

Party, and a new basis for Democratic Toryism. The whole situation is ridiculous. One is reminded of the speech of Clarence in the first scene of 'Richard III.' He is asked what is the matter by the Duke of Gloucester, and he replies that he does not know, but that, as he can learn, the King

Hearkens after prophecies and dreams,
And from the cross-row plucks the letter 'G.'
And says a wizard told him that by G
His issue disinherited should be :

(That is of course that France is to have Egypt.)

And for my name of George begins with G,
It follows in his thoughts that I am he.

Substitute the editor of the *Times* for the King, and Mr. Gladstone might use this very language. In time to come, this week will be known as the Gee-gee week. By the way, why has nobody thought of the Duke of Cambridge? His name is George."

THERE is more truth than poetry in the Philadelphia *Progress'* comments upon the London dynamite outrage. Here they are:—"If Great Britain could catch and hang some of these infamous dynamite scoundrels, I have no doubt there would be the usual howls of sympathy for the fiends from republican America. Just now, of all times, we cannot afford, or we think we cannot, to be just in this matter. We are on the eve of a Presidential election, and both parties must do nothing to offend the Irish vote. In the meanwhile, women and children may be blown up all over England, and we dare not enter our protest against this useless savagery. There are fair minds in the United States, however, who do not hesitate to affirm that Great Britain would be justified in any course, no matter how severe, to put a stop to these damnable outrages. They are crimes not against Great Britain alone. They are crimes against civilization. Their perpetrators deserve no mercy."

THE Fortescue-Garmoye case is finally off. Lord Garmoye went on his travels believing that the action would never come into court; and now the lawyers have arranged a settlement. Miss Finney goes on her way, it may be with a bruised heart, but certainly with a heavy purse.

It is becoming more than ever clear that the so-called reconciliation between Lord Randolph Churchill and his titular leaders was no reconciliation at all. Already we may note the symptoms of another outbreak, and if no such event happens it will only be because neither party will think it worth while to have another trial of strength before the decisive and inevitable conflict. No Liberal can doubt that the member for Woodstock understands the tendencies of the time better than the Marquis of Salisbury, or that at least, he sees and knows better the utter futility of obstinate and dogged resistance to those tendencies. Lord Salisbury and those who think with him abhor the extension of the franchise, and believe it, sincerely, no doubt, to be only the precursor of a coming deluge which is to sweep away all the great institutions of the country. Lord Randolph Churchill, on the other hand, thinks that with judicious manipulation the new electors are quite as likely to be enlisted on the side of Toryism as any other, and his aim is to conciliate the masses and not to turn them into enemies. The member for Woodstock hopes, in fact, to popularise Toryism, and sees that if that is to be done at all it can only be by breaking into fossil tradition and casting aside aristocratic prejudice. The differences which exist between Whigs and Radicals are small compared with those which divide the two sections of the Tory party. How the two will settle those differences is one of the most interesting, and certainly not the least important, questions of contemporary politics.

SPECULATION BY BANK OFFICIALS.

FROM time to time, the world is startled by the story of the ruin wrought through bank officials indulging in forbidden speculation. New York furnishes the latest instances. Except in the form of the fraud, there is nothing to distinguish the case of Seney or Fish from thousands that have gone before, and thousands more that will in all probability follow. The desire to obtain wealth without the slow and painful processes of industry, the opportunity of using other people's money without leave and without check, an intense belief in his own good fortune, have proved the ruin of many a trusted bank officer. From 1815 to the present day, the history of American banking could tell of wrecks and disasters innumerable, arising from this cause. Usually, pains are taken to conceal the operations as well as the source whence means are obtained to carry them on. Fictitious names are used and the real actors try to conceal themselves behind the curtain, not always successfully.

