with us. That the various Directorates against further financial wreckage. will sooner or later fall in we have also every confidence.

The two great objections made to our suggestion are-First, that such a scrutiny would be intolerably inquisitorial; secondly, that the present method of private inspection effectually accomplishes the purposes sought. It may be replied, to the official Gazette; further, that recent events have shown that, in the interests of shareholders, such inquisition has become absois, or can be made, a delusion and a fraud.

The shareholders have not the smallest security that such alleged private inspection is thorough, or even that it is made at least it is not, and this on no less and would be this moment had the principle we advocated years ago been adopted. That gentleman most distinctly stated, at the meeting of Tuesday last, "WE HAVE " NOT HAD AN INSPECTION OF THE BANK " FOR YEARS"!

How many other financial institutions are to-day in a similar position, beguiling the confidence of shareholders with a false security, to be again shattered at any moment, and again deceived as the trusting investors in the Exchange Bank have just been? How many weeks, or days, or hours, before the next thunderbolt falls? For anything to the contrary in the present system we might have half a dozen more such at any moment.

Under the prevailing custom, with an ever facile and unsuspecting Board of Directors, the one-man system will prevail, and that one man can-and as experience too fatally shows, will-"cook" the accounts even for the sacred official Gazette. Nor is he necessarily in danger of being exposed, or even suspected, until the blow actually falls consigning hundreds to irrevocable financial ruin.

Is such a state of things conceivably December 11th.

GOVERNMENT BANK INSPECTION. possible under a properly-selected staff of THE more experience accumulates the Government Inspectors, wholly indepenplace of the delusive investigation hitherto independence? Such a question answers Tuesday last, and is as follows:tolerated. This change we have for years itself. Matters have arrived at such a advocated, so far standing alone, through position, the dangers environing the present good report and evil report. The latter system have been over and over again so was for a long time altogether in the appallingly demonstrated, that the advent ascendant, but an adhesion to our views of so temperate and beneficent an inquihas gradually followed, till we are safe in sition as a system of Government Banking saying that to day we have an overwhelm- Inspection, instead of being dreaded as a ing majority of shareholders at all events bugbear, should be hailed as the savior

POSTAL TELEGRAPHY IN THE UNITED STATES.

On Tuesday the United States Congress met after the usual adjournment, when the customary presidential message was presented. Among other matters a clause was devoted to the often-suggested postal telegraph to be worked by Government, the former, that the principle of inquisition had President taking distinct ground against it. to be submitted to when Parliament com- In the opinion of that gentleman it would pelled the publication of those banking not be wise to purchase or assume control returns which now appear monthly in the of existing telegraph lines, or to construct others with a view of entering into general competition with private enterprise. Notwithstanding this view the Senate had lutely indispensable to their safety. The barely opened its doors before one of its ready answer to the second is, that the most influential members, Mr. EDMUNDS, recent most deplorable exposures show that brought in a bill embodying that very printhe prevailing private inspection (so-called) ciple which the Chief Magistrate had a few minutes before distinctly objected to. The new suggestion of the distinguished Senator provides that the United States Postmaster-General shall cause to be located But we have most startling and arranged four trunk lines of postal teleevidence, on the other hand, that sometimes graph connecting the North-Eastern, North-Western, Western, South-Western, and authority than the Vice-President of Southern parts of the United States with what but the other day was a leading bank, the city of Washington; that along such lines offices should be established at such places as shall be for the public interest for the time being; and that from time to time the lines shall be extended and additional offices established as required. The probable fate of this measure we do not undertake even to make a guess at. That the Western Union and other corporations will oppose its progress in every stage is a thing of course. On the other hand, a powerful popular feeling has been steadily growing up hostile to all such monopolies, and there is at least a possibility that it may make itself prevail. As for the views of the Presicess or failure depend on their adoption or rejection. They carry, in fact, but little if any more weight than the opinion of a private individual, and will certainly have no influence when the Senate comes to a

> THE Montreal Telegraph Company has declared its usual quarterly dividend of 2 per cent., payable January 3rd.; hooks close

