BANKING IN CANADA SINCE 1871.

UNDER the above heading the last No. of *Bradstreet's* gives a very complete statement of the ups-and-downs of various Canadian banks for some years past. It also epitomises our various Banking Acts in such a manner as to make this feature of the article in question a desirable one to peruse. The entire contribution extends over more than five columns of very small type, far exceeding any room we have at disposal for reproducing it, as we should much like to have done. Our readers, however, should have no difficulty in procuring a copy for themselves, as we strongly advise them to do. The article gives something more than sketches of such portions as have been disastrous of the careers of the Royal Canadian and City and Consolidated banks, the Jacques Cartier, Metropolitan, Merchants', Exchange, Mechanics', Ontario, Federal, Prince Edward Island, Merchants' Bank P. E. I., &c. This compilation would, however, have possessed but little value and no attraction to other than the curious or the ill-natured had it confined itself to such details merely. But it goes much beyond that in endeavoring to trace out the causes which brought all these institutions more or less to grief. The same difficulty as to want of space to give extracts in full from this part as has already confronted us here again interposes. We find ourselves, therefore, limited to stating that in the view of the writer the main causes of all the financial disasters he records are principally limited to three—the incapacity of heads of institutions ultimately destined to collapse; the raids on the resources made by the Directors themselves; and the appointments of lesser but yet important and responsible officers through the pressure of family connections. Of these the first is numerically by far the most important, the incapacity alleged being attributed to the fact that the occupants of the most responsible offices had had no technical training whatever in the profession of banking as a distinct and separate study. The political platform, the broker's desk, and the merchant's counter, according to this authority, were mainly looked to as the proper places whence to seek the competent manager and the all-influential president. The result, as judged by the examples quoted, has been such as fully to bear out Mr. HAGUE'S views enunciated in his lectures in which he proclaims a long and arduous special training as indispensable to the creation of the future successful banker. The haul made by the directors on the resources of the banks with which they were officially connected is made to stand next on the list of the producing causes of our great financial disasters—in one instance one of these conscientious gentry absorbed all but the entire capital of his own institution, and it immediately after incontinently collapsed. The evils brought about by appointees selected by pressure of family influence appear, except in one single case, not to have been very formidable. Although the subject is one affording much room for satire and indignation the writer has treated it without any apparent animus, making of it indeed a calm dispassionate review. In pointing out the vast injuries that have already been inflicted in connection with our banking institutions, owing to the many evident deficiencies in their system of management and imperfect oversight, the reader rises oppressed with the conviction that what has occurred before may any day be repeated. The fatal experience already gained seems in no degree to have resulted in any attempt even at correcting established defects or taking precautions against future disasters such as have already devastated old Canada from one end to the other. Legislation could no doubt be made largely instrumental in helping on to a better state of things, but the true prevention and cure rest after all mainly with the shareholders themselves.

SHOULD THE EXCHANGES BE ABOLISHED?

UNDER this somewhat startling heading the *Banker's Magazine* (Homans) coolly discusses a subject which other financial papers have not had the temerity even to hint at. Without coming to the conclusion in so many words the magazine makes it pretty plain that in its opinion all the Exchanges could be dispensed with without any loss to the community in any respect and with great advantage to its morals. It regards them as the great source of the national passion for gambling as others do the "rum shops" of intemperance, and it is prepared to see them both put down by the sternest of legislation. It concludes—"The desire for gambling once thoroughly aroused is aroused for life. The only way, therefore, to stop it is to remove the means for exercising the desire, just as the only way of keeping a drunkard sober is to keep him and rum apart. Among many of the failures which have happened of late, speculation has figured as a prominent cause. In the majority of cases of defalcations the money taken has gone in the same manner. Is not the question seriously worth considering whether, in view of the enormous and widespread evils, whose root can be clearly traced to the Exchanges, they ought not to be abolished by the State, like other gambling-houses to which they are, in the eye of the law, so clearly allied, and which long ago were condemned as detrimental to society, and their keepers as criminals?" All which is respectfully submitted.

GIVE IT A NAME.—Certain parties in New York published what they called a bankers' paper, says the *Mail*. They demanded $10 subscription from every bank president and cashier, threatening that if the money was not paid the character of the bank would be misrepresented. Some officials paid the blackmail; others refused, and have taken measures to secure the punishment of the men who tried to fleece them.

THE GOLD DRAIN IN THE STATES.

GOLD is coming this way from Europe just as we predicted it would, says the Wall Street *Indicator*, and the movement is likely to be large before long. We hear of only about $2,000,000 being now on the way, of which one quarter is consigned to this city and the remainder to New York. As a set-off to this comparatively small importation a wail is going up from Wall Street at the steady drain of gold which has been going on for the last half year or more. Of so serious a nature is this as to extent that there are now widespread apprehensions that if continued much longer the Federal Government will be forced into using silver in making its payments either through the New York Clearing-House or over the counters of the Sub-Treasury. Since January the Treasury has lost about $50,000,000 of gold, the decrease having gone on almost without interruption. At the end of May the gold balance stood at $140,000,000, at the end of June it was $133,000,000, on July 19 it was $122,000,000, and on last Saturday it had fallen to $118,000,000, only $18,000,000 more than the Secretary of the U. S. Treasury is required by law to keep as a reserve to offset the circulation of national bank notes. Congress having made silver a legal tender the banks will have to take it, however distasteful it may be to them to do so And, as an indignant Wall Street man complains, the compulsion would be just the same were the law to make bits of leather legal tender, affixing to them an arbitrary nominal value. Some time ago the New York Clearing-House tried to bar out the silver dollar, but the Government retaliated by passing a law forbidding any national bank belonging to the Clearing-House so long as the latter refused silver —a process which summarily solved the difficulty. The position, already sufficiently complicated, is growing worse under the fact that the silver coinage, notwithstanding that it is already over-abundant, is being continued at the rate of $25,000,000 a year. It is generally feared that, in the face of this state of things, gold will jump suddenly to a premium and that serious monetary disturbances will arise.

ONE of the most conservative journals in New York makes the announcement that hundreds of millions have been stolen from the U. S. Treasury in Washington during the past twenty-five years. Counterfeit bonds, false Treasury notes, duplicate stamps, and other fraudulent issues have been partially traced, but it is wholly impossible to estimate the extent of the robberies, the forgeries, and the frauds upon any known data.

THE N. B. LOAN.—The New Brunswick Government last week funded one hundred thousand dollars of its floating debt by a loan at par, the debentures bearing interest at four and a half per cent. The lenders are the Estate of the late JOHN W. NICHOLSON, of St. John, N. B.