

mer stock. The fall of value in the shares from the price 18th of February, 62 per cent., to the price of 31st March, 55 per cent., (a period of 6 weeks) can hardly be called *panicky*, and we think that the careful management of the present resources of this institution will give it a good lease of life; certainly a concern with the above amount of means remaining to its stockholders cannot be classed with the enterprises which furnish the *Herald* so often with food for comment.

The *Stadacona Fire and Life Insurance Company* would draw special attention to the figures contained in their advertisement with this paper.—*Advt.*

FIRE RECORD.

Montreal, March 23.—The store of Stephen, Davidson & Co., dry goods, was badly damaged by fire; a large quantity of the stock was destroyed. Loss about \$20,000; insured in the British American and Scottish Commercial for \$10,000 each. The building belongs to the Benoit estate, and is damaged to the extent of about \$5,000, and is insured for \$8,000 in the Royal Canadian.

Montreal, March 24.—The hardware store of Elliott, Phillips & Co. was totally consumed by fire with most of the contents. The stock is insured for \$35,700 in the following companies. Phoenix of Brooklyn, \$9,000; Imperial, \$4,000; Northern, \$4,000; Royal Canadian, \$8,000, and \$700 in fixtures; and British America, \$16,000. The building belongs to the Grey Nuns, and is insured in the Liverpool and London and Globe and other companies.

Port Stanley, Ont., March 24.—The steamer "City of Sandusky" was totally destroyed by fire.

Bowmanville, Ont., March 24.—A disastrous fire broke out in J. F. Anderson & Co.'s boot and shoe store, Reed's three story brick block, resulting in the following losses: J. F. Anderson, stock an entire loss; Mrs. Anderson, who occupied the dwelling above, also lost everything. Thomas Batting, dry goods, and Thomas Patterson, dry goods, saved most of their effects. The stores of Batting and Anderson are both destroyed. Total loss about \$10,000; fully covered by insurance.

Halifax, N.S., March 25.—The dwelling and outbuildings of A. Purdy were consumed by fire. Mr. Purdy was seriously burnt while saving the furniture.

Ottawa, Ont., March 26.—The grocery store of Mr. Shannon was damaged by fire to the extent of several hundred dollars. Supposed to be the work of an incendiary.

Rondeau, Ont., March 27.—A fire broke out in the second flat of the brick block owned by A. L. Bisnett and G. Flatter, and extended east, destroying the following buildings: Miss Smith, milliner and ladies shoe shop, owned by N. H. Stephens; Mrs. Lubadie's dwelling; Wm. Kemp's grocery, owned by A. E. English; Jos. Rogers, tailor; J. W. Ernest, jeweller, and Miss Jackson's millinery store. The Masons and Oddfellows had their hall in the brick block, and suffer a total loss. Insurance not ascertained. Origin of fire unknown.

Delta, Ont., March 27.—The stables of Mr. Roper's hotel were destroyed by fire together with a span of horses; also the dry goods store of Mr. Harrison; an unoccupied grocery store belonging to J. Gallagher, part of the contents of which were saved; a dwelling and carriage shop belonging to R. Brown; a tin shop and a number of other buildings. All insured except Harrison's store.

Henfry, Ont., March 28.—M. Peel's dwelling house and contents were destroyed by fire. Loss about \$700; no insurance.

Montreal, March 28.—A fire broke out in the store of Messrs. Butterick, occupied by that firm as a pattern warehouse, on the first, second and third storeys, and as a store-house, on the fourth, by Messrs. Evans & Mercer. The damage is

placed at \$10,000; insured in the Royal Canadian and Northern companies.

Port Elgin, Ont., March 28.—The barn of Mr. McLean together with its contents was totally destroyed by fire. It was set on fire by his son, who is deranged.

Belleville, March 28.—A house owned by W. Palmer and occupied by G. Lennox was totally consumed by fire. The contents were mostly saved. Loss about \$300; no insurance.

Fredricton, N.B., March 27.—The dry goods store of A. Anderson was badly damaged by fire; insured in the *Ætna* for \$1,600. The stock was also damaged, and is insured in the same company for \$3,000.

Montreal, March 30.—The store of A. Hamall was damaged by fire. Supposed to have originated from the stove.

Kingston, March 30.—A house owned by Messrs. Fraser and Duff was consumed by fire; insured for \$800.

London, Ont., April 1.—The moulding shop and agricultural works of J. Stewart were destroyed by fire. Loss about \$300.

Morrison, Ont., April 1.—The barn and outbuildings of J. McPharlane were totally consumed by fire together with 19 head of cattle. Loss about \$7000; insured for \$3000 in the Victoria Mutual. Cause of fire unknown.

Kingston, April 4.—An unoccupied house on Elm street was destroyed by fire.

Correspondence.

[Correspondence containing information of interest to the business community is desired; but as our space is limited, facts briefly stated are all we can insert, and for such we shall be thankful. If mistakes occur, we wish it to be understood that our columns are always freely opened for corrections.]

