

market will undoubtedly bring fair returns.

But passing from these two centres to the West we find signs of a better state of things on every hand. In a large number of towns and rising villages there have been no failures at all. The great farming interest is prosperous in a high degree. Splendid crops have been reaped, and are now being marketed at remunerative prices. Some wholesale houses that have exercised reasonable caution in selecting customers, have had remittances in excess even of last year. There have been a number of failures in Toronto and Hamilton. But some are men who never ought to have been in wholesale business at all, and others are those who have long been "above their business," and trading without capital on a former reputation. Failures from these causes will occur at any time. Foolish and venturesome young fellows, with much ambition and no caution, will always come to grief. And extravagance and inattention to business will invariably bring their natural consequences, no matter how sound the country may be as a whole. Stock speculation has diverted the minds of many men from their legitimate business; and if they have burnt their fingers, and lost money, the lesson will be a useful one for all time to come. Others have been tempted during the last few years to take money from their business to put into real estate; generally, to build handsome residences or warehouses, too fine for the business to be done in them. This, however, is only a temporary evil. Property has been created which has a value, even if more has been spent on it than it is worth. The way to make up for the mischief is by more economical living. To take less out of business for household purposes will bring matters round in a year or two. And some men would do well to sell their residences and come down to a plainer style of living altogether.

But that the country is generally sound there can be no doubt, although there are threatening symptoms in some quarters.

FORGED LETTERS OF CREDIT.

Some sensation was created in banking circles this week by the development of an organized attempt to defraud the Bank of British North America by means of counterfeit letters of credit purporting to be issued from their New York office. Undoubtedly the gang which entered into the conspiracy is a numerous one, for not only was the attempt to be made in a number of cities simultaneously, but the scoundrels must have operated in pairs. The one who

made the attempt at St. John was arrested within an hour yet he had no money upon him. The plot was evidently organized in New York city, and there the letters were engraved and forged. It appears probable that the members of the gang being supplied with the forged letters separated with the understanding that all were to be presented on the same day, the 7th October. But as usual in such conspiracies the conspirators did not trust each other. One man wishing to be sure of his share of the plunder, presented his letter and obtained the money two days in advance. The appearance of his drafts in New York exposed the fraud, and telegrams were sent with commendable celerity by the General Manager in Montreal, to all the hundreds of banks and bankers' correspondents of the British Bank, warning them, and authorizing the arrest of the holders of these credits. That notice arrived just in time at most points, for on the day following the sending of the telegrams, ten letters were presented and six or seven arrests made. The fellow caught at Quebec has already confessed much, and promises to expose the whole plot if the authorities will deal lightly with him. It is probable that further arrests will be made of timid holders of these letters who waited to see the result of the attempt of the 7th inst. All the letters bore forged endorsements of a payment in Montreal on account, seeing which, it was assumed, the document would not be scrutinized closely by the clerks on paying it at any of the branches.

The letters so successfully counterfeited are issued by the Bank in this form:

Letter of Credit.

No. N.Y.

AGENCY OF THE
BANK OF BRITISH NORTH AMERICA,
New York. 18....

To our
Correspondents,
GENTLEMEN:

This letter will be presented to you by..... in whose favor we have opened a credit for..... to which extent his draft or drafts on..... at..... sight, will meet with due honor if negotiated within twelve months from this date.

Please deduct your charges, if any, from the payments, and endorse all sums paid on this letter which must be attached to the last Draft drawn.

Requesting for..... the favor of your attention,

We remain,

Gentlemen,

Your obedient Servants,

Signature of..... } Agents.
..... }

All Drafts drawn and cashed under this Credit must be endorsed hereon, and must state the No. of the Credit.

The words "Credit for" with the amount of the credit are written across the face of the document to make evasion or alteration more difficult.

It will be seen from the above document that a travelling credit carries its own advice, and also the identification of the party to whom it is issued. It states that the drafts of the person named whose signature is at the foot, can draw drafts to the extent of \$——. All drafts drawn are to be endorsed by the cashing bank on the back of the credit.

Now that the facts relating to the forgeries above referred to have come to light, we presume banks will issue fewer travelling credits, or have recourse to some other method of meeting the wants of the public in this respect, for any bank issuing these letters hereafter, may safely calculate on being swindled. There has always been danger that payments would not be endorsed or that the figures representing payments might be altered to less amounts, or again that the endorsements might be erased altogether. We suggest that banks should have recourse in future to the old style of travelling circular notes, which were made for £10 stg. each, accompanied by a letter of indication, giving the signature of the traveller for identification. There may be forty or fifty notes of £10 each, in which case the forgery would have to be repeated as many times, instead of only once as with the credits. These circulars are issued by the London & Westminster Bank, the Bank of Scotland, and other banking institutions in Great Britain. Even these have been forged, but we believe not with any degree of success, and the risk in dealing with them is not nearly so great as in the case of travelling credits. Failing both these methods, resort can be had to the old system of advice between bank and bank, with specimen signatures sent direct. Any traveller who has any standing can get this done, and any who cannot are likely to want traveller's credits only for improper purposes.

These developments will tend to awaken bank clerks to the fact that it is unusual for a traveller to want a large amount on his letter of credit at one time, and that such a demand should always induce close scrutiny

FALL IN STOCKS AND ITS CONSEQUENCES.

The continued fall in the stocks of some banks is occasioning much anxiety in Montreal. But no creditor of any of our banks need be under the least apprehension. Even in the case of the concerns that have failed the depositors and note-holders will all be paid. Let depositors rest in quiet: their money is all safe. But in the meantime we have this