

the leading example, and, moreover, as the article, regarding which there is the most precise information, he states that the total production of the world available for European and American consumption is some 7,000,000 bales of 425 lbs. each, and that the turn over of "future delivery" contracts in American, English and continental markets is estimated to amount to 80,000,000 of bales, of the value of nearly £1,000,000,000 sterling. Mr. Halhed estimates the turn over in grain, provisions, sugar, iron, etc., as very much in excess of the dealings in cotton. It would seem that in America the system of requiring margins on contracts does not check speculation, as it happens that in New York over 250,000 bales (paper contracts) change hands in one day. This quantity represents about fifteen millions of dollars. In Liverpool and in all other European markets the transactions are without any restriction whatever, and have become purely gambling in produce. The system of speculating in paper contracts has been reduced to a science, and necessity has compelled the brokers' association of Europe and America to provide machinery to clear the contracts of the most elaborate and perfect kind. It is stated that not infrequently the dockets of the Liverpool cotton broker's clearing house have been known to carry 100 to 150 declarations on a single tender of 100 bales of actual cotton, that is, transactions to the extent of 10,000 to 15,000 bales of cotton have been entered into by speculators on the basis of 100 bales of cotton from the time of its first sale to the date it goes into *bona fide* consumption.

It is not unworthy of notice, when treating of this subject, that in England Parliament has made the "bearing" of bank shares illegal, while in Canada it is in shares of this character that there is the greatest speculation. In Chicago wheat and pork are the favorite commodities. We confess that, notwithstanding the serious evils which Mr. Halhed has brought under public notice, we doubt much the practicability of remedying them by Act of Parliament. Manufacturers are almost compelled to enter into contracts for future delivery; and, when they do so, are naturally anxious to secure the raw material which they will require to execute those contracts. When we read the accounts of the evils brought on communities by "cornering," and which have been unusually disastrous of late in the manufacturing districts of England from the cotton corner, we cannot but feel thankful that the system prevails to so limited an extent in Canada.

THE ONTARIO BANK.

Shortly after our last issue went to press, the report of the new manager of the Ontario Bank, Mr. Holland, became known to the public. It is to be inferred that its substance had been communicated in confidence some time previously to favored individuals, for we cannot otherwise account for the demands made through the press, that the directors should act on the manager's report, which is in substance a recommendation that the capital of the Bank should be reduced by 50 per cent. It has long been surmised that the assets of the Ontario Bank would not realize their par value, and in 1879 the market value of the stock was very nearly, if not quite, as low as it has been since the publication of the report. At the last annual meeting held in June, the overdue debts were about \$525,000, or about 17½ per cent. of the capital, and it was stated in the report that "the inactive debts and securities have caused the directors much anxious solicitude, and have received such consideration that they believe their actual value can soon be determined, and the proper measures taken for their final disposition." Soon after the meeting a change took place in the management, Mr. Holland, the manager at Montreal, having been appointed general manager, in the room of Mr. D. Fisher. Mr. Holland's first duty was to make a careful valuation of the assets of the bank, and the result is the report which has been recently published, and which will at an early day be submitted to a general meeting of the stockholders. In the absence of much more information than can be gleaned from the report, it is impossible to pronounce any opinion regarding the differences of opinion which must have existed between the present manager and his predecessor. We can only infer that the bank has been carrying the accounts of customers who are now believed to be insolvent.

The chief cause of the intense dissatisfaction which prevails in Montreal is the belief that a large quantity of the stock of the Ontario Bank held in Toronto has been recently thrown on the Montreal market, the Toronto stockholders having been in possession of information that was carefully concealed from the operators in Montreal. How far the rumors to which we have alluded are well founded can only be ascertained from a careful examination of the transfers since the last annual meeting, and the President and directors will probably feel it their duty, in justice to themselves, to make a careful enquiry into this matter. So far

as we have been able to learn, no suggestion has been made that any member of the Board has been disposing of his stock.

It is likewise important that it should be frankly stated at the meeting, when Mr. Holland communicated to the President and directors the substance of the report which is dated September, but which accompanies a statement dated 30th September. It is rumored that the new valuation of the assets had been for some time before the Board, and that it gave rise to serious differences of opinion which would not be at all surprising. Mr. Holland was, if we are not mistaken, appointed towards the end of June, and must have taken nearly three months to form his conclusions. In view of the heavy losses sustained by all the banks in the Dominion during the years of depression, the reduction in the value of the assets would have caused no surprise had it been announced a couple of years ago. Under existing circumstances, it has caused even more than the usual irritation, especially among the recent purchasers of the stock.

RELATIONS WITH FRANCE.

Under the above title *La Minerve* complains that this journal has reproached Mr. Chapleau for having during his recent visit to Paris held conferences with some of the Ministers of the French Republic with reference to the Commercial relations between France and Canada. Before replying to what *La Minerve* has to urge on the principal subject of his article, we must enter our protest against a most unjust imputation that we are "opposed to the introduction of French Capital and French industry into this country." We challenge *La Minerve* to cite a single line, that has appeared in this journal, which would support such a charge. We shall reproduce a short extract from an article published on 9th September: "Singularly enough we have been charged with entertaining unfriendly feelings towards French Canadians because we have protested against the injustice manifested by France to Canada. If any portion of the Canadian people have suffered more than another by the French policy, it is that of the French race." What we have written regarding the commercial policy of France has no bearing whatever on the introduction of French capital, or the products of French industry, and in the cases of the French loans and of the Credit Foncier Franco-Canadien, we have hailed with satisfaction the introduction of French capital. We shall leave this