THE EXCHANGE BANK STATEMENT. THE long-promised statement of the more thorough is our conviction of the ad- dent of directorates and managers, careless Exchange Bank of Canada, made up to Novisability of the introduction of the principle whether they please or offend, whose official vember 17, 1883, was submitted to the of a Government Bank Inspection in the existence depends on their integrity and shareholders at the special meeting on

١	Lacourary rates and appears	
	Liabilities.	
ì	Direct to the Public:-	
1	Notes of the Bank in circulation	3 235,401.
	Due to depositors	1,009,392
i	Due to depositors	397,856
ł	Due to Governments (Dom and Prov.)	
	Due to local banks on balances	2,674
	Due to local banks on loaus	495,476
ı	Due to Foreign Agents	97,700
į	Downstand day As subsides helders of guarantees	•
i	Reported due to outside holders of guarantees	41 400
	by the Bank (not in the books)	41,400
	Mortgage on bank premises	50,000
	_	
ļ	, s	\$2,329,961
į	l	,0,020,00
ľ	Special:—	
	Notes of the Bank held as collateral security by	
i	the Federal Bank for loans	92,555
i	Indirect :—	
١	Endamentians on manor sa discounted by local	
ļ	Endorsations on paper re-discounted by local	
	banks, still unpaid as reported by respective	202 060
ı	holders	228,009
	holders	
	Capital stock\$500,000	
	Dapter Block	i a s
	i Rest and Contingent Fund, less brond	
	and loss account 320,019	
	Unclaimed overdue dividends 324	
		820,343
ľ	_	
	٠ - ٦	20 470 050
		83,470,959
	Ashets	
	Cash, Cheques on and bills of other banks	\$ 22,0G8
	Balances due by local banks	21,962
	Datanees due by focal banks	76
	Due by Agents in New York	
	Debentures (Municipal)	161,835
	Notes and bills discounted Current	986,001
	Notes and bills discounted Overduc	671,963
	Overdrawn accounts estimated by	
	Directors, secured\$440,000	
	unsecured 670,358	1,110,358
	Claims for guarantees of the Bank	41,400
	Real Estate and Mortgages	29 638
	Dunk name to a	105,000
	Bank premises	100,000
	, <u> </u>	
	\$3,150,304 Note —Of the above the Directors estimated:— Good\$2,340,772	
	Go. d \$2,340,772	
	D1 (ful	
	Doubtful	
	Bad 642,932	1
	\$3,150,304	
	Federal Bank, circulation held by them as col-	
	Let al for balance of their return at the whom	
	lateral for balance of loan, returnable when	00 ***
	loan is paid	92,555
	Bills receivable, re-discounted by local banks,	
	endorsed by Exchange Bank, estimated by	
		278 699
	the Directors as good	2 2,000
	1	
	1	\$3,470 , 959
	RESULT.	
	Assets as above (available)	63.150.304
	Direct liabilities, as above	2,329 961
	Direct Hauthers, as above	2,020 001
	1	
	Nominal surplus	8 820,343
	Directors' estimate:-	
	T	
	LOSSES	
	Losses	
	Doubtful 166,600	000 200
	Doubtful	809,532
	Losses 5042,032 Doubtful 166,600	809,532
	Doubtful	809,532
	Apparent surplus available assets over liabilities to the public	\$10,810

The above showing reaches the worst apprehensions. The direct liabilities are plain and speak for themselves, but with the nominal assets it is altogether different... They are made to represent a total of \$3,150,-304, but of this amount \$671,963 represents discounts overdue, \$440,000 over-drawn accounts secured, \$670,358 over-drawn dent they are of little consequence. That accounts unsecured, and only \$205,941 can gentleman is not the official mouthpiece, as be classed as immediately available. With our Governor-General is here, of the Adminis-such a deplorable showing at last the recent tration of the day, nor does any party suc- delays in bringing this precious statement before the public gaze at once explain themselves.

> Is IT GAMBLING?—The judgment of the Superior Court, given elsewhere (MAC-DOUGALL BROS. vs. DEMERS), shows once more that the Courts look with no friendly eye on risky stock transactions having a highly speculative, not to say gambling, element about them. But as the case is to be appealed we forbear comment.