

extent of permitting the concern to buy real estate enough to put up a shop to do business in. We do not discover any penalties in the Act under which the manager can be punished for buying on credit. But we should think that if the section has not been complied with (17 in R.S.O. 1887), which prescribes that there shall be sent once a year to the Provincial Secretary "a general statement of the funds and effects," . . . and such information as may be requisite to show clearly the position of the association, something might be done. Yet, if the concern is in extremis now, as would appear, there would be poor satisfaction in pursuing anybody.

The pertinent fact to be kept in mind by merchants and manufacturers is that neither directors, manager, nor any one else connected with one of these co-operative associations can pledge its credit for anything more than the rent of the premises (or a purchase of land therefor on credit), and the salaries of its clerks and employees. It is ordered by law to buy for cash, and no person should offer it credit.

LOAN COMPANIES' CHARTERS.

Objections were raised by the Banking Committee of the House of Commons to certain provisions of the Central Canada Loan Company's bill, especially that which empowers the company to loan on, or invest in, debentures, bonds, stocks and other Government securities, in municipal debentures, bank stock or the stock of any incorporated company. The objections taken were, perhaps, not all based on the broadest ground which was available. In the infancy of charter granting, powers were scattered irregularly, but on the whole with a lavish hand. Things went wrong, and to prevent a recurrence of the wrong restrictions were imposed. When the privileges were valuable a price was put on them, and millions were paid for them by corporations both in England and the United States. But dissatisfaction with this system grew up, and general laws gradually took the place of special charters. These laws were framed for the security of the public and the protection of the stockholders. A special charter came, and properly, to be regarded as a special privilege to which no one was more entitled than another. Banks and loan companies came to be, saving some old charters, governed by common laws. Any deviation from these laws is jealously watched; by many such deviation is regarded as made in violation of a common right to which all or none are entitled. If one loan company received a legislative favor it could not, in reason or equity, be withheld from all others if they desired to obtain it.

It might, at first sight, appear difficult to show why a loan company should not be permitted to invest in Government or municipal securities. But there is this clear distinction between such companies and banks: the former lend on long terms, the latter on short. An investment in Government or municipal securities, intended to be for a long term, might encounter wide fluctuations in value. A recollection of what occurred in the American civil war will explain our meaning. A bank has the habit of divesting itself speedily of even Government securities, when they show a tendency to decline; the habit of the loan company might prevent equal promptitude on its part, though there is no necessary reason why it should do so. There do not appear to be any strong reasons why a loan company should not purchase Government securities, except that it could not make upon them more interest than it is obliged to pay. The investing in or abstaining from investing in such securities, even by a loan company, ought perhaps to be a matter of prudence. For the same

purpose, municipal debentures would have to be regarded with more caution, and selected with considerable discrimination.

But it would clearly not be desirable or safe to permit loan companies to invest in miscellaneous company stocks. The power to do so, if generally conceded, could scarcely fail to be abused; and if given to one loan company, it could not be withheld from others. It is easy to say that the selection might safely be left to directors, who are hard-headed, cautious men; but experience proves that, without the safeguard of inhibitory law, unsafe investments are certain to be made, where strong personal temptations come into play.

FINANCIAL REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of Mar., 1898. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, &c.

CANADIAN BANK STATEMENT.

LIABILITIES.		Mar., 1898.	Feb., 1898.
Capital authorized.....		\$74,258,684	\$74,258,684
Capital paid up.....		62,296,786	62,294,922
Reserve Funds.....		27,634,666	27,580,999
Notes in circulation.....		\$35,930,085	\$35,823,923
Dominion and Provincial Government deposits.....		6,016,429	6,819,130
Public deposits on demand.....		76,471,017	78,939,572
Public deposits after notice.....		140,525,489	140,799,375
Bank loans or deposits from other banks secured.....	
Bank loans or deposits from other banks unsecured.....		2,555,465	2,821,895
Due other banks in Canada in daily balances.....		162,669	185,007
Due other banks in foreign countries..		509,463	509,585
Due other banks in Great Britain.....		3,353,429	2,067,557
Other liabilities.....		529,332	731,345
Total liabilities.....		\$266,051,460	\$268,697,468
ASSETS.			
Specie.....		\$8,954,889	\$ 8,619,198
Dominion notes.....		14,566,151	14,873,224
Deposits to secure note circulation....		1,883,067	1,883,067
Notes and cheques of other banks.....		7,937,640	9,775,768
Loans to other banks secured.....	
Deposits made with other banks.....		3,433,965	3,918,650
Due from other banks in foreign countries.....		19,482,365	20,793,570
Due from other banks in Great Britain..		8,200,145	12,109,646
Dominion Govt. debentures or stock		4,890,232	4,800,686
Other securities.....		32,916,884	32,819,699
Call loans on bonds and stock.....		20,337,515	21,497,983
		\$112,602,853	\$131,091,491
Current loans and discounts.....		218,055,643	211,659,749
Loans to Dominion and Provincial Governments.....		1,377,698	1,264,404
Due from other banks in Canada in daily exchanges.....		201,057	319,781
Overdue debts.....		3,237,576	3,232,918
Real estate.....		2,143,340	2,153,466
Mortgages on real estate sold.....		690,444	581,283
Bank premises.....		5,684,498	5,751,886
Other assets.....		1,903,457	1,520,786
Total assets.....		\$355,876,759	\$357,575,974
Average amount of specie held during the month.....		8,926,759	8,618,517
Average Dominion notes held during the month.....		14,092,500	15,592,966
Greatest amount notes in circulation during month.....		36,939,264	36,099,032
Loans to directors or their firms.....		8,122,579	7,581,920

The inspector of the Canadian Fire Underwriters' Association, Mr. Robbins, has reported that the fire equipment of London demands a second main from the waterworks, and a salvage corps or chemical engine.