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EDITORIAL COMMENT.

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MONEY AND EXCHANGE.—The money market, both here and at other financial centres of the Dominion, continues without important change, available funds for mercantile wants remaining ample for all legitimate needs, and general easiness prevailing. The promise of abundant crops has almost reached a state of realization, giving a much needed stimulus to general trade; and the prospects are bright for a season of universal prosperity. The close of the year will see the country enriched, far beyond anticipations, and the surplus capital thus added to the wealth of the people will avail much to enhance the future progress of the Dominion. That there is a surplusage of capital for investment, even at this early stage of the general recovery, is apparent from the quietness which has lately prevailed in stock exchange circles, notwithstanding the pronounced activity which characterizes other markets. This is attributable to the fact that large blocks of stocks are continually being bought up for investment purposes, thus reducing the proportion of floating stocks, the manipulation of which has always given the speculative market its activity. Within recent years very few new stocks have been listed on the exchanges, and until additions are made this apathy is likely to continue. Call money in Montreal has been readily obtainable at from 4 to 4½ per cent., and we hear that even the lower rate has been shaded in a few transactions, under exceptional circumstances.

Mercantile loans continue 6 to 7, according to quality and time. In Toronto no change is to be noted since our last review, and Winnipeg despatches record the money market as firm but quiet. Advices from the Pacific province report a continued healthy tone in the investment market. The British Columbia Deposit and Loan Company, recently organized under the presidency of Sir Joseph Trutch, is offering $5\frac{1}{2}$ per cent. interest on deposits in large or small amounts for fixed periods.

The market both in sterling and New York exchange has ruled quiet but firm, and prices are steady, notwithstanding the heavy exports to Great Britain which should tend to lessen the strain. The Bank of England rate continues at $2\frac{1}{2}$ per cent., to which it was reduced on the 2nd July.

The first Government bank return under the new Act was published in the *Canada Gazette* of the 22nd inst., not much of an improvement as to time, although the banks are required to send in their returns five days earlier than heretofore. The figures show the changes incident to the season of the year. As will be seen by the comparative statement given below, Dominion Government deposits have decreased over a million and a half, largely due to the payment of provincial subsidies early in the month. From the same cause, on the other hand, the deposits by Provincial governments have increased over six hundred thousand dollars. It is curious to notice in this connection that while Provincial government deposits in the banks of Ontario have risen from \$903,000 in June to \$1,457,000 in July, the deposits in the banks of Quebec have decreased from \$894,000 to \$787,000. At the same time the small amount due by Provincial governments to Ontario banks has been entirely wiped out, while the loans to such governments by the Quebec banks have increased from \$1,071,000 to \$1,226,000. Presumably a large portion of this latter has been loaned to the government of the Province, in anticipation of drawing against the \$4,000,000 loan recently floated in Paris. It is pretty evident from this showing that the Hon. Premier of Quebec does not handle his finances with as much prudence as his *confrère* of Ontario. There has been a slight decrease in ordinary mercantile deposits, while deposits at interest continue to increase, and now total the substantial figure of \$84,568,962. A reduction of nearly a million has taken place in the amount due to British correspondents, owing to the large amount of exchange drawn against exports. A decrease in the total liabi-

lities of \$1,754,775 is also noticeable, due to the contraction of the circulation, the decrease in public deposits and the payment of dividends, at the 1st of the month. A new feature in the return is the balances due to and from banks in daily exchanges, but it is evident from the figures to hand that the several banks have not made this return in the same way. A number of the banks seem to have included under this heading the balances due by banks who act as their agents, while others have done otherwise. Until a uniform system has been adopted, these items will be of little practical value. A want of uniformity is also to be noted in the amount of loans to and from other banks in Canada secured, items which fail to agree by \$178,000. This difference seems to be caused by certain banks, debtors of the Bank of Montreal, having failed to make a proper record of their indebtedness. On the other side of the account, little change is observable in the amount held of specie and Dominion notes, there being a slight decrease in the former and a slighter increase in the latter. Notes and cheques of other banks have decreased about a million dollars, which accounts largely for the contraction of over three-quarters of a million in circulation, leaving practically about the same amount as last month in the hands of the public. The amounts due by foreign agents have risen nearly a million and a half, which evidences increased loans in the United States. There has also been an increase in the amount due by British correspondents, owing to the large shipments already referred to. Currents loans, which by the new return include loans to commercial and other corporations, show an increase of \$1,024,972, and have now reached the large aggregate of \$184,566,971. The amount of deposits against the note circulation amounts to \$842,904, denoting that the average circulation of the banks for the year ending 30th June 1891, was \$33,716,160. A noticeable feature in the statement under review is a decrease of over one million dollars in "other assets," and it is probable that a large portion of this amount has been carried to current loans, as there does not appear to be any increase in overdue debts, adding together those secured and unsecured in the June return, to agree with the late statement. Altogether the statement is the most favorable one that has appeared for many months, showing the banks in a good position to handle the heavy crops now being gathered in. The comparative statement above referred to is as follows:—

