

to smoking ashes. And this is no less likely to happen than the Milwaukee disaster of last Friday seemed.

LOOSE LENDING IN LONDON.

Investigation into the London and General Bank and the Liberator Society, whose suspension was announced in September, exposes a condition of loose and dishonest financing which is scandalous in the extreme. The downfall of the bank meant the collapse of the society, and the fall of the latter brought down the House and Land Investment Trust. The bank had been in existence nine years, and its nominal paid-up capital was \$417,000. There appears to have been a group of weak financial concerns, which were interdependent, leaning on the security of one another. J. Spencer Balfour, M.P., appears as vice-president of the Liberator and president of the House and Land, and he was connected with ten or a dozen more concerns, including the Assets Realization and Debenture Corporation.

A meeting of creditors and shareholders of the Liberator was held on Monday last, and the exposure made of the condition of the wreck was startling. The official receiver states that the society owes the shareholders and creditors £3,313,000, while the reserve fund is only £90,000. Investigation had shown that assets supposed to be good were probably valueless, as £3,188,286 had been lent to three companies which are now in liquidation. There were virtually no free assets, and only £50,000 in sight with which to meet a deficiency of £3,000,000. The bulk of the money had been lent upon nothing better than third liens. A stormy discussion followed the reading of this doleful report, and a committee was appointed to co-operate with the receiver in the forlorn hope of saving something from the wreck. There is reason to believe that Balfour, the real head of the concern, together with the several directors, have pocketed hundreds of thousands of pounds in the shape of commissions, which are now alleged to be illegal. The securities so eulogized by Balfour now prove to have been third charges upon property of doubtful value, consisting largely of rickety buildings put up on speculation. Prosecution of the directors is likely, upon charges of fraudulent concealment of the state of its affairs. Mr. J. W. Hobbs, late mayor of Croydon, was one of those whose integrity gave standing to the Liberator, but he left its board some time ago, giving no reason for withdrawal. One of the directors of the London and General Bank, Mr. James Blewitt, of Wanstead, attempted suicide in consequence of the revelation.

THE BELL TELEPHONE COMPANY.

The action of the directors of this company in selling some 1,600 shares of a new issue of its stock on the Montreal Stock Exchange having been criticised by some of the shareholders, who apparently wanted a chance to get the new shares before the public could, the company has issued the following circular explaining its course:—

NOTICE TO SHAREHOLDERS.

Gentlemen,—Enquiries having been made regarding the issue of new stock by this company, the directors desire to put all the shareholders in possession of the facts.

At the last annual meeting a resolution was passed, authorizing the directors to obtain power to increase the capital to \$5,000,000, and to dispose of the new capital at such

times, on such terms and conditions, in such amounts and generally in such manner as they may deem to be for the best interests of the company."

In view of the large sums required for the changes in the system, made necessary in Toronto, Montreal and other places by the introduction of electricity for street railways, lighting, etc., it became necessary to arrange for funds, and the directors borrowed money from their bankers under an agreement that the first proceeds of the sales of new stock should be applied to the liquidation of this loan. Because of the small number of shares which it was necessary to sell this year, being but one in ten of the capital, the directors decided to sell 2,000 shares on the Montreal Stock Exchange. 1,625 shares have already been sold, at prices ranging from \$160 to \$168, resulting in a profit of over \$100,000 to the company.

By order of the board,

C. P. SCLATER,
Sec.-Treasurer.

The Bell Telephone Co. of Canada,
Montreal, October 28, 1892.

We are informed that the board has had the assurance of its solicitor, Mr. Strachan Bethune, of Montreal, that its action above described is perfectly legal and within its authority.

WHOLESALE GROCERS' GUILD.

