

we do not for a moment wish to argue that the ample reserves of our banking system were the sole instrument by which it preserved itself from the destructive violence of those revulsions from which it had never before been exempt for so long a period. All that we claim as the result of abundant cash reserves is, that they are wholesome, that they tend to give health to the banking organization, and to develop other salutary conditions which are both conducive to strength and preventive of weakness and danger. If we were disposed to forget so obvious a principle, the recent temporary suspension of the Bank of the State of New York would remind us that strong reserves may co-exist with great weakness in other directions. But such instances are rare; and, as a general rule, applicable to the banks of an extensive system, provided like our own with other preventives of bad banking, ample reserves are of the highest possible importance as safeguards against panics.—*Financial Chronicle*.

THE GRAND TRUNK AND GREAT WESTERN RAILWAYS.

We understand that the Great Western Railway Company intend to accept the terms of arbitration substantially as proposed by the Grand Trunk Railway in Mr. Renton's letter of the 22nd instant.

Experienced railway men, both in England and America, have expressed the opinion that should the arbitration result in a fusion of interests, such as that which has been accomplished in many of the great English companies, a saving of not less than £150,000 will be effected in agencies, offices, and officials alone. This is perhaps too sanguine a view to take of the result of such a fusion under this head, but the net increase from both goods and passengers will, in addition, be very greatly enhanced without any loss, and probably with great benefit to the public. Rates and fares will be established on a permanent basis, and the general service will be greatly improved.

Such a fusion as the one contemplated is undoubtedly of great importance to the Grand Trunk, but to the Great Western it is absolutely necessary to their existence.

It may seem rather strange to say that the financial position of the Grand Trunk is in one sense the strongest of any great line of railway in America, but yet such is the fact. The actual length of the Grand Trunk line is 1,388½ miles, of which the company actually own 1,015, and lease 373½ miles; upon the former of which there is a bonded debt as follows:

Postal and Military Service Bonds.....	£1,200,000
First and Second Equipment Mortgage Bonds.....	1,000,000
Sundry Small Mortgages.....	491,000
Debenture Stock.....	1,060,000

£3,751,000

Of this sum the Postal and Military Service bonds are neither a charge upon the railway nor on the rolling stock; they simply receive the proceeds of the postal and military service, which is less than 3 per cent, per annum on their bonds. The Equipment Mortgage Bonds extend over the whole of the rolling stock of the Company used upon the leased as well as the parent line; so that in fact the actual mortgages upon the line and rolling stock of the Grand Trunk proper is not more than £2,200,000 sterling, or about £2,200 per mile.

Behind this small mortgage comes the Preference and Ordinary Stocks, amounting to some £27,000,000, upon which the Company is not of necessity compelled to pay any interest, nor is there any accumulation of liability. This is certainly a very hard case for the First and Second Preference Bondholders who found their

bonds changed into stock by the Act of 1872, but there is no denying the fact that this Act saved the company from bankruptcy, and has enabled it to tide through a long period of depression, carry on a great railway war with Vanderbilt, and bring its bitterest foe, the Great Western, on to its bended knees to sue for peace.

It would be an act of cruelty to portray in its true colours the painful position of the Great Western Railway of Canada. Its net revenue is insufficient to pay the interest on its mortgage debt by over £100,000 a year. It has the Canada Southern on its south, controlled by Vanderbilt. It has an internal cancer of its own in the form of the loop line, and it has Buffalo and Lake Huron section of the Grand Trunk running side by side, whilst the Grand Trunk proper has the shortest line to the seaboard, viz., from Chicago to Montreal. The Great Western of Canada has felt some of the plagues of Egypt, not the least of which are a president and general manager who know nothing of American railway administration, whilst their opponents, Messrs. Potter and Hickson, have, by long and bitter adversity, acquired a large experience.—*London Hour*.

SALARIES.