LIABILITIES.

	<i>30th June, 1891.</i>	<i>31st July, 1891.</i>		
Circulation.....	\$31,379,886...	\$ 30,579,968	Dec.	\$ 799,918
Dom. Gov. Deposits...	4,482,634...	2,898,017	"	1,584,617
Prov. " "	2,226,659...	2,857,015	Inc.	630,356
Public dep. dem.	59,383,409...	58,996,896	Dec.	386,513
" after notice....	83,249,806...	84,568,962	Inc.	1,319,156
Due to Br. Agents....	3,841,322...	2,915,774	Dec.	928,549
Total Liabilities.....	188,337,504...	186,582,729	"	1,754,775
Due other Banks in daily exchanges		531,034		New.
Loans to other Banks in Canada, secured.....		367,000		

ASSETS.

Specie.....	\$ 6,673,974...	\$ 6,321,846	Dec.	\$352,128
Dom. Notes.....	10,734,520...	10,805,960	Inc.	70,410
Bal. of daily exchanges		1,757,464		New.
Notes, etc., other bks.	7,270,397...	6,237,880	Dec.	\$1,032,517
Due from for. agents.	15,289,185...	16,722,340	Inc.	1,432,155
" U.K.....	1,805,893...	2,635,593	"	\$29,700
Loans Dom. Gov.....	624,935...	21,726	Dec.	603,209
" Prov. "	2,048,052...	1,806,368	"	241,684
Current Loans..	183,541,999...	184,566,971	Inc.	1,024,972
Overdue Debts.....	2,841,071...	2,808,271	Dec.	32,800
Other Assets.....	2,509,151...	1,482,202	"	1,026,949
Total Assets.....	269,491,153...	268,261,328	"	1,229,825
Net Assets	81,153,649...	81,678,599	Inc.	524,950
Deposits against circulation	\$842,904,000			
Loans from other Banks in Canada secured.....		\$89,000		

SUGAR REFINING.—Some idea of the immense profits made by sugar refiners may be gathered from the following estimate, dealing with the consumption and export of that great staple in and from the United States for the six months ending 1st July. A total sale of 922,129 tons is reported, of which 560,000 tons were refined by the American Sugar Refining Company, and 310,000 by outside refiners. These figures include all refineries in San Francisco, Philadelphia and Baltimore, and the Revere Co. of Boston, as independent refineries. The average difference between raw and refined sugar for the six months appears to have been .745c. per

pound, and on an estimated cost of $\frac{1}{2}$ c. per pound for refining there remains as profit .245c. per pound or \$5.49 per ton. The sale of 560,000 tons at \$5.49 gives \$3,074,400 net profit to the American Refining company for the six months, and \$1,701,900 to outside refiners. In addition to the above, at least \$500,000 of extra profit was made during March by the first named company refining in bond, other refiners making correspondingly extra gains. A fair estimate, therefore, of the six months' business of the American Sugar Refining Co. gives not less than \$3,500,000 net profit, which was sufficient for the dividends paid in July, \$1,875,000, and for the dividend due on the preferred stock Jan. 2, 1892, \$875,000, leaving a surplus of \$750,000, which, together with the business of the last half of this year, will belong to the common stock. The Sugar Trust is, truly, a gigantic combination.