About forty members of the Wholesale Grocers' Guild assembled in the Board of Trade rooms, Hamilton, on the 27th and 28th Oct., Mr. Charles P. Hebert, of Montreal, in the chair. It is understood that no changes of importance were made in the arrangements or agreements of the Guild, which appear to give satisfaction to its members. A feature of marked interest was the presentation of an address and testimonial to Mr. William Ince, of the wholesale firm of Perkins, Ince & Co., at the hands of the members. The testimonial took the form of a handsome cabinet of silver, suitably engraved. There is but one opinion amongst the trade as to the appropriateness of this presentation to Mr. Ince, who was for a number of years its presiding officer. That his industry, courtesy and patience have had much to do with the success of the organization is everywhere acknowledged. The high standard of fairness which he was largely instrumental in maintaining in its transactions disarmed criticism of an association which, had it been administered arbitrarily or without tact, might have wrought harm where it is admitted to have done good. We have been favored with a copy of the address, which is as follows:—

DOMINION WHOLESALE GROCERS' GUILD.

To William Ince, Esquire, First President.

When the members of the Dominion Wholesale Grocers' Guild reluctantly acceded to your request to be relieved from the office of President, it was unanimously decided that you could not be permitted to withdraw from the highest position in the gift of its members without a substantial expression of appreciation of the long and valuable services you have rendered the trade.

When it was first proposed to organize in the interests of our special branch of business, your high and honorable position as a merchant of long standing pointed you out as one eminently fitted to direct the affairs of the Association. Your sterling integrity, honesty of purpose, and constant devotion to the general good, added to great executive ability, have demonstrated the wisdom of the selection. During the first seven years of the existence of the Guild, by your intelligence, forethought and forbearance, you have evolved a policy

which has won the acquiescence and support of the entire membership.

In the working of an association embracing all the important business centres in Ontario and Quebec, many diverse views and interests were reconciled only through the wisdom and moderation of your counsel. Your uniform courtesy and kindness, together with your sound practical business ability, overcame difficulties which at first seemed incapable of solution. To-day there is a more cordial and friendly intercourse existing among the members of the Guild than formerly, while the methods of the trade are greatly in advance of those which govern all other branches of business, and will doubtless become an inspiration which will ultimately place the trade and commerce of the country on a more satisfactory basis.

We desire to emphasize the high esteem in which you are held, as well as our high appreciation of your services to both the grocery trade and business generally, and we therefore beg your acceptance of the accompanying silver cabinet. At the same time we desire to express our sincere and best wishes for the continued happiness and prosperity of yourself and family, and permit us to add that we trust you will long be spared to take an active interest in the affairs of the Dominion Wholesale Grocers' Guild.

EDGAR A. WILLS, CHARLES P. HEBERT,
Secretary. President.

27th October, 1892.

The former president and vice-president of the Guild, Mr. C. P. Hebert, of Montreal, and Mr. Hugh Blain, of Toronto, respectively, were re-elected to those positions.

THE TELEGRAPH IN CANADA.

XX.

When the Dominion Telegraph Company laid before its shareholders, in February, 1875, the sixth annual report, it was able to boast lines of its own from Harrison to Montreal; total pole mileage, 3,102; total wire mileage, 5,807; number of offices, 305. It was even then a live company, and was doing an active business, for mention is made of one night that winter when 55,000 words of despatches were forwarded over its wires. D'Infreville's duplex transmitter was in regular use, and the way business was pushed may be inferred when we recall that, in addition to Mr. Purkis for general manager, it had Mr. Hosmer and Mr. Neilson for superintendents. At this time an occurrence so rare as to deserve special record took place: Mr. Mulock moved that \$1,000 be voted to the president, Hon. John McMurich, for his services. Mr. McMurich declined the offer, saying that until the dividend exceeded seven per cent. he would accept no money for his services. Next year the company completed in the Maritime Provinces of Canada 300 miles of wire, and opened 11 offices, the connection being made with these through the United States. It was able to announce a slight increase in traffic receipts and a small decrease of working expenses at the close of the year. The Dominion Company ratified at this time an agreement with the Direct Cable Company that should the latter company be compelled, from amalgamation or any other cause, to break its agreement of connection with the Dominion Company, the latter shall be paid \$150,000, the estimated cost of its connecting wires.

In the year 1877 Mr. Frederic Roper became secretary of the company, succeeding an official who had, to put it mildly, shown much more regard for his own interests than for those of his employers. At this time we begin to find greater system shown in the company's accounts and more intelligible statements of its affairs. The gross revenue, which in 1872 was \$69,178 and in the next year \$106,208, had grown to \$125,000 in 1874.