That man possessed a shrewd knowledge of human nature who, when he was asked to define the word competency, replied that it meant "just a little more than a man has." There is often truth in a jest, and there is special truth in this one. It seems to matter little whether a man has £10,000 or £100 a year. He wants more and thinks he needs more. Nay, he believes he deserves more, and ought to have it. It is related of an eccentric individual that, on one occasion, he advertised his intention to make a present of a large field to the first man who should prove that he was thoroughly contented. A person presented himself one day claiming the field. The owner asked him; "Well, sir, are you really perfectly contented with your circumstances?" "Yes," was the ready reply. "Then what do you want with my field?" We never heard of any instance of real contentment, except that of the old lady who said she prayed daily for a competency, and when asked what she expected replied, "Just £400 a year, paid quarterly." This certainly looked like having a well-defined idea of what would be sufficient. We must allow that the old lady took good care in her arrangements with Providence to leave a very good "margin for contingencies."

That directors are subject to unreasonable appeals from their employees, we cannot for a moment doubt. Human nature, generally, has a sufficient high idea of its own value in the market. Its purse is very capacious, and we do not suppose that the human nature of salaried clerks is at all exempt from, shall we say, the weakness, or the instinct, which marks the commodity everywhere else. Still, while all this is true, is there nothing to be said on the other side? Perhaps there is. There are, at least, certain general principles which directors of public companies ought never to lose sight of in this matter, and these we purpose to indicate in this article.

1st. Directors possess, in a sense, absolute power in the matter of salaries. The comfort, or the reverse, of every employe in their service is entirely in their hands. It lies with them alone whether those in their employment shall be able to live in a suitable and creditable manner, or shall go about in haug-dog fashion with a struggle to make both ends meet. This consideration ought to weigh with all employers of labour, and not less with directors of public offices. The maxim "might is right" is, we

need not say, a very unsound one, and sometimes very cruel in its effects. If an employer takes a man into his service he has undoubtedly duties to discharge towards that man as well as power to exercise over him. An employer has no right to disregard the comfort or the interests of his employe. It is all very well to say "As directors we have nothing to do with questions of benevolence"! This sentiment is a sound one when used fairly, but when it is used to justify the applying of the screw to the means of livelihood to those dependent upon them it is not used fairly.

2nd. An old friend of ours, long an assurance director, used to say, "Enlightened liberality is true economy." It would be well if this aphorism, so true and so wise, were always acted on by salary committees. We are fully satisfied that, without either quibble or exaggeration, the office which pays its employes well and liberally effects and actual saving in cash by doing so. Those who have passed through subordinate service as apprentices and clerks know full well that, to an extent which is really impossible for heads of offices to check or control, time is often wasted through idleness or through the lazy or perfunctory discharge of office work. We have known in our day many who would do a day's work heartily, steadily, and actively all through the office hours, and we have known others who, though able to keep up appearance to some extent, drag lazily through the day, doing as little as possible, and that little in a very slipshod fashion, keeping their eye quite as frequently on the office clock as on their books. We know well the difference between a zealous and a half-hearted way of doing clerk's work.

3rd. We do not think that full justice and duty are done to an employe unless a fair and reasonable margin is reckoned in his salary for contingencies; that is, of course, contingencies which are beyond his control, or which arise in the ordinary course of events. We wish this qualification to be clearly kept in view, as we have no idea of giving any countenance or encouragement to extravagance, or anything unsuitable to an employe's position whatever that may be. But no employe is in a right position, or is dealt with fairly, who can show that it takes every penny of his salary to make both ends meet, and who lives "from hand to mouth." It is part of a master's duty towards his servant, to see that he has proper sustenance, if a servant has no kind of margin secured to him against the ordinary casualties which arise, and are not of his own creating. Every man ought to "lay up something for a rainy day or a sore foot." So the old proverb goes. Men in trade have the opportunity of doing this, but paid officials have no such opportunity, unless by the action—the enlightened and just action—of their employers. Especially ought directors to take care that such circumstances as a gradual increase in a general cost of living in the community are provided for. A stationary salary alongside of rising prices makes a man a poorer man than he was. £100 ten years ago might be as much as £150 or £200 to a man now, and it is every way unjust and unwise to overlook this consideration.

Apart from this, we repeat, that where employers fail in their duty on this point, it is worse than a crime; it is a plunder. We remember one of the moral tales of our childhood, in which the man who killed a goose which laid the golden eggs was written down an ass. We have not forgotten the fable, and we recall it for the benefit of all those whom it may concern.—*London Review*.

—The shipments of iron ore from the Lake Superior district up to June 23 aggregate 240,100 gross tons, as compared with 190,150 tons shipped to the same date last year—an increase of 49,950 gross tons.