tain a right of way over the Ontario and Pacific Junction road; and it would be well if the general Government were to make it a condition of any aid it may give that the terms on which a common right of way over the Ontario and Pacific Junction should be obtainable should be specified. There is a great objection to irresponsible parties building railways with money obtained as gifts. It is the most corrupt and corrupting of all conceivable plans; and if it cannot be brought to an end at once, its future operation should be placed under some salutary restraints which have hitherto been entirely wanting.

THE CONSOLIDATED BANK RETURNS.

The Court of Appeals, in quashing the verdict against Sir Francis Hincks, has affirmed the general opinion of the result of the trial in which he was condemned. The judgment of the Court was delivered by Mr. Justice Ramsay; Mr. Justice Monk, against whose ruling the appeal was taken, concuring as a matter of form to make the decision unanimous, though his opinion was only partially changed. The question whether the aid obtained by the Consolidated from other banks should have been returned, as a loan or a deposit, the Court treated as a matter of fact which ought to have been left to the jury; Mr. Justice Monk having told them it was a matter of law. This point is therefore in fact undecided. "If," said Mr. Justice Ramsay, "we were to treat the entry as a matter of law, I am inclined to think I should be induced to arrive at a different conclusion from that of the ruling, and to say that the entry was strictly correct, and that within the meaning of the form all loans to banks are styled deposits." This of course is not a decision; and it is only the opinion of one judge as to the view he might have taken if he had been required to decide the question as a matter of law. The judgment of the Court of Appeal affords no instruction for bankers making out their returns, on this point; for it does not decide whether or not a loan obtained by one bank from another is to be treated as a deposit. The difficulty arises under the form of the return, which does in fact not enable a bank truly to describe the nature of the transaction.

Mr. Justice Monk's ruling as to the demand notes was also set aside. He had ruled that, as a matter of law, these notes had not been discounted and should have been described as "other assets not included in the foregoing." The Court decided that the point whether these notes had been discounted should have been left to the jury. Mr. Justice Ramsay argues, correctly we think, that the notes of which the proceeds were passed to the maker were discounted; but this is not to be regarded as a decision of the point; what is decided is that the question ought to have been left to the jury; so that here also the decision does not help bankers further than that the opinion intimated by the Court is almost certainly the correct one. That the sentence would be quashed was very generally expected; and the unanimous opinion of the Court, comprising five judges, can leave no doubt as to the law, so far as it covers the case.

The fact that the present return does not permit a loan from one bank to another being accurately described, suggests the necessity for an amendment of the form. As Mr. Justice Ramsay pointed out, it might be a dangerous thing for bank officers to go beyond the statute in making a return, if they thereby created distrust. But the transaction is one which the stockholders and the public have a right to know, and there ought to be some legal means of communicating that information. Our bank returns, until last altered, were almost an exact copy of the form in use in the State of Ohio, in 1841. The legislature of that State had met much opposition from the banks as to the requirement of returns; but the law had been enforced nevertheless. The mere return is not all that is asked from banks in the United States. In Ohio, the law that called for returns, furnished the means of testing their accuracy. It was called the Bank Commissioner law; and it provided for the appointment of three commissioners, whose duty it was to inspect all banks once a year and oftener if necessary. These commissioners were to test the accuracy of the returns by making inquiries from the officers under oath It is obvious that such a precaution may sometimes be of signal service to the banks themselves; as in the case of robberies by officers, which the examination would disclose.

Once returns are insisted on, the tendency has been to make them fuller and more complete. The difference in the form of returns has arisen from circumstances peculiar to the times and the State, the legislature of which provided for them. A glance at these varying forms will often enable us to see the danger they were intended to avoid.

There was a time, in the United States, when the greatest danger the banks were exposed to was that the capital would be absorbed by the directors and inadequate security taken. Then arose, in the State of Maine, where we find the fullest returns ever required in any State, the necessity of ascertaining the amount of loans and discounts to directors. The appearance of the item "loans and discounts to brokers" shows that such loans had come to be considered exceptionally dangerous. The item "real estate" originated at a time when nearly every bank held a large amount locked up in land, and was about half bank and half permanent loan society. For the same reason bonds and mortgages were bracketed together. A return required to show amounts due from directors other than for loans and discounts indicates the quarter from which banks and the public required protection. The same information required about the indebtedness of brokers showed that the necessity for extra precaution from that quarter was felt to be requisite. Loss and expense account were sometimes linked in one heading; a separate heading was given for overdrafts. The appearance of the heading, "bills of insolvent banks," suggests the possibility of the item "bills of other banks" being swollen by the possession of worthless notes. "Bills of suspended banks," in a time when suspensions are frequent, is a necessary distinction. Among the liabilities, "profits" had a place in the Maine returns in 1846.

In Maine, the resources of the banks were given in much greater detail than the liabilities; and this was noticeable elsewhere. It was as true in Florida as in Maine. Here are some items taken from the returns of the New Orleans banks in 1849: "Domestic Exchange," "Foreign Exchange," "Money invested in Stock," "Suspended debt and debt in suit," "Branches and Agencies." Elaborate as was the ordinary return of the banks of the State of Maine, it was periodically supplemented by information transmitted to the Secretary of State and published by him, about dividends, profits and doubtful debts; the rate of dividend was given and the time when it was declared; the amount reserved at the declaring of the last dividend; the amount of debts due and not paid and considered as doubtful show the complete dissection of the affairs of the banks that was made in presence of the public. Sometimes a heading showed the time a bank was chartered and re-chartered, which would generally be of little value; but where many banks appear and disappear in a few months, a voucher of some years existence might be an indication to the public that the institution was not of the wild cat species or was not specially wild.

The demands of the public for such minute information about the condition of the banks arose out of the suspicion which