

not invest in the stock of any commercial corporation, liable to the fluctuations of trade. The legislature, in 1883, passed a bill enlarging the catalogue of securities in which a savings bank could invest; but it met such a powerful opposition that the Governor declined to sanction it. Through the consent of the comptroller, the State Treasurer and the Governor were required to the investment in "other good securities," the Superintendent of banks took alarm at what he considered a dangerous provision. The representatives of savings banks holding \$448,988,148 resources, pronounced against the change, and less than \$8,000,000 in favor of it. At no period in the history of the savings banks of that State, have they been authorized to invest depositors' money even in bank stocks, except in 1827, and then the permission was not availed of. The Superintendent of the Banking Department, Willis S. Paine, recalls the fact. In 1827, "the legislature, with a spirit evincing more liberality than sense of security, authorized the Albany Savings Bank to invest its trust funds, in the stock of any of the banks of the cities of Albany and Troy. Here was a decided descent in the scale of security from the bonds of the United States or a particular State, to the stock of a banking corporation, liable to the vicissitudes of commercial pursuits. It was fortunate for the savings bank," he adds, "that its trustees did not take advantage of their enlarged powers, or the suspension or failure of some of the banks, in the stocks of which they were authorized to invest, would have led to serious results."

It is not yet known whether any of our savings banks have lost by their loans on bank stocks for gambling purposes. These cases are probably not all closed; but the prices of stocks to day compared with those at which the stocks were taken over, when margins fell out, would show how the transactions stand. If there be any stocks in this position, they ought to be sold out. Above all, the loaning of money for stock gambling purposes, by savings banks, ought to come to an end; if it be not voluntarily abandoned, as a dangerous policy, the legislature ought, next session, to interfere.

#### THE TEMPERANCE COLONIZATION SOCIETY.

Mr. J. A. Livingston is very anxious to have the public believe that the Inner Circle of Nine of the Temperance Colonization Society acted in perfect fairness to their fellow shareholders. To enable the public to form a correct judgment on this point, it ought to have all the facts placed before it. Mr. L. ought to have stated that, at the outset of the undertaking, nine subscribers put down their names for 250,000 acres of land at \$1.10 an acre; that they then "boomed" the scheme, and put themselves in a position to sell what they called second-thirds at \$3 an acre to other subscribers, their own partners; that so lustily and so successfully was the booming done, the Inner Circle of Nine was afterwards enabled to raise the price to \$5 an acre, the purchasers becoming partners of the original nine. Mr. Livingston might possibly have given some information as to how this

booming was done; he might have answered the question whether he, the manager of the company, bargained to get a commission on land sales, and whether that commission was to be ten per cent.; and if it was ten per cent., whether he thinks that figure a fair commission for the manager of the company to take, in addition to his salary. He might also have informed the public—and, for that matter, it might not be too late for him to do it yet—whether the partners who purchased at the high figures were informed and were aware that the Inner Circle of Nine had purchased at \$1.10 an acre. He might also tell, as a matter of necessary information, at what price the Inner Circle of Nine put in the land they had purchased, at this figure, when they exchanged it for stock; what advantage they reaped, or expected to reap, if any, at the expense of the other partners, who took land at \$3 and \$5 an acre. This philanthropic scheme cannot suffer from a little wholesome ventilation; and as Mr. Livingston has begun the work, there is no reason why he should not do it thoroughly.

Mr. J. A. Livingston has been lecturing on the disputed facts which arose in the case of Clark against the company. He contends, on the strength of a letter from Hon. D. L. Macpherson, acting Minister of the Interior, dated Ottawa, September 1, 1881, that the company had the right to sell the even-numbered sections. This letter was the first general reply to the application of the company for land, about the area of a degree of latitude; and it contains the expression of an opinion and a promise, both in general terms. The opinion was:—"That under clauses 14 and 15 of the Land Regulations, of which I enclose copies, the plans of the society may be carried into effect, or if that any of those regulations should have to be modified, the modifications will be so unimportant as to permit of its being made by the Governor-in-Council." The promise was that the Government would do what it could to meet the views of the promoters: "I can at all events assure you that the Government will be anxious to do all that can be consistently done to meet the wishes of the gentlemen on whose behalf you have communicated with me." There is no evidence as to what the bargain finally made was. What did the company itself say on this point, sixteen months, in an official report? It said it had only issued scrip for the odd-numbered sections, and that the other sections were subject to homesteading and pre-emption, but that, so successfully had the booming been done, "\$5,000,000 worth of land" had been subscribed for, and there was not enough to go round. Scrip had been issued and payment accepted for the odd-numbered sections only.

What was to be done? Deal with the even-numbered sections as if they belonged to the company—the pretence that they were their property was not yet set up—and get the money for them "all the same" as if they were the property of the company. That was the scheme. "A large number of our subscribers," the official report of the company said, "are consenting to settle on the even-numbered sections, and pay their subscriptions all the same, for the benefit of the colony in which they were mutually

interested." Then follows an explanation of what this meant: "That is to say, whatever their subscriptions may exceed the amount necessary to cover the expense to the Government for homesteading and pre-emption, is given for improvements in the colony, or for opening up more inaccessible and less inviting portions, so as to secure as complete and speedy settlement as possible, for the enhancement of the value of their own estates in such a community." That is, the settlers on the homestead and pre-emption lands would pay for them the same price that subscribers paid to the company. They would get, they were told, value for their money in the improvements that would be made. But this would not justify the sale by the company of the even-numbered sections, which, as its own report shows, were reserved for homesteading and pre-emption; the pretence of a right to sell then came later. The difference between the price at which the Inner Circle of Nine purchased and the price exacted from settlers was great enough to make a good many improvements.

Did the Inner Circle of Nine occupy no fiduciary relation towards their co-partners, out of whom they arranged to make princely profits? Were their partners aware that such profits were being made? If so, what was it, and can they justify their administration of the trust? In his next lecture Mr. Livingston would do well to address himself to these points. Now that he has entered on the task of explaining he ought to tell the whole story.

We must not be misunderstood. We do not believe that the men of the Inner Circle, taken as a whole, would deliberately agree to do a wrong. But they were eager to make money, and they allowed themselves to fall into a policy which it would be impossible to defend.

#### MODERN SHIPBUILDING.

It is a somewhat astonishing matter that, notwithstanding predictions in recent years that iron ships were being built too rapidly for the increase in ocean carrying trade, the tonnage of shipping built in the United Kingdom in 1883 was greater by from 90,000 to 500,000 tons than that of any one of four previous years. Thus, the tonnage of new shipping launched in Britain in 1880 was only 796,221 tons; the next year it had gone up to 1,013,028 tons, in 1882 to 1,240,824 tons, while last year it reached 1,329,604 tons, a steady and noteworthy ratio of growth. Of this total, ships to the tonnage of 1,116,555 tons, were constructed to Lloyd's survey in iron, steel and wood, respectively, as under:

Material.	No. Vessels.	Gross Tonnage.
Steel.....	109	166,428
Iron.....	644	933,744
Wood.....	95	16,533

From tables compiled by Mr. C. S. Jeans, secretary to Lloyds, we find that the gross tonnage of new shipping constructed to Lloyds' survey, in iron and steel respectively during each of the last four years was:—

Year.	Iron Vessels.	Tonnage.	Steel Vessels.	Tonnage.
1880	362	447,390	26	36,493
1881	461	659,153	37	71,533
1882	520	765,692	73	127,927
1883	644	933,744	109	166,428

From this it may be seen that the proportion of steel vessels built has increased