If Canada has not been startled by any explosion similar to that which

recently took place in New York, we are not authorized to conclude that there is no dangerous speculation going on here among bank officials. In 1875, Canadian banks were forbidden by law to buy their own stocks except when it is necessary to realize a security. The object was to prevent a bank speculating in its own stock. The necessity and inefficiency of this inhibition were soon illustrated in a remarkable manner. Within a little more than four years after the law was passed, the President, Vice-President and two directors of the Metropolitan Bank, helped themselves to nearly two millions and a half (\$2,405,403) of the money entrusted to their care, for the purpose of speculating in the stock of the bank. The president explained that the principal object of these speculations was to make money for the bank; but the loss incurred from the vice-president's share in the transactions was nearly seventy thousand dollars (\$69,286). This is a typical case, and well illustrates what has since been done in other quarters, on a large scale. When a bank speculates or allows its officers to speculate in its own stock, it substitutes stock-jobbing for legitimate business, and relies on the hope of irregular gains. It tries to rig the market by fictitious purchases, by one member of the ring from another, and by making real purchases from outsiders. But the juggle is sure to be discovered; and these operations, if continued long enough, are almost certain to end in heavy losses. The stock most largely dealt in, by a ring organized for the purpose of forcing it up, is the one which, within the last two years, has suffered the greatest decline. The losses to the operators must have been enormous. What proportion of the operators on whom the loss has fallen were inside and what outside, can only be a matter of conjecture.

Irregularities and abuses in putting stock on the market, though of old date, still survive. The commonest of these is to pay in a promise, to give a note to the bank in payment of the stock, an operation by which, it is needless to say, no real capital is added. A few years ago, there were two millions of Canadian bank stock which represented nothing, which had been created without the addition of a single dollar of real capital. What the amount of fictitious bank capital there may be to day is a secret known only to those who are interested in concealing the fact. Sometimes fictitious capital is made to do double duty; for it is the nature of financial fictions to beget their like. Take an example: M. Maurice Cuviller, vice-president of the Metropolitan Bank, subscribed for 800 shares of the stock of the bank, paying the first call in cash, and giving a demand note for the remaining calls. The stock passed to his credit, the note was not paid, and no security was given. Advances were made to him, from time to time, for speculative purposes—to buy the stock of the bank—to the amount of over one hundred and ninety thousand dollars (\$191,480); and the only security the bank had was a lien on his stock, a large part of the payment on which had been made out of money advanced by the bank. Irregularities of this kind only declare themselves when a catastrophe occurs. But when a large amount of new bank stock is reported to be all taken, as soon as offered, and at the proper time to be all paid up, the reality of the transactions must be judged by the accompanying circumstances. If there is inordinate speculation in the stock, and if there be an organized ring of speculators inside, there is room for irregularities: purchases of stock by the bank may be suspected; notes given in payment of stock are among the probabilities.

In spite of the elaborate monthly returns made by the banks to the Government, the public is left in the dark as to the real meaning of many of the figures. A bank which, in the extremity of weakness, obtains a loan to tide it over a time of trial, will probably put down the loan as a deposit. The Consolidated Bank so treated a loan which it obtained and though one court found the president guilty of malfeasance for signing false returns to the Government, another court, on appeal, quashed the judgment. The amounts owing by Canadian banks to one another never agree with the amounts owing to Canadian banks by one another. The amount receivable is always made to appear larger than the amount payable. The difference probably represents the amount owing by weak banks to strong, but it is impossible to tell of what it consists. In cases of the greatest gravity there is no machinery for ascertaining the real facts, through an official inspection. The directors of a bank may borrow all the bank's capital, and no enquiry of any kind be made into facts. If such a thing were to happen in New York, there would be an inspection by a public officer, as soon as the fact became known. When a bank fails, the directors should at once be displaced. If ever the directors of a bank consisted of an honourable body of men, most of them wealthy enough to be beyond temptation, the directors of the Exchange Bank would have been thought to answer this description; yet their administration, after the bank failed was such as to show that it was not prudent to continue them in office.