

the Atlantic before they could be half way over, and, that other men might be elected in their places during their absence. These obstacles arising from the nature of things constituted the only barrier which Burke could see in the way of Imperial Federation.

Somebody has said that the British Empire itself simply "blundered" into existence. It may be taken for granted that, when the proper time comes, Imperial Federation, if it be at all feasible, will spring into existence too, whether by a "blundering" or a carefully directed political process.

### THE BANK OF OTTAWA.

The annual statement of the Bank of Ottawa is invariably satisfactory and the latest one submitted to the stockholders tells of the wise and capable administration of its affairs, of growth and progress in keeping with the expansion and prosperity of the country. The twenty-sixth annual meeting held on Wednesday last, was made more than usually interesting owing to the information given by the general manager, Mr. George Burn, relative to the legislation by which the chartered banks have power to enforce the clauses of the Bank Act respecting the issue and cancellation of the circulation of notes. On this subject, Mr. Burn, who, as one of the vice-presidents of the Canadian Bankers' Association could speak with knowledge and freedom, said:

"Some of the amendments of the New Bill, are the natural result of the legislation of 1890. It will be remembered that a 'Circulation Redemption Fund' was then established by which each Bank became responsible for the circulation of the others, and an amount placed by each Bank, pro rata to its circulation, in the hands of the Government for the redemption of the notes of any failed Bank, in case of need. I am glad to say that this fund has never been called on, the Banks which have failed since 1890, having redeemed their issues without Governmental interference. The new amendments provide that the incorporated Canadian Bankers' Association shall make by-laws regulating the checking of the issues of each Bank, and the by-laws now framed are of such a nature that the danger of an over issue of bills beyond the limit of the law will be greatly minimized.

As a voluntary body, the Canadian Bankers' Association had no power of supervision, although the individual members, i. e., the Banks, were responsible for each others' issue. Now, while the responsibility is not lessened, the power given under incorporation, of investigating the state of the circulation of any Bank, will, we believe prove a wholesome deterrent against a repetition of the scandalous over-issues which have occurred in the past, and for which, in some cases, those responsible are now suffering the penalties prescribed in the Bank Act."

The President, Mr. Charles Magee, in his address to the shareholders, stated that although the gross

earnings were larger than usual, the directorate wisely considered it well to prepare for a period that may not prove so prosperous. But the favorable comparison he was able to make of the figures of the principal items of the statement with those of last year, probably prevented even the most timid of shareholders in this prosperous institution from feeling any uneasiness at the commendable caution displayed by the Bank of Ottawa directorate.

Circulation has increased by \$250,810, and deposits by \$1,334,025. On the other side the assets show an increase in specie on hand of \$117,960; Dominion notes, \$292,057; deposits in the United Kingdom and Foreign countries, \$377,370. Current loans have increased by \$1,069,546, and call loans show a decrease of \$371,027. The statement this year shows railway and other stocks and bonds to be \$485,587, while Canadian municipal and other securities, together with the British National War Loan bonds (£30,000 Sterling) show an increase of \$114,115. The net earnings show an increase of \$23,215.

Altogether, there is nothing in the statement under review but what is well calculated to satisfy the general manager and directors of one of the most active and enterprising of Canadian banks. As an illustration of the remarkable increase in two years in the business of the Dominion, the following figures culled from the Bank of Ottawa statements for 1898 and 1900 will be found interesting:—

	1898.	1900.
Capital.....	\$1,500,000	\$1,993,940
Reserve.....	1,170,000	1,660,455
Circulation.....	1,428,055	1,866,361
Deposits .....	6,549,861	9,699,277
Discounts.....	7,109,656	10,905,386

When reviewing such figures, comment is unnecessary.

### HOW FAR ARE PRINCIPALS RESPONSIBLE FOR THE FRAUDS OF EMPLOYEES? A REMARKABLE DECISION.

A highly remarkable decision was given recently by Mr. Justice Kennedy in an English Court of Law, which calls for the attention of all financial firms and companies. If the judgment is upheld a risk hitherto undreamt of is incident to all corporations and persons who conduct a financial business.

The facts, as stated in a leading English journal, are quite free from any complication. The National Discount Company, of London, England, besides transacting the class of business indicated by its title, invited the patronage of investors, for whom the Company offered to obtain securities. Its chief clerk in the share transfer department was an official