

## BANK RETURNS.

THE official statement of Canadian Banks for February is before us. It presents some changes worthy of notice, as compared with that for the preceding month.

The following is a comparison of the liabilities and assets:

LIABILITIES		
	January.	February.
Notes in Circulation	\$10,626,478	\$10,663,258
Balances due to other Banks	3,101,579	1,338,705
Deposits not bearing interest	13,723,246	12,851,226
Deposits bearing interest	12,853,471	13,251,779
ASSETS		
Specie, and Provincial Notes	\$ 878,164	\$ 731,670
Landed property of Bank	1,513,519	1,514,109
Government Securities	6,373,311	6,199,118
Notes or Bills of other Banks	1,516,721	1,574,964
Balances due from other Banks	5,599,528	3,890,473
Notes and Bills discounted	44,340,876	46,799,776
Other debts	2,381,921	2,322,603

In circulation there is only a trifling increase. Deposits not bearing interest have again decreased, and permanent deposits still further increased. The most noticeable features, however, are the increase in discounts of \$2,338,531, and the decrease in specie and legal tenders of \$1,470,404.

The demand for money has been gradually increasing, and the banks have been meeting it in a very liberal spirit. The increase is distributed amongst all the banks, with the single exception of the Eastern Townships, the Quebec Bank showing the greatest actual expansion viz., \$100,000. The Commercial, Ontario, Toronto, British North America, Royal Canadian, Montreal and Gore are next in order, the increase in their discounts ranging from \$30,000 down to \$10,000.

We do not think this enlargement of facilities on the part of our banks, for the carrying on of the business of the country, either unwise or unsafe, if due care be only exercised in the selection of accounts. A good deal of competition and a feeling of rivalry doubtless exists between the different institutions, and there has been much eagerness to obtain new business; but although in some few instances advances may have been made on paper that could hardly be considered as even silver-edged, still in the majority of cases we have reason to believe the desire to increase business has not led our leading bankers to commit any imprudences, or to run any great risks with the hope of declaring handsome dividends at the end of the current half-year. The demand for money, however, still continues, and it will be well that traders should not, by too great care in obtaining accommodation, be led into extending their operations unduly, or tempted by hopes of profit be induced to go into speculations requiring capital beyond their own means. A worthy old banker of Wall Street, was accustomed to tell his young friends that "early intelligence and bank facilities will ruin any man," and there is no doubt that the unlimited command of money often has the effect of bringing financial ruin.

## WAREHOUSE RECEIPTS.

RESUMING our remarks on this subject, we take up the point at which we stopped in our issue of the 8th, viz., that warehouse receipts, even if they are not such as to hold property against an execution, may nevertheless be made use of for securing a loan.

If any person having mercantile property in possession, gives a receipt to the lender of money undertaking that such property shall be held for his account or to his order, although the property may not be safe against an execution, it cannot be made away with by the party himself, without subjecting him to a conviction for larceny. The penalty is sufficient to deter any man but a deliberate swindler from attempting any improper disposition of the property, and all that the lender of money has to consider is, first, the character of the borrower, and second, whether his circumstances are such as to render it likely that an execution will come in and take his property.

The security, of course, is not of that absolutely safe character which would be given if a warehouse receipt were landed, which vested the property according to the terms of the Act. This renders it necessary that the character and circumstances of the borrower be considered, but other things being equal, it is probable that a warehouse receipt of the kind we have named, is about as good a security as is afforded by

most of the endorsers or promisors on paper discounted by the banks.

As the penalties imposed in cases of misdemeanour arising out of warehouse receipts are severe, and not perhaps as well understood as they might be, it will be as well to devote the remainder of this article to a consideration of what these penalties are, and of the circumstances under which they may be imposed.

1. The first case against which provision is made is that of a receipt being given, when there is no property to represent it. Formerly, it was no uncommon thing, for a warehouseman to give a receipt for flour purporting to be in his possession, which receipt was used by the miller to obtain advances to buy the wheat from which that very flour was to be manufactured. Not a barrel had the warehouseman to present his receipt, and if the miller chose to hold back the flour, to deposit it in another place, or to sell it, the property would never be in his hands at all.

The granting of such a receipt now, with intent to mislead or deceive (and the very fact that such receipt was issued, is surely *prima facie* evidence of misleading and deception) is a misdemeanour, punishable by imprisonment for one, two, or three years.

2. The same penalty attaches to the person who uses or inrogates such a receipt, knowing that the same does not represent what it purports to do.

3. When a person holds any property as bailee or in trust for another, and takes or converts the same to his own use, or the use of any person other than the owner, he is held to have stolen the property, and is subject to imprisonment for one, two, or three years. Under this section, questions may arise affecting transactions previously referred to. The receipt of a commission merchant to a third party for goods sent him for sale by a second, and on which the third party is asked to lend money is obviously open to question; unless it is clearly apparent that such receipt is given for the purpose of raising money to be applied to the purposes of the owner—i. e. the second party—the commission agent lays himself under the suspicion of appropriating the property to his own use, and bringing himself under the penalty provided in the case. But if a commission agent be himself the owner of the property, as in certain cases he may be, or if a merchant or any other person give a receipt undertaking to hold certain property to the order of another such property being in his possession, he certainly becomes a bailee for the person to whom the receipt is given, and if he makes away with or appropriates the property, the penalties of the act will apply.

