

low what they were last year), with the object, we understand, of "killing" the outsiders, with what success remains yet to be seen. But we venture to predict, from past experience, that should the object be attained and the pool thus force the rates up again as a means of recouping themselves for their losses, either fresh companies will be started which will defeat this aim, or, what is quite as likely, some members of the Pool itself will become dissatisfied with their share of the spoils, and the same battle will have to be fought again "*ad infinitum*."

THE PACIFIC TERMINUS.

The point on the Western coast to which the Pacific Railway is to run is still a matter of doubt. Burrard Inlet was selected as the terminus by the late Government. The chief engineer, Mr. Sandford Fleming, had given a conditional opinion in favor of the route leading to that point against others of which the surveys had given sufficient knowledge to form the grounds of a comparison. He thought that that route offered the most favorable conditions of construction; that it "would best subserve the general interests of the empire," and be most easily worked.

But Mr. Fleming was of opinion that sufficient information of all the possible routes had not been obtained, and that it was desirable to secure full and complete information regarding "a northern route by the Pine or Peace River." If there was not time to do this—if it was essential to commence the work of construction without waiting for the information this survey would give—he recommended that an immediate "choice shall fall on the route by the rivers Thompson and Frazer to Burrard Inlet." The late Government, it may be assumed, did not deem further delay justifiable, considering the obligation incurred by the Dominion towards British Columbia, and it declined to act upon the suggestion of the chief engineer. Tenders for the construction of the road between Yale and Lake Kamloop were therefore called for; but no practical result was attained.

Under the present Government this policy has been reversed, and the advice of the chief engineer to make further surveys is to be acted upon. The responsibility of acting without sufficient information in a matter of so great moment called a pause, which events may or may not prove to have been necessary. In the present condition of uncertainty the delay is certainly justifiable, whatever may be the result. We have not much faith that a northern route having superior claims over all others will be found.

If the new and additional survey is to be thorough, it is difficult to see how it will be possible to make any serious commencement of the British Columbia section this year. Should this be found impossible, the best thing for British Columbia will be, instead of threatening to secede from the Confederation, to try to possess her soul in patience.

BANK MEETINGS.

The period is approaching for the annual meeting of our banks. Directors will then, as is their wont, meet the stockholders, and give an account of their stewardship. It is customary for them to say that they meet the stockholders with pleasure; and the customary formula is for the stockholders to give them thanks for the manner in which they have administered their trust. This is the ordinary way; and it is all very proper, and as it should be. Directors of banks, if they do their duty in times like these certainly deserve such recognition as they get. Whether they meet the stockholders with pleasure or not will depend, we suppose, upon the circumstances of each case.

Some Presidents and Boards of Directors will meet their constituents to tell them anything but a flattering story. It is not pleasant to have to inform a body of stockholders that there is no dividend for them. It is still more unpleasant to tell them that a good deal of the capital has been lost and that the shares will have to be cut down either in number or amount. In such cases as these, however, there is no particular virtue in telling the exact truth. When matters come to this pass with a bank, its condition is one of notoriety. By parliamentary discussion, or newspaper report, the public have been made aware, unofficially, of these unpleasant facts before they are announced in a formal manner by a Board of Directors. But unpleasant truth, like unpleasant medicine, is sometimes salutary. It is certainly better that the real condition of things should be laid bare than that a policy of concealment, suppression and quiet evasion shall be pursued. In the latter case stockholders and the public may be mystified for a time, but the truth has always to be told at last.

One of the greatest benefits of a full acknowledgement of the real position is that it justifies and necessitates measures of reform. For in such cases there has always been previous bad management of some kind. It has been either extravagant expenditure, want of proper supervision, deficient central control, or want of a proper understanding of the principles and methods

of banking. When these have produced such results as to force themselves upon the attention of stockholders, by the passing of a dividend, or the reduction of capital, it certainly will be expected that some change or other shall take place in the management. Bank stockholders are generally apathetic enough when they are getting their dividends year after year, and the most flagrant abuses may go on unchecked, so far as they are concerned. But when heavy losses have to be faced, the most patient of them is roused to reflection, and members of them are roused to something more, viz., a determination that those who have brought about the loss of their property shall not administer it any longer, or, at any rate, that they shall not administer it in the same way. So by the force and pressure of circumstances, a reformed administration is brought about, and the way prepared for better results in the future.

In some cases, however, the unpleasant part of the Directors' story is limited to a declaration of the necessity of a lower dividend, and perhaps to the cutting down of the reserve fund of the institution. To those who have bought stock on the strength of dividends such as were current a year or two ago, the reduced dividend means practically a heavy reduction of capital as well as of income. Very probably stockholders may, under such circumstances, assemble in larger numbers than usual, and may want to know the reason why. Certainly this cannot be found fault with. It would not surprise us much if a strong spirit of inquisitiveness is shown at the forthcoming meetings; and if we might give a word of advice we would recommend Directors to meet this in a reasonable spirit. There are questions, of course, which are not reasonable to be asked, and which it would not be for the good of any interest to answer. Still, at such a time as the present, it would be well for Directors not to be too nice in raising doubts as to the expediency of answering. It would be better to err on the side of giving full information.

This has been the policy of the English and Scotch banks at all the recent meetings that have been held. The chairman of the London and Westminster Bank (who is, by the way, a Canadian) said at the conclusion of a long explanatory address that he had "turned the affairs of the bank inside out." As his address was reported, according to the custom of the London Joint Stock Banks, this process was for the public as well as for the stockholders. It is desirable that this example should be followed. It would be much better rather to encourage stockholders to ask questions than otherwise. We need not say that full and busi-