

BANKERS' RESPONSIBILITY FOR SECURITIES.

The following questions and answers appearing in the office magazine of the Sterling Bank, are of wide interest:—

What responsibility does a banker assume for the custody of bonds or bearer securities:—

- (a) When left with him in a closed box.
 (b) When left with instructions to collect dividends as they become due.
 (c) When left with instructions to sell through a broker.

The answers are as follows:

(a) When a banker receives his customer's securities for safe custody, he makes himself responsible for the exercise of that care which a reasonably prudent man would take of his own property of a like description. He engages to re-deliver the securities to his customer on demand, and will be responsible to his customer if he is unable to do so owing to gross neglect on his part. Some critics hold that a banker in such cases is not a gratuitous bailee, but a bailee for reward, and as such must take every possible means to protect the property placed with him, being liable for the loss resulting from his omission to do so. Possibly, there is little hardship, if the banker were held to be a bailee for reward, seeing that most banks have safes and strong rooms for their own requirements, and if a banker having such did not use them, he would be guilty of that want of care which would be expected of any prudent man.

(b) In receiving his customers' bearer securities with instructions to collect the dividends as they became due, a banker places himself in the position of a mandatory, and as such must exercise all reasonable diligence and employ all reasonable ability in the execution of the service undertaken and on account of which the bonds were entrusted to him. Being possessed presumably of exceptional skill and aptitude in the management of such matters, he is bound to exercise it, and such special capacity will be presumed, seeing that the gratuitous employment is in regard to a matter which is specially within the scope of his business as a banker. He will thus be responsible to his customer if the bonds are lost through his omission to exercise the care which a prudent banker gives to such a matter.

(c) In receiving securities from his customer for the purpose of sale, and so acting as his customers' agent, he assumes the responsibility attaching to their custody pending sale, and will be liable to his customer, if, through any negligence on his part, they are lost while in his possession.

The annual report of the Institute of Actuaries mentions that over 300 associated with the Institute have joined His Majesty's forces. The number includes 39 Fellows and 60 Associates. Six Fellows, Associates and Students have been killed in action.

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The New Jersey Supreme Court has held that the dependents of the employee of a brewery, shot while delivering a case of beer, were not entitled to compensation, the ground of refusal being that the employer should not be held responsible for the character of the neighborhood unless aware of the risk the employee was taking

RECENT BOND ISSUES.

The city of Ottawa has sold to the Dominion Securities Corporation, of Toronto, \$1,032,517 5 per cent. bonds, part instalment and part straight term, maturing in 20 and 30 years. The price paid for the issue was 100.101. It is understood these bonds are being offered in New York on about a 4.85 basis.

Messrs. Wood, Gundy and Company, of Toronto, were the successful tenderers for \$650,000 5 1-2 per cent. 30-year straight-term bonds of the Protestant Board of School Commissioners of Montreal. Their bid was 104.6404.

J. P. Morgan & Co., Brown Bros. & Co., and Harris, Forbes & Co., are offering in New York \$4,000,000 Province of Quebec 5 per cent. ten-year gold bonds at 100 3-4 and interest, yielding about 4.90 per cent. The bonds are a direct and primary obligation of the Province of Quebec and are payable from general revenues. They are dated June 1, 1916, and are in coupon form of \$1,000 each, and the principal and interest are payable at the Bank of Montreal in New York, Montreal and Quebec.

The Government committee appointed to deal with claims for compensation for losses occasioned during the recent insurrection in Ireland, includes Mr. Samuel J. Pipkin, general manager of the Atlas Assurance Company, who is well known on both sides of the Atlantic, and whose practical knowledge of fire insurance will probably have much weight in the decisions of the committee.

ESTABLISHED 1873.

The

Standard Bank

of CANADA

Head Office, TORONTO

124 BRANCHES THROUGHOUT THE DOMINION



IT IS an advantage sometimes to keep a bank account in the names of two persons, so that either one may make withdrawals. Such an account is called a "joint account." We shall be pleased to furnish particulars.



Montreal Branch: 136 ST. JAMES STREET
E. C. GREEN, Manager.