

to him, and to the coincidence of views on a most important question between him and the recognized organ of the French Canadian section of the Dominion Government. The question is one on which there can be no room for temporizing. It is one of loyalty or disloyalty to British connection.

THE BANK CIRCULAR.

There seems no reason to doubt that the Government was fully justified in taking steps to ascertain the mode by which various of Banking institutions in the Dominion have been violating the law which prohibits loans on bank stocks. It is now stated in the *Globe* that "the circular from the Treasury Board has had the effect of stopping loans on bank stocks," in other words the circular has been a more powerful instrument than an Act of Parliament. It is said by the same journal that "lending on stocks appears to have been a very profitable business for some banks, and not a few bankers consider these securities ample collateral. They have not, thus far, lost anything by so doing." The object in passing the Act was not, we apprehend, to fetter the judgment of bankers as to the value of the securities on which these loans are made, of which they must themselves be the best judges. It was because it was believed that the facilities afforded by such loans led to speculations, the result of which was often prejudicial to the interests of the shareholders generally. It has been notorious that some of the banks which have been in the habit of making such loans have felt themselves justified in lending the stocks transferred to them as security, in which case the lending would be "a very profitable business" for the bank, though perhaps the reverse for the original borrower. The Government not knowing exactly how the law was evaded, though well aware of the fact, felt it necessary to make a most searching inquiry into the transactions of the banks, which would have put the banks which have obeyed the law to a vast deal of unnecessary trouble, and would moreover have led to great delay. We have no doubt that during the next session of Parliament an amendment in the law will be proposed, which is very desirable, as it is unfair to those banks which have complied with the law that other institutions should treat it as a dead letter.

THE FRENCH DELEGATES.

The visit to Canada of the Delegates from the French Republic to the United States to celebrate the surrender of Lord

Cornwallis at Yorktown, at the close of the revolution war, seems to have been as successful as could have been expected. It was natural that the French Canadians should have been anxious that a number of distinguished representatives from old France should pay a visit to a Province which is principally inhabited by descendants of their race, who still cling to the religion, language and laws of their ancestors, and the visit seems to have given great satisfaction to the distinguished guests, while the chief regret experienced on both sides was that it was so short. The contemplated dinner and ball were necessarily abandoned, but on the last day of the old year there was a *dejeuner* presided over by Lieut.-Col. Ouimet, M.P., when a number of speeches were delivered, and kindly sentiments interchanged. General Boulanger was the principal spokesman of the delegates, and expressed himself in terms which were quite unexceptionable. We sincerely wish that there was any ground for hope that the General's wish for more extended commerce between France and Canada was likely to be realized—one thing is certain that the option is entirely with France. It is, however, discouraging to find that in the year 1873 the imports from France were \$2,023,288, on which duties were collected to the amount of \$627,831, while in 1880 the imports were only \$1,117,841, and the duties \$427,937.

Correspondence.

THE PRIVY COUNCIL INSURANCE DECISION.

To the Editor of THE JOURNAL OF COMMERCE.

SIR,—I have read with much pleasure your comments on the recent decision of the Privy Council in the case of *Parsons vs. the Queen and Citizens Insurance Companies*, concerning the validity of the Ontario Statutory Conditions Act of 1876. It appears from that decision that a Dominion charter confers no powers upon insurance companies to transact business in any part of the country. That being the case, the cheaper way is to withdraw our deposits of \$100,000 and upward at Ottawa, and having obtained a Provincial charter, deposit \$25,000 with the Ontario Government, which is all the deposit required, for the other Provinces do not exact any deposit. The question will also arise whether or not the companies are obliged to submit to a periodical examination by the Dominion Superintendent of Insurance. If the Dominion charter and licence confer no privileges—if a company having both may yet be tied hand and foot by local legislatures—where is the use of them?

As stated by you in a former article, the ten days notice prior to cancellation exacted by the Statutory conditions is, in a country like Canada, so near to the boundary of the United States, a premium offered to frauds upon insurance companies, especially on mercantile risks, in the absence of any loophole through insolvency legislation. This may not be very noticeable during the prevalence of good times, but the time may come when it will be felt.

Yours truly,

INSPECTOR.

Montreal, January 3rd, 1882.

Financial and Commercial.

MONTREAL WHOLESALE MARKETS.

THURSDAY, 5th January, 1882.

The singular absence of snow in this vicinity, and for some distance east and west, has a considerable effect in lessening the volume of retail business. Tolerable sleighing is reported in the vicinity of Toronto and westward, as well as in some sections of New Brunswick, while Quebec and the adjacent country have been particularly favored. The ground is frozen to an unusual depth owing to the want of the usual snow covering, and waterpipes in exposed spots are affected. There is a falling-off in remittances from country merchants. There is an upward tendency in many departments which is noted under respective headings. Merchants appear to be well satisfied with the results of the past year's business. The money market is unchanged. Sterling exchange 8½ to 8¾ premium. There is some slight indication of a partial recovery in stocks. The sales to day were: Morning Board—100 Montreal at 198½; 50 do at 198½; 30 Merchants at 126½; 16 do at 127; 50 do at 126½; 302 Commerce at 141; 150 do at 141½; 20 Exchange at 141; 50 Montreal Telegraph at 124½; 75 do at 123½; 105 Richelieu at 52½; 60 do at 53; 75 City Gas at 145½; 65 Dundas Cotton at 134½. Afternoon Board—30 Montreal at 199; 25 do at 199½; 25 do at 199½; 70 do at 200; 4 Ontario at 60½; 14 Toronto at 168½; 210 Merchants at 127; 100 Commerce at 141½; 25 do at 141½; 100 do at 142; 175 Montreal Telegraph at 124½; 50 City Passenger at 132.

CATTLE.—The demand for the week has been good, and, as better qualities than usual were offered, an advance in prices was realized. The offerings at Viger market last Monday comprised about 94 cattle and 6 sheep; although quite a small number, an advance of 25c to 50c per 100 lbs was established. We quote prices as high as 5½c to 6c, while nothing sold under 3½c per lb. The present high prices are said to be due to a marked scarcity of cattle in the country; owing to high price of feed, many farmers having disposed of their lean herds early in the season.

DAIRY PRODUCE.—Butter has been quiet, but colder weather is stiffening prices; really choice is scarce, and would find easy sale; a car of fine Morrisburg was sold at 20c. Kamouraska is held firmer, stocks could not be replaced under 16c. In Cheese about 3000 boxes have changed hands at 10c to 11½c for July and August makes, and 12c to 12½c for September and October. Stocks in this city and the country are reported to be unusually large, thus the probable loss of 12,000 boxes in the SS. "Moravian" has had no appreciable effect on values. In New York fancy makes have brought 13c easily, home trade unusually good, shippers buying steadily and stocks diminishing. Cable reports Liverpool firm with good enquiry, fine scarce and dearer.

DRUGS AND CHEMICALS.—The market continues very quiet, orders being few and far between,—we do not anticipate any improvement for the next week or two. In England the same condition of things exists, but holders and makers there are hopeful that the holidays once over there will be a decided revival in demand with improved prices. Soda crystals in Liverpool have fallen off 2s 6d per ton. Quinine maintains its firm position, with a slight advance since our last both in London and New York.