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THE MONETARY TIMES,
AND TRADE REVIEW.

TORONTO, CAN., FRIDAY DEC. 1, 1876

THE ACTION OF THE MONTREAL STOCK EXCHANGE.

In commenting last week on the action of the Montreal Stock Exchange respecting the complications between some of its members, we fear some injustice was done to that respectable body. So far as our information had then extended, there seemed a disposition to gloss over as smoothly as possible the quarrel that had arisen, and to relegate to the brokers interested the responsibility of settling the matters that gave rise to recrimination. Subsequent action of the Board, however, has fully vindicated its character. A deliverance has been pronounced which every impartial person must declare to be just. In the first place, it is adjudged that the brokers who obtained acceptance of a cheque for \$27,000 given them in exchange by another broker, were bound to use the funds in retiring the cheque so obtained in exchange. What they did was to place it to general account. But it is the action of the Board with regard to the charges of unfair dealing brought by its members against one another, and afterwards withdrawn, that will excite most attention. In dealing with these, a soundness of judgment and a sense of honour were displayed that reflect the utmost credit upon the Board. The report of the committee who dealt with it was as follows:

"The Committee is of opinion that persons

making such charges as are now under consideration should not be allowed to withdraw them, except upon the ground that their claims have been entirely extinguished; and that even in such cases, the Board should have the right of marking its sense of anything that may appear to affect the honor of any member of this Board, or of this Corporation as a body."

A standard is here laid down which if acted upon generally in the commercial world would purge it of a great part of the troubles that exist in it. We fear that "honour" has come to be thought less of in these days of restless acquisition than it ought to be. So long as a transaction is legal it is often held to be satisfactory. A thing may be legal, however, but still not honourable. A man may do scores of things which he cannot be indicted for, which, nevertheless, are to be reprobated by every honourable man. In former days, the "honour" of a British merchant, like that of an English gentleman, was unimpeachable. Things are not so bad, in these days, as some would make them out to be, but it cannot be denied that the principle of "honour" has far less force than it used to have. Take the famous case of the promotion of the Overend & Gurney Company, limited. In this affair, it was proved that a number of gentlemen, holding a very high position in the commercial world, had affixed their names to a document manifestly intended to put a false colouring on the affairs of the firm. They have, as every one knows, been severely punished for it. But we fancy such a thing would have been impossible forty years ago. The gentlemen of that time were by no means perfect patterns of morality, but they would have scorned to soil their fingers with dishonest gain, or to put forth to the world a deceptive prospectus.

The enormous accumulation of wealth, often rapidly acquired, and the pushing to the front of a class of men who never had the instincts of gentlemen about them, has perceptibly lowered the tone of mercantile feeling, and things are now done and allowed to be done, which would have ensured expulsion from mercantile society in a former generation. This deteriorating influence has operated far more powerfully in a community like that of New York than that of London. And so close are our relations, in financial matters, with this great centre, that we are in danger of imperceptibly inhaling the atmosphere there prevalent. It is well known that stock operators in Canada by no means confine themselves to Canadian stocks. A heavy correspondence is constantly going on between Montreal and Wall Street, and operators are as deep in American speculations as they are in bank stocks here.

All this makes it the more satisfactory that the Board of stockholders in our sister city has taken a firm stand for honourable dealing on the part of its members, and has refused to gloss over the sharp practice which has been committed by some of them. The taking of this position will do much good. It was needed. Things were drifting rapidly in a wrong direction. A clever London paper not long ago declared that the morality of "city" men was becoming assimilated to that of a pirates' den. This was severe, and no doubt exaggerated. But it had too much truth in it, and these Montreal revelations show that some decisive action needed to be taken to clear the atmosphere there.

The Board have not only refused to condone these mutual recriminations, but have appointed a committee to amend their by-laws with a view to enable them to deal more efficiently with such cases should they unfortunately arise in future. Altogether their action does them much credit.

DEPOSITS WITH PRIVATE INDIVIDUALS.

The absconding of a prominent and hitherto respectable merchant in Stratford, who had a large amount of farmers' money on deposit, raises a question as to the desirableness of storekeepers and business men acting as such custodians at all. The question, of course, can be discussed as it affects farmers and others who make deposits. In this case it has to be pointed out that they incur extraordinary risks by placing their money in private hands. A farmer cannot possibly know enough about any storekeeper to justify him in doing so. He may trust to his having been in business many years. But many of such have failed. Or he may trust to his reputation amongst farmers for honesty and fair dealing. This was the very thing in which the farmers about Stratford trusted in the case of Redford. But they were miserably deceived. A storekeeper in town or country sometimes gets a great reputation for being rich and keeps it for years. But many a one of this sort has become bankrupt. We might multiply instances to confirm our assertion that farmers run the greatest possible risk in leaving money with merchants. Even if a merchant were to show a farmer his balance sheet, in nine cases out of ten he would be none the wiser for it. He has no means of getting accurate knowledge. He can have no possible guide but general opinion, and this is as often wrong as right.

Our present intention, however, is to con-