

appoint a committee to investigate matters. And such a committee would certainly have power to examine the losses made by the Bank, and possibly, at a meeting of stockholders specially called for the purpose, it might be lawful under certain circumstances to refer to individual cases of loss. The only object, however, to be gained by this would be to prove, if it were desired to be proved, that the management was incompetent. But, as a rule, all that stockholders are entitled to ask for is the total amount of loss during the year, and possibly the places at which loss was sustained.

The former question was asked at the meeting of the Bank now under review, and an immediate answer was given by the President. The amount named might appear large to some, and it would really be so in an ordinary year. But the past has not been an ordinary year. The largest producing and manufacturing interest in the country has been in a state of extreme depression—not to say prostration—for a long time back. The ramifications of the lumber and timber interest are most extensive, and reach to the United States and England, as well as to almost every part of the Dominion, and at every point there is risk of loss.

That the importing trade, too, has been in an unsound condition for some time back, is well known. Considering the sharp monetary spasms of the last few months, and the amount of overtrading and speculation at some of our principal centres during the last few months, it is rather remarkable that failures have been so few, and bank losses so small.

Stockholders who criticise bank losses often entirely fail to apprehend the enormous volume of transactions passed through a bank in the course of a year which involve risk of loss. In the case of the Bank of Commerce we have no doubt that notes and bills have been discounted to the amount of fifty millions of dollars during the year, and this at ten or twelve distinct points. In addition to this, the Bank, like every other bank, has had large transactions in bills of exchange, especially at its New York office. These may have amounted to fifteen or twenty millions more. Here, then, are transactions to the extent of seventy millions of dollars in one year, every one of which involved a certain amount of risk. To lend seventy millions of money on mere pieces of paper—promises to pay and so forth—and not to lose more than a sixth of one per cent. of the whole is what very few men and very few bodies of men are capable of.

The Bank of Commerce we are glad to find is making provision for rebate

on current discounts. It is accumulating a fund gradually, putting aside \$10,000 a year for the purpose. This is sound and healthy, and we should judge that in a year or two more the fund will be of such an amount that no further appropriations will be required.

On the whole, the Board of Directors probably feel that they would have done just as well to postpone an increase of dividend for a year or two, that is, until the rest bore a larger proportion to the capital. But having made the increase, there is all the more need of the highest style of management, and the exercise of more than ordinary vigilance in order to keep on paying ten per cent. and make such additions to the rest as the large business of the Bank requires.

The Exchange Bank of Canada held its annual meeting at Montreal, on Tuesday last, in its new building, of which a brief description was given in our columns, on its opening, a few weeks ago. The statement of the business for the year showed that, after paying two dividends of four per cent. each, \$27,513 was left at the credit of profit and loss account. This bank, which has now all its capital paid up, has established three agencies—not too many for the Directors to keep a close supervision over. No doubt a continuance of the same prudent management which has hitherto characterized this comparatively young institution may be expected to result beneficially for all concerned.

BONDED WAREHOUSES.—A new set of regulations respecting bonded warehouses has been issued by the Minister of Customs. Any unnecessary alteration of the regulations affecting bonded warehouses is liable to the same objection as an unnecessary alteration in the tariff: it interferes with the established mode of doing business. The requirements for a bonded warehouse, in the new regulations, differ greatly from those in the old. Any part of a building, separated from the rest, might previously be used as a bonded warehouse, and the separation of one part of a floor from another part might consist of slats. We cannot learn that the pre-existing arrangements led to any abuses in this neighborhood; though the alteration is presumably based on some grounds of reason. A whole building, or at least a whole flat, is now required to form a bonded warehouse. What is really wanted is the security of separation. If half a flat can be made as secure as a whole one, there can be no reason for requiring the extra room, and that it can be so made we see no reason to doubt. The

objection to the abolition of slats as materials for a partition rests on the trouble and expense the alterations will occasion. No doubt the government is entitled to all reasonable guarantees for security; and if slats can be removed and replaced without detection, and if instances of the offence have been numerous enough to warrant the change, there is nothing to be said against it. We are not of course in possession of all the facts to which the Minister of Customs has access; we can only say that nothing has come to our knowledge to warrant the change. The requirement of a separate building or a whole flat is one which it will be found impossible to enforce; and it is understood that this part of the new regulations will be relaxed. In the mode of establishing new bonded warehouses, there is an excess of red tape, which is, however, not new. The collector of the port instructs the surveyor or other officers to inspect the premises and report all the facts bearing on the subject; and it would seem reasonable that the collector should be held competent to act on the report. But instead of this, it is transmitted to the Minister of Customs, and if he is satisfied, the application is granted. This is a mere form; the application is granted as a matter of course, and the only effect of the reference is delay, which is frequently the cause of much annoyance and sometimes loss to the applicant. When next a change in the regulations is made, this point should not be overlooked.

—The annual meeting of the Montreal Assurance Company was held in Montreal last week, and a statement very satisfactory to the shareholders was submitted, after which the following Directors were re-elected: Alexander Cross, Alexander Murray, W. P. Smith, John Sinclair, and M. H. Gault.

—We understand that Mr. S. G. Chamberlain, late Secretary and Treasurer of the Port Stanley, Strathroy, and Port Franks Railroad, has been appointed Inspector of Agencies for Equitable Life Assurance Company for the Western part of Ontario, in room of Mr. John Fowler, who has resigned his position to manage the Ætna Fire Branch of Western Canada, during the absence in Europe of the General Agent, W. W. H. Childs.

—The Sun Mutual Life Insurance Co., has just organized a local board in Hamilton with Mr. N. Hammond as General Agent.

—The Federal Bank has opened a branch office in Aurora, Ont.