INSOLVENCY.

LETTER No. 2.

To the Editor of the *Journal of Commerce*:

No wonder that the old Bankrupt Act so soon became "a dead letter," the system followed up was erroneous. The insolvent went through preliminary proceedings under the orders of Judge No. 1—first meeting of creditors was presided over by Judge No. 2—second meeting by Judge No. 3—fourth meeting by Judge No. 4. In disputed cases, where the lawyers on each side did not get the oyster shell, perhaps Judge No. 1 got through a certain portion of the case between the hours of ten and three, the gentlemen of the Bar having in that time exhausted their attainments, and ran up "a nice little bill" for the creditors to liquidate, when the court adjourned. Next morning a different Judge took his seat on the Bench entirely ignorant of the proceedings of the previous day, the lawyers again partook of the oyster, by a repetition of previous proceedings, thus the assets of the estate were monopolized, and the dividends reduced to, generally speaking, a very unsatisfactory point.

The most satisfactory dividend paid by me was realized from the estate of a grocer, who kept all things considered, a pretty fair set of books, (but by single entry). I think I paid 14 shillings in the £, and within a reasonable time; there being only a wooden house, in the shape of real estate, which the creditors, so satisfied were they with the result, made a present of to the insolvent's wife.

The dividend so realized I attributed to my employing the bankrupt and one of his assistants in disposing of the stock by retail, keeping the shop open for some three or four months for that purpose. The stock was considerable, fresh, and well selected; thus a profit was realized on all that was sold, instead of a heavy loss as would have been the case had I resorted to the course, too often followed, of advertising an estate to be sold in block at "so much in the dollar." Some of the creditors protested against my adopting the retail system, selfish men who wanted to get bargains, that caused the protest. I was the best judge of what was most for their interest and that of the insolvent, and the result proved it: a very hand-

some dividend, a gift of a comfortable dwelling to his wife, his discharge and a few pounds additional commission to the poor fellow, the assignee. Five per cent commission on the collections on an estate occupying the daily supervision of the assignee for perhaps six hours was a poor remuneration.

Before concluding a series of letters which I ask your kind permission to publish, I shall allude to banking establishments where the habit of "shaving" is daily resorted to, also some parties, lately arrived in this city, where I happened to notice a pile of promissory notes which I doubt not had been shaved to the tune of at least 12 and 15 per cent., thereby making the final crash of the unfortunate victim, or designing villain, a mere "question of time."

I am, Sir,

Your Obedient Servant,

AN ACCOUNTANT.

MONTREAL, 28th March, 1876.

SPECULATION IN BANK STOCKS.

Editor of the *Journal of Commerce*.

Sir,—In my last letter I pointed out some of the evils resulting from speculation in bank stocks, and have now, in accordance with my promise, to make such suggestions as would in my opinion, if carried out by the banks, greatly mitigate if they did not completely remedy the evil complained of. Before doing so, however, permit me to refer to the foot note added by you to my letter, and also to your article on the same subject.

In reference to your remark as to my being misinformed respecting the present and past extent of speculation in bank stocks, I have to observe that my letter made no reference to the relative amount of such speculation in 1874 and 1875, but to the relative amount in 1871 and 1875, and no one at all conversant with the facts will for a moment insist that the amount of speculation has not largely increased since the former period. Unfortunately the bank returns of 1871 do not show the amount of such loans, but the fact that the three banks most largely dealt in by speculators, namely, the Bank of Montreal, the Merchants Bank, and the Bank of Commerce, have increased their capital to the extent of over eight millions of dollars since that time, shows conclusively how the field of speculation has widened. Referring to your own article on the subject, I am willing to admit that there are many cases in which it is quite legitimate to borrow money on the Bank stock. I also agree with you that it is quite wrong to blame the Savings Bank for making such advances, as by its charter such loans are fully contemplated. In fact the Savings Bank is the only institution in the city which follows its legitimate business in making such loans. It was never contemplated nor intended that the ordinary chartered banks should make a special business of loaning money on the stocks of other chartered banks. As, however, the banking law authorizes such loans, it is for the banks themselves to decide how far this policy can be pursued without detriment to their own interests and the general interests of the country. The extent of speculation in bank stocks is not, permit me to say, indicated by the Bank returns. In fact the great evil connected with such speculation is what is known as the *short interest*, which, instead of increasing, largely diminishes the amount of stock earned by the banks, so that your figures, so far as the short interest is concerned, go for nothing. If, for example, the banks were carrying four million dollars of stock, and a strong clique decided to sell out one million dollars of their customers' stock, the bank returns would show a large decrease, while the actual state of affairs would be, four millions carried by holders and one million over sold by the "short" interest. It is in this short interest that the danger to the banks chiefly lies, for, as stated in my former letter, should it become the interest of a powerful and unscrupulous clique to damage by false reports the standing of any of our leading