

sible, to make such a provision without its being abused, and opening the door for many articles coming in from the United States which are as justly dutiable as others which are taxed. Under these circumstances, many manufacturers were anxious to have the law altered in this respect, and their desires have been gratified.

FRIENDLY SOCIETIES.—A MISNOMER.

A Commission has been investigating the working of these societies in England and Wales, and their report has been given to the public. The first point that attracts the reader's attention is the astonishing number of these societies, there being no less than 32,000, possessed of funds estimated at over \$50,000,000, and with a membership of four millions. At least double that number are directly interested as wives and children of members. Now, it must be remembered that these societies are built up and supported by the laborers, the mechanics, and the artisans. The avowed object is to provide a fund which will be available to members in sickness or in old age, or to their wives and children in case of death. It is shown by the report that the societies fail in a large number of cases to accomplish this object; that in fact the members are leaning upon a broken reed, that many of the societies are mere houses of straw, which the first breath of adversity sweeps away. The report states that a considerable number are grossly mismanaged, and are insolvent; and as regards the great majority the members have no means of ascertaining their true position.

The Friendly Societies of Great Britain are the counterpart of the co-operative or mutual benefit life associations of the United States, to which we have several times drawn attention. Only one class of persons are benefitted by those associations, and that is the chief organizer and his immediate backers. In Great Britain an Act of Parliament provides for the registration of societies, and contains various provisions intended to act as safeguards against the practice of fraud on the part of the officers. But down to the end of 1872, only sixty-eight, a very small fraction of the whole, were so registered. One chief objection to registration is that a society must make annual returns of its financial condition. This many of them cannot afford to do. The Commissioners show that many societies offer benefits to members that their income cannot support, and hence that insolvency is the only possible result. The fees are taken by collectors who go round with a book; a number of these gentlemen some-

times constitute the management of the Society. The value of a collectorship may be inferred from the fact that as high as \$2,800 is sometimes paid for such a post. If the collector fails to call the member loses his membership and all he has paid in, as the payment must be made through the collector. It is sometimes the interest of this official to omit calling and cause a lapse of claim, and after a time secure an additional entrance fee on the readmission of the member.

By these methods, thousands of provident but ill-informed laborers and mechanics are swindled of their earnings, for the benefit of unscrupulous and rapacious speculators who trade on their ignorance. That such a wholesale system of plunder should be carried on under the pretence of benevolence, and with the implied sanction of British law, is a burning disgrace. Several attempts have been made to introduce "friendly" or "benefit" society legislation into our statute books, but so far without any marked success. A much wiser course would be to enact a stringent law to prevent the operation of societies whose business partakes of the nature of life insurance, except under conditions which would insure their ability to fulfil their promises. Such a law would be fatal to the organization of these sham societies now floating about. So long as an easy living can be made out of the laboring classes by organizing "benefit" societies, there will always be those who from motives of greed or idleness will embark in such enterprises. Surely they ought not to be able to do so under the sanction of law.

RECENT BANK MEETINGS.

The annual meetings of our Banks have something of interest to the public far beyond that of any other corporations. Not only are they the custodians of the surplus monies of the people to the extent of some sixty or seventy millions, but their notes which are circulated under an Act of Parliament, form a recognised medium of currency. Though not a legal tender, they are yet universally received, and the general public are thus involuntary creditors of these institutions. Besides this, the body of bank stockholders is very large and generally diffused, and beyond all the rest, we have the pregnant and most important fact, that the whole mercantile and manufacturing interest of the country depends on the facilities afforded by bank discounts.

Under these circumstances, it cannot be wondered at, that beyond the circle of bank stockholders, the whole general public feel that they have an interest in the

banks. This is the reason why their reports are looked for in the public journals, and why such reports are scanned with interest by numbers who never owned a bank share. The Legislature, for the protection of the public, has insisted on a monthly publication of the liabilities and assets of every institution to which it has granted a charter. This at once demonstrates the difference between banks and private corporations, and shews that the public interest is involved in the former being successfully managed.

Last week we criticised at some length the Report of the largest and most successful of our banks—the widely known Bank of Montreal, and in doing so took occasion to refer to some points in its history during the last fifteen years. We shall pursue the same course this week with respect to some other institutions.

1. The Merchants' Bank of Montreal was started some years ago on a moderate capital, and so continued until it absorbed the old Commercial Bank, when it rapidly spread itself abroad over the Dominion, and now has a larger number of branches than any other bank in the Dominion. It has always been presided over by Sir Hugh Allan, who has given to it as large an amount of time as he could spare from his own very heavy shipping business, and the multifarious duties crowded upon him by many other companies of which he is the head. The Bank, it is generally believed, realized a very large amount of profit from the increase in value of the assets received from the Commercial Bank, but it is not generally credited with having realized a very large amount of profit from its own management. The multifarious occupations of the President have been already alluded to, yet he always kept in his own hand a very large measure of the control of the Bank, and this while the business was extending rapidly over the whole Dominion, and branches were being opened almost constantly. The Bank, it has been felt, was becoming weak at the centre, as such immensely diversified operations were being engaged in; for there could be no doubt that the whole time of a President or General Manager was demanded for its supervision. A change in this direction has, however, been made in the appointment of a distinct manager for the Montreal business; but we must take leave to express a doubt as to the wisdom of a ten per cent. dividend at present. Until a bank has kept from its profits, not only the full amount of interest due to its depositors, but the full amount of interest charged on its discounts, and not yet