

BANK DIRECTORS AND BANK STOCKS. An address war of not a little virulence, has been raging in financial centres, touching bank advances to Directors, and the loaning of money on stocks by banks. Our local journalism has by no means wholly escaped the excitement, but the virulence of the controversy has been mainly monopolised by our Toronto confreres. The latter have been charging each other with all sorts of moral turpitude, which, together with the indulgence in calling each other pet names not recognised in Parliament, tends to throw such a halo of respectability on the fourth estate generally. The *Globe*, which, by the way, has been perfectly decorous and anti-Billingsgate throughout the discussion—boldly justifies the advancing of moneys by the banks on stocks. The reasons it gives for this position are very numerous, and, as one reads them, appear absolutely unanswerable—till the other view is perused. In Toronto, the balance of opinion on this point is perhaps on the whole with the *Globe*. In Montreal, on the other hand, it is distinctly and unquestionably the reverse. The law is certainly with the latter, but the principle is perhaps frowned down here less from statutory denunciations than from a conviction that it is decidedly unhealthy and injurious. Such legal impediments as seem to stand in the way are in fact mere shadows, and every day's experience shows that the law has not yet been framed which can prevent this forbidden kind of loaning. More than that, it is doubtful whether such an one can ever be constructed. This is to be regretted, because such advances unquestionably open the way to great evils so apparent as to betray themselves. The heavy loans to bank directors have also, during the past week, afforded a frequent subject of local discussion here. In this case, too, the balance of opinion in our financial circles is that these huge advances to their own directors by banks should cease. The practice has no doubt been carried to what in several instances has been a risky, if not dangerous extent. The weak point, however, of those who oppose these loans is, that they are made with the sanction of the shareholders themselves. If these latter are satisfied, who has the right to interfere? As with bank loans on stocks, no law on the subject could be framed that a coach-and-four could not be driven through; at the same time such loans to directors are not illegal. On the contrary, they are protected and endorsed by bye-laws of the companies interested. These facts make, however, no real difference as to the principle on which these loans are effected. Is this principle right or wrong? is the question at issue. Public opinion decides it to be wrong, but as no statute power interposes, needy directors are not likely to bow down in deference to a mere public opinion. At all events, so far they have given no indication in that direction. This contumacy is regrettable,

but it is, we fear, likely to continue till long after the present controversy is forgotten.

NORTH-WESTERN PROSPERITY.

The following is a statement of the business of the Assistant Receiver General's office in Winnipeg, showing the prosperity of the people.

BALANCE DUE DEPOSITORS.

June 30, 1879	\$ 75,264 74
June 30, 1880	113,299 49
June 30, 1881	192,511 93
June 30, 1882	573,841 97
Oct. 30, 1882	610,533 19

The following shows the deposits and withdrawals for the fiscal year:—

	1881	1882.
Deposits	\$310,129 50	\$1,018,951 79
Withdrawals	241,267 27	692,027 57

The amount deposited from the 1st of July to the 8th ult., was \$241,761.43, and the amount withdrawn during the same period (of a little over three months), \$204,070.21, leaving a total balance due depositors, at that date of \$610,533.19, or an increase of nearly half a million dollars within three years. This money is almost exclusively the savings of mechanics and railway men. The deposits are mostly made weekly, in sums ranging from \$5 to \$20. Sometimes a railroad man who has been absent from the city for a few months, comes in and deposits \$400 or \$500. There are very few deposits of \$3,000, the largest sum permitted. The average deposit is about \$300. There are over 2,000 open accounts.

NEW TRADE BULLETIN.—The Toronto Board of Trade has commenced the issue of bulletins regarding the condition and prospects of the grain and flour trade all over the world, and for convenience the wheat-growing areas of the world have been divided into ten districts. The bulletin just issued deals with the district of North-Western Europe, which embraces Great Britain, part of France, Belgium, and Holland. The yield of wheat in this district this year is put down as follows:—United Kingdom, 93,579,300 bush.; part of France, 201,650,000 bush.; Belgium and Holland, 44,000,000 bush., making a total of 339,229,400 bushels. The requirements of that district for seed and home consumption will be 459,360,000 bush., leaving 120,130,600 bush. to be imported. The United States having a yield of about 488,321,280 bush. will be able to supply all that North-Western Europe requires and still have a surplus of more than 56,000,000 for export.

THE TELEPHONE SYNDICATE.—The Lowell telephone syndicate, which controls 17,000 telephones in Maine, New Hampshire, Vermont, Massachusetts and three counties in New York State, including Saratoga, has purchased the Long Island Telephone Co., capital \$1,200,000, and New Jersey Telephone Co., capital \$1,200,000.

THE EDISON LIGHT.—The fourteenth bulletin of the Edison Electric Light Company conclusively shows that the introduction of the incandescent electric light is going forward at a rate which at least should fairly content the enterprising gentle-

men interested. The list of isolated Edison plants already installed in the United States numbers 123, aggregating 21,998 lamps.

THE BRITISH AND COLONIAL UNION.

An effort is being made to obtain further support for the British and Colonial Union. Up to the present satisfactory progress has been made. Since the foundation of the institution in February last year, by the Dominion Board of Trade and other Chambers of Commerce, nearly a hundred members have joined, and a further increase is expected this winter. The main objects which it hoped to achieve are to place upon a more satisfactory basis the commercial relations of Great Britain and her colonies; to advocate the British colonies being included in the benefits of the "most favored nation" treatment in all treaties entered into by Great Britain; to assist the Government in creating the proposed Panama Canal an international highway for the commerce of the world to and fro from the Australasias; to obtain a reduction in the present excessive postal charges to and from the colonies, and a more equitable readjustment of British duties on colonial wines. A good deal of useful work can, without doubt, be done in these directions, but if the Union is to exercise much influence it will have to become thoroughly representative in character, and its numbers must be considerably swelled.

BANK CERTIFICATION.

The agitation in financial circles of the United States aroused by a recent decision of the New York Court of Appeals on bank certification has not yet subsided. The incident was given fully, it will no doubt be remembered, in October numbers of THE SHAREHOLDER. In the course of this continued discussion an old decision of the Supreme Court has been dug out, and neither lawyer nor layman will be surprised at learning that it essentially differs from the more recent rulings. The former ran as follows:—"By the merchant law of this country, the certificate of the bank that a cheque is good is equivalent to acceptance. It implies that the cheque is drawn upon sufficient funds in the hands of the drawer, that they have been set apart for its satisfaction, and that they will be so applied whenever the cheque is presented for payment. It is an undertaking that the cheque is good then and shall continue good, and this agreement is as binding on the bank as its notes of circulation, a certificate of deposit payable to the order of the depositor, or any other obligation it can assume. The object of certifying a cheque, as regards both parties, is to enable the holder to use it as money. The transferee takes it with the same readiness and sense of security that he would take the notes of the bank. It is available, also, to him for all the purposes of money. Thus it continues to perform its important functions, until, in the course of business, it goes back to the bank, and is extinguished by payment." Thomp-