

FURTHER BANK MEETINGS.

The board of direction of another of our most important banks has dwelt significantly upon the signs of expansion now to be seen in the trade of this country. The report of the Canadian Bank of Commerce directs attention to "the marked increase that has taken place in the discounts, loans, and circulation of the banks generally, as well as to other signs of expansion, such as prevailed previous to the recent years of depression." And the directors of that institution consider that "these suggestive indications call for the exercise of more than ordinary caution on the part of those charged with the management of financial institutions." While it is not contended that the degree of expansion thus far reached is unhealthy or dangerous, it is well to observe the admonitory tone adopted by the groups of experienced men who control such institutions as the Bank of Montreal, the Bank of Commerce, and the Merchants' Bank. When some sixty-eight millions out of the total of one hundred and forty millions of discounts granted by Canadian banks are dispensed by the three we have named, whose agencies reach every portion of the land, those who have occasion to obtain the use of banking capital would not be acting the part of sensible men if they did not take into account the tenor of the views of those who control the disposition of one half of it.

For a number of years the rest of the Commerce has stood at \$1,400,000 and for two or three years past a larger sum than customary has been placed to Contingent account. Most of this sum has now, as was expected, been transferred to Rest, which stands at \$1,650,000 or 27½ per cent. of the capital. The earnings of the year show a satisfactory growth, whether estimated upon their ratio to capital alone, or taking deposits and Rest into consideration; and, as we showed last week by a comparison of items this year with last, the increases in circulation and discounts are marked. It is to be remarked, with respect to deposits, that while those drawing us interest are slightly reduced, those no interest are nearly \$3,000,000 larger, a condition of things which the management would doubtless like to see reversed. Still, the character of some of the important accounts prepares us in some degree for this. And we may fairly assume that these are obtained at a reasonably low rate. The overdue debts show an agreeable reduction, and bank premises account is reduced by a round sum. Upon the whole, the exhibit made is one upon which the shareholders are entitled to dwell with complacency.

In reviewing the report of the Standard Bank in 1881 we took occasion to wish that institution a successful year. It is agreeable to find, as we do from the figures published elsewhere, that the increase of business for which preparation was made a year ago, has resulted auspiciously. Instead of 10½ per cent. as last year, it has earned 13 on the average paid capital; the Rest has been more than doubled; and past due bills are at a lower point than for years. The statement is a "clean" one, and good management is manifest.

A steady increase in business is reported by the Exchange Bank, which is able to show profits of \$97,502 as compared with \$80,407 for the preceding twelve months. Compared with a year ago there is an increase in deposits but a decrease in circulation. Past-due debts are reduced. The total loans have gone up to \$3,336,000, of which over \$500,000 are call loans. Owing to the reduction of the stock to half a million, it has been found possible to make the Rest up to half that amount. Reference was made by the President and Senator Ogilvie to the death of Messrs. Caverhill and Tiffin, two valued members of the board. The vacant places have been filled by the choice of Messrs. Alex. Buntin and Thomas Craig.

The Union Bank of Lower Canada has earned \$176,000 on the year, which is \$20,000 more than last year, during which the gross earnings were \$208,823 and the expenses of management \$51,940, on discounts of over three millions and a half. Encouraged by the improved business of the bank, the directors have made the July dividend 3 per cent. instead of 2½ as in January, but in the next paragraph they recommend that no increase be made in the rate "until a substantial Rest has been earned," \$30,023 being now the sum at the credit of profit and loss. A branch has been opened at Winnipeg, and Toronto is recommended as a desirable point for an agency.

PARTNERS' LIABILITY.

Few subjects are of more importance to business men, and are less understood than the nature and extent of a partner's liability for firm obligations and the means necessary to be adopted by a retiring partner wishing to escape responsibility for obligations past or future. A few terse rules on these subjects, once thoroughly understood and afterwards borne in mind, might save many of our readers from trouble and not unfrequently from loss. The following are a few such rules:

The fundamental principle governing the rights of one member of a firm to bind his co-partners by an act done in the partnership-name, is that of agency.

An agent's power to bind his principal depends on the agent's authority. This authority may be actual or ostensible.

Where actual authority to do a particular act exists, there can be no doubt of the principal being bound to the Act, as fully as if it had been performed by him personally.

Where there is not actual authority the principal will still be liable as fully as if it existed, if he have by his acts, conduct or communications justified the reasonable belief of the party dealing with the agent, that he had authority to do the particular thing done. This may occur where there is in fact no agency referable to the act done, where acts are done in excess of authority; where the agent has misunderstood his instructions; or where he has in the particular case been guilty of wilful disobedience of instructions.

In determining whether or not there exists reasonable grounds for the belief that the agent is acting within his instructions, all the surrounding circumstances are to be considered and each case must depend on its own peculiar circumstances. In determining the question, however, it is of vital importance to bear in mind that it is necessary to establish that the principal has acted in such a way as to justify

this belief—It is not sufficient that the agents conduct may have been such as led to the conclusion that he was clothed with plenary powers.

In partnerships, the liability of each member is to be tested by treating the partners doing any particular act as the agent of his co-partners. They will be liable for his acts only so far as he had authority, actual or ostensible, to bind them. In the absence of actual authority the surrounding circumstances, such as the nature of the business carried on, the position with reference to it accorded by common consent to the acting partner, the former course of the partners in reference to similar transactions and like matters, require to be carefully weighed in determining the existence or non-existence of ostensible authority.

Private arrangements between members of a firm whereby one partner is precluded from doing certain acts, though binding as between the partners, have no effect as against third parties dealing with the firm without knowledge of such arrangements.

Creditors have a right to enforce payment of their claims, from any one or more members of a firm indebted to them, without reference to the other partners, and wholly irrespective of any arrangement which may exist between the partners about the payment of the liabilities of the firm.

A retiring partner continues liable for all obligations of the firm existing at the time of the dissolution, as fully in all respects as the continuing partner, unless discharged by the creditors. No arrangement that the liabilities shall be paid by continuing partners affects in any way creditors who are not parties to it. They may, if they choose, pursue the retiring partner *only*, for payment, leaving him to his recourse against the continuing members of the firm.

To escape liability for future obligations of the firm, a retiring partner requires to notify, by circular or otherwise, those with whom the firm has been in the habit of dealing, of the dissolution; and to have a proper certificate of the dissolution registered in the Registry office of the district in which the business has been carried on.

Before the enactment of the law requiring registration of partnership it was held necessary to give public notice by advertisement, of dissolution. Whether the necessity for this has been done away with by the law referred to, does not seem free from doubt, but the usual and prudent course is to advertise as before.

HAMILTON BOARD OF TRADE.

The annual meeting of the Board of Trade of Hamilton was held on the afternoon of Friday, 7th inst., Mr. W. H. Glasco, vice-president, in the chair. There were also present Messrs. James Turner, Alex. Turner, James Watson, J. J. Mason, John Stuart, Wm. Osborne, Robert Dunlop, John Gault, M. Leggatt and T. H. Macpherson. The minutes of the last meeting were read and adopted, when the annual report was presented. We give the first four paragraphs entire:

Report.

Your council beg to present their report for the past year, and in doing so refer with pride and satisfaction to the general advancement and prosperity of the Dominion, and especially of our own city, as seen in the increase of her trade, commerce, manufactories, and general prosperity, which was foreshadowed in our last annual report to the Board.

The great demand for agricultural implements, and for everything required by the settlers and others in Manitoba has been largely supplied by our merchants and manufacturers, who were