

manger disposition that makes a man come in and cut up profits for others where he cannot make decent profits for himself." We shall probably be safe in answering "Oxford's" question as that of Archbishop Whately was answered when, on one occasion, that logical dignitary was trying to learn a certain candidate's opinion as to the value of labor, in reference to demand and supply. Being baffled, the prelate put a question in this simple form: "If there were in your village two shoemakers with just sufficient employment to enable them to live tolerably, and no more, what would follow if a third shoemaker set up in the same village?" "What would follow, sir?" said the candidate; "why a fight, to be sure." But, to be serious, the competition in many country districts in Canada is keen, not only so, it is senseless and suicidal. A dealer will often pay prices for butter and eggs, for oats or pork, which are more than he can realize, simply to keep these from going to his rival's shop. Another who has bought a job lot of prints at 5½ cents *cash* as a great bargain, will pay freight and charges on these, and sell them *on credit* at 6 cents, and fancy himself making money as well as distancing his rival.

Profits, as old shopkeepers perceive and deplore, are smaller than they were. This was to be expected as the country developed. If the wants of the producers became greater and more varied, as they mostly do, year by year, and the profits of the supplier kept pace with the increased demand for his wares, he would make a rapid fortune. The advent of more shopkeepers regulates this by keeping down the profits; for as it is the manifest interest of the producer to get his supplies as cheaply as he can, he will not submit to the old rate of profit when he finds he can be honestly served for less money. The wants of the country are increasing, the number of producers and of customers for others' products increase; and there is a still larger extension of commercial exchanges. But it does not follow that commerce is ruined or fruitless because it is overdone as compared with former years. The possibility of making fortunes by trade without the experience or capacity for the vocation will, however, disappear. The weaker will inevitably go to the wall. But the capable merchant, who has not only learned the details of his business, but made a study of products and their markets, and who deals honestly and manages economically, will thrive even on small profits and in the midst of a rivalry that is excessive, for he will build for himself a reputation and a credit that will in the end defy senseless underselling, and rise superior to visionary speculation. Petty swindles upon

customers or a system of undercutting cannot thrive in the long run; and the merchant who does his business well, at living rates of profit, will secure the confidence of the people among whom he lives and sells not less than of the wholesale dealers from whom he buys.

Keen competition imposes upon the really competent shopkeeper, it is true, greater vigilance, greater economy, and a more careful study of the markets, even to obtain even a reduced rate of profit. Still, it is true in this as in other departments of life, that probity and sterling ability are bound to tell. And in a period of years the man who possesses these requisites of successful merchandising will generally be able to keep his head above water when the schemes and dodges of new fangled speculators will, with their authors, be whelmed in the waves of confusion and disaster. "Oxford" can find and take comfort from examples of this truth without going many miles from his own locality.

#### THE PROXY SYSTEM.

The system by which stockholders who are not able to attend the annual meetings of a company, can empower other persons to vote on their behalf, seems so natural and reasonable, at first sight, that it is difficult to imagine anything being said against it. Yet, as developed in practice, it has certainly led to a certain kind of abuse. It has, we think, to begin with, fostered that easy and listless habit which so generally prevails with shareholders when companies are doing well. Knowing that they can exercise their voting power without taking the trouble to be present, and there being apparently no special reason why they should put themselves out of the way to do so, they generally remain at home, and allow some half dozen people to transact the business in their name. The effect of this is not good, either for themselves, the Directors, or the company considered as a corporation. Directors, in the absence of the stimulus produced by the gatherings of a considerable number of interested stockholders, are apt to slip into an easy-going mode of administering affairs; and it is only when things have become so bad that the attention of the whole community is aroused, that stockholders think it necessary or desirable to appear in person.

The system, as it is worked in practice, moreover, has for some time past placed the election of Boards of Directors of nearly all large corporations in the hands of one prominent man, generally either the President or the Vice-President of the institu-

tion. The effect of this must be to detract from the independence of Directors, and to make them subservient to the person, whoever he may be, that carries the power of electing them in his pocket. This plan works smoothly enough so long as things are really and substantially prosperous. But a change would come over the spirit of the dream if serious reverses were to happen. There is, therefore, every inducement for persons having this controlling power, to keep up an appearance of prosperity, even when the reality has passed away. How this may operate when the same person exercises the all-important function of scrutinizing the assets of the bank, and declaring which are bad and which are doubtful, one can easily understand. When the very preservation of a man's place and power depends upon his making a fair show in an annual report, it may be understood how strong is the pressure to take a favorable view of matters respecting which doubt has arisen. Against this it is impossible entirely to guard under any system. It operates in all to some extent. But the proxy system undoubtedly intensifies the danger.

Without entirely abolishing the system, for it has its advantages, something might be done to lessen the evils that have gathered round it. In the charters of some of the banks of Great Britain, the voting is not given, as with us, in the ratio of one vote per share, but is distributed so that no person can have a preponderating vote. This is the plan, we believe, under which the election of the Directors of the Bank of British North America takes place. It might be provided, with us, that no person shall hold proxies for more than a certain number of shares. If to this are added provisions as to the voting power attaching to shares themselves, we think most of the evils complained of would be obviated. This would, at any rate, prevent any one man carrying in his pocket the whole governing power of the Bank, and appointing nominees of his own, under the name of an election, to sit with him round the Board. It would also bring about what is certainly most desirable, viz., a larger attendance of stockholders at the meetings of incorporated companies—banking and otherwise—and would ensure a more healthy personal attention to the affairs which so much interest them.

—An agreement was signed on last Wednesday afternoon, between the St. Lawrence Navigation Co. and the Richelieu & Ontario Navigation Co., so that there will be no opposition to the latter company's boats between Montreal and Quebec, as had been anticipated. Richelieu stock may possibly improve in price under these circumstances.