

may be supposed that they will now be cut down to within the proper limits. The excess was stated to be \$38,000; a sufficiently serious figure considering the low condition the bank has been brought to. A great proportion of this unprofitable expenditure may be put down to the London office, which has been closed. It appears too, by the General Manager's report, that the New York agency involves a great expense without bringing any profit, and it is questionable whether similar measures to those adopted in respect of the London office may not be desirable in New York also.

Respecting the closing of branches, there was not much to say. With such a large capital it will not be easy to close branches which provided employment for any part of it, although it is an evident duty to do so in cases where profit has not been made.

The results of the General Manager's visit to England have been the transfer of the London office to the Clydesdale Banking Co., a good bank with its head office in Glasgow, and the disposal of the bonds of the Provincial Government, the latter operation being effected at a loss of $1\frac{1}{2}$ per cent.

Mr. Hague complains, in his report, of the high rate of interest paid on deposits, but as every bank in Canada pays the same rate of interest there is nothing exceptional in this which other banks have not to suffer.

Looking upon the Legislative consent to the reduction of the capital as a matter of certainty, we have the General Manager's word for it that a dividend will be declared next half year. The profits of last half year will scarcely warrant the idea of a large dividend, especially in view of the absolute necessity of creating a new reserve fund. The bank may be looked upon now almost as a new institution just starting, with a capital of \$6,000,000. Its position, apart from old encumbrances, is sound. It has a good circulation, and its deposits are in proportion to those of other banks, thus showing that it has the confidence of the public.

What is now needed is that all the staff of the bank, from the President down to the humblest clerk, shall apply themselves loyally and faithfully to their several duties, and submit themselves to the discipline which seems to have been altogether wanting under the old management. The Inspection department will need to be well managed and the shareholders must possess themselves in patience for a little time longer. Above all, it is necessary that no more dividends shall be paid out of the capital of the bank, but that they shall be legitimate earnings, after providing for probable losses on the current business.

RAILWAYS AND TELEGRAPHS.

Any real grievance of a great commercial enterprise should at once receive in the proper quarters such attention as will lead to redress. Complaints, however, made to the Legislature or to Government on behalf of business speculations, let them come in the name of public policy or public interest, or in what name soever, require to be carefully and critically scanned.

A question has recently been raised in the Hamilton Board of Trade which was raised nearly four years ago, and then discussed very fully by commercial bodies and the public press. The same gentleman who bruited the subject then brings it forward now, and perhaps it is not without significance that this gentleman should be a director of the Dominion Telegraph Company, and otherwise interested in that enterprise. This Company deserves a fair field, but we fear what Mr. J. I. Mackenzie demands smacks rather of favor. It is said that many of the railways have granted a "monopoly" of their lines to the Montreal Telegraph Company, and that this is a great hardship to other companies. It is argued—what is undoubted—that it is in "the interests of commerce" to have telegraphy as cheap as possible; the assumption being that if railway lines were made an open hunting ground for telegraph companies, the rates for telegraphing would be lowered. The national spirit was invoked, and the Hamilton Board of Trade was startled with the assurance that the telegraph system of the Maritime Provinces was governed by a foreign company. That all other lines save one should be excluded from the Intercolonial Railway—government property—was denounced as a hardship.

Mr. Mackenzie himself supplied what sounded very like a satisfactory explanation of the state of things he deplored, when he said that the Dominion Telegraph Company would have had their wishes acceded to, that is, the portentous right would have been given to all possible telegraph companies to make the railway lines free common, but for "contracts" which had been made between the Montreal Telegraph Company and certain railway companies. The very sound of the word "monopoly" is alarming, but in any hurry of indignation the little word "contract" is calculated to give us pause. It is of course a postulate that in telegraphs, as in other commercial matters, the more competition we have the better, and the days of monopolies have happily passed away. What is a monopoly? A monopoly, in the bad sense in which the word is usually used, is the sole

power of selling anything given without sufficient reason by Parliament or by the Executive. But there are monopolies which are in no way undesirable, which arise in the natural course of things. In the case of copyrights, patents, superior skill in manufacture, we see every day that monopolies naturally come into existence. But the Montreal Telegraph Company has not even a monopoly in this sense. Rival telegraph companies actually exist, and the monopoly complained of is the monopoly a merchant in a good stand has of that stand, the monopoly an old established house has compared with one which sprang into existence yesterday; it is the monopoly which precedence has over sequence; it is the advantage which the early bird which, the proverb tells us, catches the worm, has over the one which flutters from his nest when the day is far on.

The Montreal Telegraph Company has exclusive rights on the Great Western, the Grand Trunk and other railway lines. How came they by those rights? Did Parliament pass a law giving them this monopoly? If that were so, we think the Dominion Telegraph Company would have a grievance in that it is excluded from those lines. But it must be borne in mind that the Montreal Telegraph Company gave those railways valuable consideration in the shape of telegraph facilities for the privilege of running wires along their lines. The railways had clearly a right to enter into such a contract, and to abolish that contract would be a double confiscation, a confiscation of the rights of the railways and of the purchased rights of the Montreal Company. So far as the Intercolonial Railway is concerned, of course a Government has a right to make as good a bargain as it can, and we believe a very advantageous one to the railway was made with the Montreal Telegraph Company—an arrangement which would be out of the question unless exclusive rights were granted. Again, the alarming statement that the telegraph system of the maritime provinces is governed by a foreign company, we have, on inquiry, learned amounts to no more than this: that the Nova Scotia and New Brunswick Telegraph Companies found it desirable to turn the management of their lines over to the Western Union Company. There were good and cogent reasons why this was done, and the lines being worked in intimate and harmonious connection with those of the Montreal Telegraph Company are, so far as business facilities are concerned, one and the same concern. This objection seems to us singularly narrow, and it