THE BANK OF COMMERCE.

Amongst the numerous annual bank statements which this public is accustomed to expect during the months of June and July, none has been awaited with more interest, Bank of Montreal excepted, than that of the Canadian Bank of Commerce. Since its last annual meeting, at which Mr. Hy. W. Darling was elected to the presidency, the *personnel* of the management has undergone radical change. Mr. W. N. Anderson, who resigned the post of executive head, has been succeeded by Mr. B. E. Walker, late of the New York branch of the bank, and in November he was joined by Mr. J. H. Plummer, formerly assistant general manager of the Merchants' Bank of Canada. These changes were, at the time, generally believed to forecast a policy that would, sooner or later, result in the heroic treatment of certain of the bank's assets which had more than once been the subject of animated debate amongst the directors. And this has proved to be the case. The important nature of the task to which the new president and his two colleagues have thoughtfully devoted themselves, is apparent from the statement which has been issued in advance of next Tuesday's meeting. It is seen that in order to provide for bad and doubtful debts amounting to $1,386,033.87 nearly 69 per cent. ($1,100,000) of the "Rest" has been called into requisition. Such an unpleasant duty, fortunately, rarely falls to the lot of a Canadian banker. It is one which strikingly illustrates the importance and responsibilities of his position. In this instance only mature judgment and moral courage of a high order could have been brought to bear in the treatment of so momentous a matter. It marks a new era in the history of the bank and it is one which will doubtless leave no slight impression on the minds of other bankers who may in a like manner be liable to be called upon, from time to time, to face similar issues. No one, we need hardly remark, imagines that this large total is the result of any single year's losses. It is the result of a series of years and should at the time have been met in the spirit now displayed by Mr. Walker and those immediately associated with him.

Of course there will naturally be murmurings of dissatisfaction amongst some of the shareholders. When, however, the subject is carefully and calmly weighed in all its bearings there can be but one conclusion—that their interests were best conserved by the course pursued. At no time since the organization of the bank have they received on an average less than eight per cent. dividend, while the capital of $6,000,000 has always remained intact. Now comes a decisive moment when it is deemed prudent to write off a very large sum of what were unsubstantial assets. They should, indeed, feel thankful that they were not longer permitted to remain in ignorance of the precise nature of these assets. It is reasonably probable that a portion of this amount will eventually be recovered, for in dealing with it the general manager has, it is safe to affirm, erred on the sure side.

It is said that the assets of the bank are now in an absolutely sound condition and this year's statement gives forth no uncertain sound. That those of succeeding years will be equally frank we have Mr. Walker's word: "Our statements will be based upon similar examinations made with similar care and precision." His remarks regarding the treatment of an asset might fittingly find place in a standard treatise on banking. He says: "Whenever the element of doubt fully enters into an asset, the basis for valuing the asset should be one which leaves out of sight all sources of recovery which are merely conjectural, and this, I think, applies with the same force to an account which is current and on which interest is collected, as to debts already in default, if the source of recovery of the whole debt cannot be seen."

The new general manager finds that the loaning business of the bank is active and healthy. Its line of deposits is the second largest in the Dominion and of a safe character, it follows that the earning power is a source of satisfaction. On the whole the outlook for the Commerce is of the most promising nature. There is no reason why the "Rest" should not again reach the same large figures of former years, viz., $2,000,000, for the bank is presided over by sagacious and competent men.

BORROWED MONEY; HOW IT AFFECTS A COMMUNITY.

In the *American Grocer*, published in Chicago, we find the following with regard to our recent articles entitled: "Is Borrowed Money an Injury?" "In the MONETARY TIMES we find an account of a curious debate in the Canadian Senate on a bill to permit a loan and savings company to extend its business. A Mr. Wark asked for proofs that such money-lending companies were really doing good, while another member saw in the bill only an opening for the capital of one province to draw away the money of another province in the way of interest.