ISSUE OF INSCRIBED STOCK.—We have had occasion, in a previous number, to refer to the contemplated issue, by the province of British Columbia, of £700,000 of 3 per cent. inscribed stock, in order to provide a fund for the redemption of the debenture issues of 1877 and 1887, and for the expenditure of £250,000 on the construction of public works generally. We are advised that the Bank of British Columbia has now been instructed to receive subscriptions for £200,000 of this stock at the price of 86, a figure that will yield the investor $3\frac{5}{8}$ per cent., the date of redemption being July 1st, 1941. The sum of 5 per cent. will be payable on application, 31 per cent. on allotment, and the remaining 50 per cent. will be called for on the 1st of October, 1891. The total debt of the Province, exclusive of the present loan, is £355,400, less £69,000 sinking fund, invested in London,—being not quite £2 10s. per head of population. The redemption of this new loan is provided for by the appropriation of an adequate sinking fund, and it is the intention of the Government to invest the sums annually required for the reduction of its debt in purchases of the stock now offered. The province of British Columbia has its finances well in hand. The current revenue exceeds ordinary expenditure, the present provincial subsidy of \$200,000 is likely to be increased by \$50,000 on the decennial revision on the basis of population, and the province has 200,000,000 acres of Crown land still unsold.

CLEARING HOUSE MATTERS.—The bankers' Clearing House went into operation in Toronto on the 21st ultimo, when thirteen out of the fourteen banks established in that city availed them-

selves of the new system. The Bank of Toronto remains an outsider for the present, the reason assigned having its origin in a proposed by-law requiring the deposit by clearing banks of none but marked checks. The adoption of this rule was opposed, on the ground of unnecessary severity, by a majority of those interested in the association, and its non-adoption led to the withdrawal of the bank referred to. While entirely in sympathy with the Bank of Toronto, so far as regards the desire of the bank to avoid a repetition of the recent cause of action in the case of *La Banque Nationale vs. Merchants Bank of Canada*, we think the measure proposed too drastic a means to that end, and the members of the Clearing House seem to have acted wisely in adopting only such rules as were actually necessary in order to provide simple and expeditious facilities for their daily settlements. The true object had in view in establishing the new system is to simplify and expedite the old system of messengers' clearings, by effecting at one place and at one time the daily exchanges between the several associated banks. Considering it, therefore, in the light of a Messengers Clearing House, claims arising from the return of checks should be adjustable, as heretofore, directly between the banks interested. The adoption of the proposed resolution as to marked checks would have entailed the same running around of bank messengers as formerly, and this was one of the evils the Clearing House was intended to remedy. Customers of undoubted standing, if required to deposit only marked checks, would naturally—and with reason—resent this indirect imputation as to their credit; and to humor them the necessary demands for acceptance would have to be made by bank officials after closing hours, keeping ledger keepers unnecessarily at their posts marking the hundreds of checks thus presented. Discounts also would require to be passed through within a much shorter time than is now the custom in leading banks, or the rule would prove very burdensome on the majority of customers. The arguments which suggest themselves in support of the rule are undoubtedly of great weight in theory, but it is always unwise to derange existing customs unless necessity absolutely calls for the adoption of such a course. This question has lately been brought up for discussion before the Montreal association, but it is likely to meet with the same fate here as in Toronto. In such event the future action of the Bank of Toronto will be watched with great

interest. To be consistent, its agency in this city must either withdraw from the local Clearing House, or its head office in Toronto must enroll itself among the members of the Toronto association. We look for the adoption of the latter course, as being more in keeping with the *entente cordiale* which has always existed between the chartered banks.

AN ELASTIC CURRENCY.—It is said that the banks of Minneapolis, Minn., will require \$50,000,000 to accommodate their mill and elevator customers during the next few months. Under the currency system of the United States, a rapid adjustment of credit will thus become imperative, and the value of money will rise in proportion to the demand. In Canada, on the contrary, where the banking system is based on the issue of notes against credit, the exigencies of the crop movement can be met by the operation of a natural law, working without violence or friction, the currency increasing as commerce demands and shrinking when the needs of the hour are abated. In this way any very appreciable rise in the value of money is provided against, for while continuing to supply the ordinary business wants of the country, our banks have always in reserve, for use when required, an extra credit capital sufficiently large to meet all extraordinary calls, the utilization of which costs but the expense of issue. The present monetary system of the Dominion thus amply provides for all emergencies, and for many years to come need not call for revision. A total issue of sixty million dollars, the amount now authorized under the 51st section of the Bank Act, is not likely to be called for during the next decade; and although in isolated cases the extreme limit will undoubtedly be reached by a number of the chartered banks, temporary arrangements with kindred institutions under the limit will suffice to meet the difficulty. The time must come, however, when an amendment to the present law, in this connection, will be imperative, and the first step taken may be to add an additional twenty millions to the currency of the country by utilizing the Reserve Funds or Rests as a basis of issue. Later, perhaps, a partial adoption of the American system may become a necessity. At present, however, the elasticity of our currency is such that we may justly pride ourselves on the excellence of the system, and wonder at the folly of our neighbors in permitting themselves to be thus repeatedly harassed during the manipulation of the crops.