4. In the complicated transactions of the present day it frequently happens that a banker or money lender has to part with the bills of lading or warehouse receipts he has taken for security. Unless he go into the market himself and sell the property, or in another case, unless he go to a railway company, or vessel owner, to see after its shipment he must entrust his documents to an agent or broker, and sometimes to the party owning the property for whom the advance was made, for the purpose of sale or transmission. Any person receiving such property or the documents representing it, in trust, and converting the same to his own use, or pledging the documents for advances to himself, or acting in any way contrary to the intention of the person entrusting him with the property, is held to be guilty of a misdemeanour and liable to imprisonment.

The Statute under which the above penalties are imposed is a general one and contains other clauses relating to breach of trust of various kinds, but these we have recited are all which have any bearing on warehouse receipts. In this, as in other matters, a banker ought to pay special regard to the honorable character of the person he is dealing with. It would be great folly in a country like this, where the facilities of escape beyond the jurisdiction are so great, for money to be lent with no other security than a warehouse receipt to persons of doubtful reputation. It is a good rule at all times to have nothing to do with such people in matters where credit of any description is involved, and the more thoroughly this rule is carried out by bankers and men of business generally, the more satisfactory business will become.

The Warehousing Act, on the whole, is very comprehensive and complete, but it might be as well were more power over the property given to the holder of a receipt, who can now only realize it after default of payment and after ten days' notice. If a banker were empowered to sell property at any time, on giving a week's notice, the owner would be sufficiently protected, and the banker's position would be rendered more secure,

## IS FENIANISM A PRESENT DANGER?

THE effect of the recent risings in Ireland, ephemeral and unsuccessful though they have been, has been to quicken into a more noisy and lively existence the brotherhood who find shelter and encouragement beneath the wing of the "Bird of Freedom." The rumours with which the air has been full for some time, are gradually becoming more circumstantial in their nature, and very positive statements are made as to the sayings and doings of the green gentry; but so far, to the best of our knowledge, and from all the information direct and indirect, which has come to us, the avowedly contemplated attack upon these Provinces will not take place for some time to come. The arrangements are as yet immature; money and men are alike wanting, for the Fenian treasury is low, and the battalions of the invaders are numerically weak; arms too and ammunition are not yet provided in requisite measure, and, in fact, should the attack be made now, it would be a more miserable fiasco than its predecessor of last June. And we have another temporary defence of an almost insurmountable character in the state of the country itself during the spring thaws which have now set in; so that we may, while not suffering ourselves to be lulled into a state of security which would leave us open to surprise, permit ourselves to feel sufficiently secure to go on with our ordinary avocations untroubled by harassing fears.

That another attempt to invade Canada will be made during the course of the present year is possible, but that it will miserably fail is certain. Whether the attempt be made earlier or later will depend somewhat on Fenian finances, or the ability of Roberts and his colleagues to draw contributions from the already impoverished pockets of their dupes, but as they are doubtless aware of the danger involved in delay, they will endeavour to hurry matters and be prepared to pay us a visit by the end of May or beginning of June. If they mean to come at all, the sooner they make their appearance the better it will be for Canada, in putting an end to a state of suspense that at times becomes positively painful to very many. "Coming events cast their shadows before," but many times these shadows are exaggerated caricatures of the events they prognosticate, and the actual evil of a Fenian invasion promptly grappled with would soon be overcome, and be found to be much less dreadful in its consequences than uncertainty had portrayed it.

Probably there will be bloodshed, but will not every man, who is a man, be willing to shed his blood in ridding the soil of his country of the lawless wretches who will be found fighting beneath the green standard—fitting emblem of verdancy—of the Irish Republic. Will not every man fight for his country, for his family, for himself, till not a living man of the invading mob be left to tell the tale, and until it has been made plain to all the world that the road to Ireland, via Canada, is a long, long journey, and not to be accomplished by any man in his lifetime.

Let our government then be watchful and vigilant, let our military authorities have their troops, regulars, volunteers and militia, ready to meet the foe at any moment, and then let unnecessary and unmanly fears be laid aside. Let us make up our minds not to be troubled by every baseless report and lying rumour that comes on the wind, to give no credence to stories fabricated to create a sensation, but to go quietly on until the signs of approaching danger are very much more apparent than they are at present.

## THE GRAND TRUNK RAILWAY.

IF—which is contrary to the usually received doctrine—the Grand Trunk Railway Corporation had a soul on which, in a future state, punishment could be inflicted, we think that punishment must needs be very light, when the amount of scolding and abuse to which it has been subjected in this world is taken into account. Now, we are not going to become the apologists for the many—avoidable and unavoidable—shortcomings of the Grand Trunk, but we do want to ask those who seem to find sincerest pleasure in its vilification and abuse, what end they propose to themselves in running down an institution, the prosperity of which is intimately connected with that of the whole Province, and to which much of the progress, the increase in the internal and external commerce of the country, and more especially the rapid growth of this City of Montreal, is undoubtedly due.

The Grand Trunk Railway, as every one knows, though aided by Provincial money, owes its existence to English capital spent here abundantly, and for