by which bankers might know when they buy a note in the market that the signature is genuine. Here is an opportunity for responsible trust companies to take up this work of certifying to the genuineness of signatures on notes offered through note brokers. Bankers recognize the need for such certification, but have not made their demands of the note-brokers; or if they have they were not backed by force enough to bring about the desired results.

The auditors should examine carefully the past due paper carried by the banks. Some banks are said to carry as good paper much that is really no good. All assets of questionable value and those with no market value should be brought to light by an audit.

Collateral for loans should be examined, whether it is in the form of stock, bonds, mortgages, notes, warehouse receipts, bills of lading, or any other form of document that represents money value; for there is no kind of commercial or banking paper carrying a money value that has not at some time been either forged or in some way tampered with. To prove the genuineness of these papers would take considerable time, and as the auditor's time is valuable, the average bank directorate would not care to go to such expense, but a competent auditor should be able to suggest a way by which the officers of the bank could secure a certification of the genuineness of any form of collateral. The individual and bank ledgers should be examined and proved, and all the balances either proved by the pass-books to the acknowledged satisfaction of the depositors, or the balances shown by the ledgers for the various accounts confirmed by the depositors as correct.

In short, Mr. Reihl champions the independent audit and severely criticizes the bank director. It will be remembered that Comptroller Ridgley said, "When "a bank does fail, it is the fault of the board of direc- "tors." Not directly, but indirectly their fault, inasmuch as they could not have caused proper examinations to be made, and thus were ignorant of what was actually being done in the bank. As the Monetary Times has stated, Government inspection would give weak directors props with which they should not be supplied. It is difficult to separate the two issues—inspection, and direction. Directors cannot be expected to check every jot and tittle. But they can provide double checks against incapacity, trickery, and unscrupulous methods. The Government should possess more powers for verifying the statements of the chartered banks, whenever such testing is thought necessary. It is doubtful whether the Government would willingly assume the vital function of directors. Adequate audit, dutiful direction, and plentiful publicity, might solve the whole problem.

EDITORIAL NOTES.

In spite of the exceptionally cold weather in the West, the people have lost no opportunities for exploiting the markets. In the East there has been a big demand for fish of all kinds. Several cars of whitefish from the West have found their way to the Toronto market. The quality is excellent, and the stock is selling well. It is caught through the ice, and has provided a profitable industry for the settlers during the winter.

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Montreal harbor is to be equipped with the most modern wharf facilities in America. Mr. Girdlestone, the Manager of Bristol Docks, England, who was in this country in November, then criticized severely the harbor facilities of this port. He thought that some of the wharf sheds must have existed when Sebastian Cabot stepped on to Canadian shores. Whether this belated recognition of Montreal's lacking harbor facilities is the outcome of Mr. Girdlestone's trenchant criticisms, or is the inspiration of the new Harbor Commission, does not matter. Perhaps it is the result of both. At last those who can act, will act.

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There have recently been several projects of new cotton mills in Canada. That there is ample room for them is beyond doubt, judging by the complaints of the wholesale dry goods houses. The great trouble, they say, in the approaching season, will be slow deliveries. The jobbing trade and the retailers apprehend that they will be handicapped, as they have been in the past, by the shortage of Canadian cotton goods. Many orders placed for December delivery have not been filled by fifty per cent. It will be months before their present spring orders are all filled. By that time, the trade will be clamoring for goods for next fall. For cotton bags, which at one time were a drug on the market, there is a strong demand. It is said the mills have orders in hand which will keep them busy until June, 1908. Wholesale merchants desiring delivery of these goods will have to take them at present delivery, and present date. The mills decline to foredate them as in the past. All this goes to prove that the trade is at its highest.

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The Manitoba election results support the theory that, except for unmitigated misdoing, it is impossible to upset a government in Canada so long as times are good. Whatever the faults of the Roblin administration, its life has been coincident with unprecedented prosperity in the province. The direct appeal was not made to "Vote for Roblin and good times." Nobody supposes that good government makes good weather. While things are going well for himself, the average elector will be to the faults of a government a little blind, and to its virtues very kind. The Manitoba Legislature is said to suffer from the same lack of distinction in personnel, which afflicts its sisters. But it is surprising how excellent a legislator a man of average ability can become if only he gets rid of the idea that there is something mysterious about politics, and realizes that the same qualities which make a successful business man will make a successful administrator of public concerns—always provided he is not acutely beset by the temptation to spend public money more prodigally than his own.

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Mr. E. H. Harriman has appeared several times recently as a witness before the United States Interstate Commerce Commission. The cool way in which he has explained the methods adopted to water stock has furnished a splendid example of Commodore Vanderbilt's phrase, "The public be d——d." Once upon a time Mr. Harriman was a broker's clerk. In learning to do the bidding of the bigger men in Wall Street, he incidently discovered that to make the big men do his bidding was a much more remunerative and enlightening occupation. Mr. Harriman is a commercial octopus, with a voracious appetite for railroads. To his feelers, distance is no object. It is a difficult thing to compel an octopus to release its hold. Mr. Harriman's answers to the commissioners would make excellent dialogue for comic opera. In answer to a question whether $60,000,000 worth of a certain stock was "watered," he replied with excellent sang froid, "Isn't any doubt about it." In one side of the scales is the legislative machinery of the United States of America; in the other a former broker's clerk. Already, sporting men are betting as to which way the scales will bump.

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Sir Wilfrid Laurier has reaffirmed his adhesion to the principle of making the preferential tariff apply only to goods imported through Canadian ports. Sometime ago he was, apparently, in favor of immedi-