"We need not go to Canada for illustrations of the feeling that foreign money, which is used to develop the resources of any State or Territory, is in some way an injury. In former years we have had instances of this state of mind in the granger States and in their laws. Others, wiser than these, have invited capital and considered every investment a friendly act. In the Canadian case before us it was clearly shown what an important part in the development of Ontario for the last quarter century, these lending societies had played. Interest had fallen from 10 or 12 per cent. to 6 or 7 per cent., and only one fifty-sixth part of the principal had been in arrears.

"It would be a curious study to trace through different ages and nations the feeling with which capital was regarded. We are learning now-a-days to look upon money as a friend and not as an enemy, no matter from what quarter the necessary supply may come. No great improvement can take place in any newly settled country without credit or actual expenditure of money, and that community which welcomes such assistance will soonest be able to get along without it."

HALF A CENTURY IN THE COTTON TRADE.

In a publication now being prepared by a London house on the reign of Queen Victoria, Mr. John Slagg, M.P., contributes an article on "The Cotton Trade and Industry." The wonderful extension of this branch of trade is attested by Mr. Flagg's figures which place the number of spindles in operation in 1837 at 18,000,000 and the number of looms at 100,000. Last year there were 43,000,000 spindles and 600,000 looms. Fifty years ago the consumption of cotton is estimated to have been about 400,000,000 lbs., in 1886 it had reached the immense total of 1,451,200,000 lbs. Mr. Slagg finds that at the present day, within an area of thirty miles round Manchester, the population exceeds that of the like area around St. Paul's. A vast proportion of this mass of humanity is either in immediate connection with the manufacture of cotton, or ministering in one way or another to its requirements—either by bleaching, dyeing, printing, machine making, or otherwise preparing the article for manufacture and sale, or distributing it for consumption. He refers to the condition of the cotton industry about the close of the year 1800, when it was, probably, among all the larger British industries, the most backward. After the introduction and consolidation of the factory system a complete change was effected in the circumstances of the workers of the industry. At the accession of the Queen the staple trade of Lancashire was anything but prosperous. In Manchester there were 50,000 hands out of employment, and in Bolton more than 5,000 operatives knew not where to seek or obtain the means of subsistence. But brighter days were at hand, and, aided by wiser fiscal laws and freer institutions, not only the cotton trade but the general commerce of the country was destined to experience great progress and development.

As to foreign competition, he observes that under all the advantages possessed by England she has no monopoly with regard to the cotton trade and manufacture. This is proved by the rapid strides which continental countries have made in recent years. There seems no evidence to show that the recently developed industries of the Continent are seriously threatening England in distant markets, but they nevertheless impose the necessity of increased economy in various departments, the production in many cases of larger quantities at smaller profit, and the adoption to the full of every possible educational, scientific and mechanical advantage enjoyed by her rivals. According to Mr. Slagg, the most notable feature of recent years in the methods of conducting the great cotton trade is the nearer approach of the producer to the consumer through the reduction of intervening expenses and agencies.

DIVISION OF LABOR.

No one who enters the wholesale business should attempt to do the work of several men, and expect to do it well and thoroughly. The human system will stand a good deal, but persistent overwork and worry will break down the strongest constitution. It is a mistake for a principal of a business to encumber himself with details. His occupation should be to supervise, and it presupposes a knowledge of how things should be done, from the salesroom through the entry-room, the packing-room and the counting house. Of a manufacturer, the same may be said. The man who tries to oversee the factory, act as salesman, book-keeper, and bank clerk, attempts too much and some of his irons will burn.

The *Shoe and Leather Reporter* relates the experience of one who has tried it. Here is what it finds:—"My time is too valuable to spend in selling goods," says an experienced manufacturer. "I am satisfied that during a number of the first years I was in business I actually lost money by doing much of the work of a salesman. I do not mean by this that I was not successful in that capacity. On the contrary, I sold a great many goods. But it would have been more profitable to have used my time in some other way. I can sit at my desk and, in a few hours, plan a campaign for my salesmen, or a method of disposing of