr. N. Peters came to that city. At first he worked as a drayman. In 1856 he started a small store, the trade of which grew, until in 1875 it stood second in the retail trade of Syracuse. During that year, owing to an epidemic which occurred in that portion of the city where he was located, his trade rapidly decreased from \$2,500 to \$150 a day, eventually causing him to fail. A settlement of 20 per cent. was effected. With nothing but his credit Mr. Peters started again as poor as he was twenty-five years before. For fifteen years he saved in order to cancel what he conceived to be a moral, though not a legal, indebtedness. Seventeen years rolled by, when his creditors were surprised to receive more than \$15,000, accompanied by a letter, the last paragraph of which indicates the character of the man:

"It would have greatly pleased me to have added the interest upon this sum, but I have now attained such an age, and my physical condition is such that I cannot, without injustice to others who have claims upon me, carry out this wish. It has been a long and tedious process which has enabled me, little by little, to do this act of justice, and I now enjoy the height of happiness in the consciousness that I have discharged in full every obligation, and that I 'owe not any man.'"

Instances like the above are deplorably infrequent in mercantile experience, and their occurrence should be placed on record.

## THE CENTRAL BANK LIQUIDATION.

Some time ago Mr. Henry Lye, one of the liquidators of the Central Bank, appealed against the decision of the Master-in-Ordinary as to the amount of remuneration to be allowed him for services in winding up the bank's affairs. The Chancellor holds that the liquidator acting under the advice of the court is a reason for getting the work done at the lowest possible rate, but at the same time has conceded to Mr. Lye a portion of the amount claimed. In fixing this he based the rate upon the lowest that was paid in the case of