receipts, in the form of those ordinarily granted by him on behalf of the Company, to a very large extent, on stuff which had no existence. These receipts have since passed into the hands of *bona fide* holders who have given value for them, and now the question is who is to sustain the loss, the Railway Company, whose agent committed these frauds, or the holders of the receipts given by that agent apparently in the usual course of business ?

Several suits have been commenced against the Company on these receipts, some in the Court of Common Pleas and some in the Court of Queen's Bench. Two cases in the latter court have been tried, and have since been under the consideration of the full court where they have been fully discussed. Judgment has now been rendered in favor of the plaintiffs, *i. e.* holding the Railway Company liable on the receipts so given by their agent. This was, however, the decision of only a majority of the court composed of Justices Morrison and Wilson, Chief Justice Harrison dissenting, on the ground that Carruthers could not be regarded as the agent of the company for the purpose of making a fraudulent representation as he had done.

In the meantime another of the cases was being adjudicated upon in the Court of Common Pleas, where the position of affairs was exactly reversed. Here Mr: Justice Gwynne delivered a most elaborate judgment, holding that the Company was not liable as Carruthers had not been authorized by them to do what he did, nor could such fraudulent conduct, in his Lordship's opinion, be said to come within the general scope of his authority. In this judgment Mr. Justice Galt concurred. Chief Justice Hagerty, however, delivered a strong dissenting judgment. In his opinion the plaintiff was entitled to recover, as the act had been done by the agent in the course of his employment and while acting for the Company.

Here we have a clearly defined question of the first importance, and one that, with dishonesty so prevalent as it unfortunately is, may often have to be decided, and yet both courts are divided upon it. In one court the plaintiff succeeds, in the other fails, on the same state of facts. Taken as an aggregate, it will be seen that the division is equal, with a Chief Justice and two Puisne Justices on each side. Under such circumstances it would scarcely become us to express any opinion on the legal points involved. We may however venture to suggest that it would be more consonant with one's sense of ordinary justice that the Company should lose by the act of its agent than that the loss should fall on a third party, who had in good faith advanced money on a receipt issued by that agent apparently in the usual course of business and on the company's ordinary form. It may seem hard that Railway Companies should lose by the dishonesty of their servants ; but it is surely harder still that innocent outsiders, who suppose themselves to be dealing with the Company and not with any servant, should suffer from the dishonesty. One safeguard, at least, lies within the power of the Company that no one else can be said to possess, *i. e.*, they may require their agents to furnish security for their good conduct before allowing them to enter upon their duties.

No doubt the Court of Appeal, and possibly the Supreme Court will be called upon to decide between the present conflicting judgments, and we may hope that this one point, at least, will be forever settled, so far as Canada is concerned, within the next few months. The extent to which warehouse receipts can in future be relied on as security for advances must largely depend on the ultimate decision of these cases.

BANK DIVIDENDS.

As the time approached for the declaration by the banks of their dividend for the last half-year, the question was very much discussed whether it would be possible for them to divide the same amount of profits which they did the half-year before. In addition to the losses caused by the heavy failures, nearly all the banks have found some trouble in lending their available assets with any certainty of profitable investment ; and notwithstanding the fact that since the grain trade and fall lumbering operations commenced, the amount of cash lying idle has sensibly diminished, it is beyond question that for the greater part of the past sixmonths, the amount of money which brought the banks little or no profit was unusually large.

Under such circumstances, it is a matter for congratulation that all the Bank dividends that have been declared for the half year have been at previous rates except that of the Consolidated Bank, which was ½ per cent. higher. The declaration of the Bank of Toronto of a dividend of 4 instead of 5 per cent. has caused some surprise, and a recent criticism. However great the inconvenience of a reduced dividend to shareholders, who require their dividends for their current expenditure, it is the safe policy to leave the Rest unimpaired, except in cases of exceptional losses which are not likely to recur. This is not at present the case. The financial condition of the country is such as to warrant only an essentially cautious policy on the part of Bank directors, and any decrease in the accumulated profits would only weaken its ability to take advantage of a revival of trade when it comes. We could point to more than one Bank in Canada, the shareholders of which would have been in a better position than they now occupy, if the directors had posessed the courage to reduce the dividend instead of reducing the Rest.

The work which has been quoted by a daily paper in support of the latter plan was written by Mr. Gilbart more than thirty years ago, at a time when Joint Stock Banks were in their infancy, and the London and Westminster Bank, which he then managed, had not long ago to reduce its dividend 5 per cent to meet current losses, and having done so it still occupies a distinguished place amongst the successful Banks in England. On referring to the last reports of about 50 English Banks, there is only one case amongst them of a reduction of the Rest to meet a current loss, which was of an exceptional nature ; in every other case losses have been met by reduced dividends.

SPECIE RESUMPTION IN THE UNITED STATES.

One of the questions at present most engaging the attention of public men in the United States is the resumption by that nation of specie payments. The Resumption Act provides that "from the 1st January, 1879, the Secretary of the Treasury shall redeem in coin the U.S. legal tender notes then outstanding, on their presentation for redemption at the office in New York of the Assistant Secretary of the United States, in sums of not less than fifty dollars." The clamor against this step raised by inflationists on the one hand and the advocacy of certain legislators of the re-monetization of silver as a half measure, seems to have divided the sentiments of leading men as to the necessity or policy of a return to a gold standard.

The *North American Review* gives, in its current number, the views upon the resumption question, of Mr. McCulloch, Secretary of the Treasury under President Johnson ; Mr. David A. Wells and Mr. Joseph S. Ropes, in favor of the measure ; and of Judge Kelly and General Ewing, who are extremists in favor of paper money—against it. The various papers containing these views were submitted to the present Secretary of the Treasury, Mr. Sherman, for comment, and he devotes several pages to sifting them and giving his own opinions in favor of the Resumption Act. Messrs. Kelly and Ewing see nothing but evil in the plan of specie payment proposed. The