BANKING FACILITIES.—The extension of banking facilities to newly developed sections of the country is characteristic of the vigorous policy now being adopted by many of the chartered banks. Within the past year, no less than twenty-five new agencies have been opened up in various portions of the Dominion, fourteen of which have been established in North Western Ontario, Manitoba and the Territories. The growth of the Northwest and of the mining districts which centre round Sudbury has been a rapid and withal a stable one. Labor when applied to the tilling of fruitful soil or the development of natural resources returns greater wealth in a given time than when applied to the conversion of raw material into the finished articles of daily commerce. Development under such circumstances, even if rapid, is enduring, and that the banker—than whom no one is better able to estimate future possibilities of this nature—has not failed to recognize this fact and utilize it to his advantage is apparent from the confidence thus replaced in the growing towns of the West.

PROVINCIAL LOANS.—According to mail advices from Paris, the loan of \$4,000,000, recently negotiated by the Province of Quebec with the Banque de Paris et des Pays-Bas and the Credit Lyonnais, has been successfully floated—the entire loan having been taken up by the clientèle of the former bank. So far as the terms have been made public, the province will be called upon to pay the equivalent of 5 per cent. interest on a temporary loan repayable in two years,—exclusive of the usual commissions and the expenses incurred by the distinguished party by whose skill the issue was negotiated. These extras will add at least $\frac{1}{2}$ per cent. to the above rate. This outcome of the extended visit of Mr. Mercier to Europe may be gratifying to that gentleman and the honorable members of his council, but to the general public it is disappointing, recording a most dismal failure, when viewed in the light of economy. The entire loan of \$10,000,000 could have been successfully placed in Canada at the same rate. The result, however, would appear in a much better light if the authorized loan is taken up later by the same banks without the necessity of further touring; but the autumn has already been set apart for a continuation of the journeyings so rudely disturbed by the intrusion of a legislative session. In view of recent disclosures in regard to the manner in which public moneys are being distributed by the government of the province, the future placing of so considerable a sum as

\$10,000,000 may meet with greater difficulties than even a stringent money market can offer. The province of Nova Scotia, whose Premier has also been on a visit, but to London, in order to negotiate the issue of \$1,175,000, seems to have been more successful in its efforts than the sister province. The state of the market being unpropitious, the expediency of issuing Treasury bills, after the manner of the Federal Government, has been resorted to, and the result has proved a source of congratulation to the people of the Atlantic seaboard.

THE FINANCIAL SITUATION.—The *London Statist*, under date of August 15, reviews the situation in the monetary centres of Europe and America, setting forth the adverse facts and influences which have of late surrounded these centres of the financial world. The conclusions arrived at by its editor thus finds expression: "In spite of the many adverse influences still continuing, we are persuaded that here, at home, we are in a position far safer than we have been for a couple of years past. Indeed, we will go further, and say that the danger of serious financial troubles appears now to have passed, and that gradually we are approaching a state of affairs in which a revival of business becomes inevitable. Regarding the United States, also, we are inclined to think that a revival of business cannot now be long delayed. There is widespread distrust of the railways, that is undoubtedly clear. There is unwillingness on the part of investors to buy bonds, which is not encouraging, and many of the companies, consequently, have piled up unwieldy floating debts. But, all the same, the fact remains that the harvest is one of the finest the country has ever had, while Russia will practically have no surplus for export, and consequently the United States will have control of the wheat markets of western Europe for the next twelve months. The United States, therefore, cannot fail to be exceptionally prosperous, and the exceptional prosperity must tell upon the stock markets."

P. E. I. FINANCES.—The province of Prince Edward Island, finding itself saddled with a floating debt of \$185,000, has been considering the best mode of liquidating that indebtedness. One plan proposed was to levy an assessment and pay off the amount in one, two or three years; another to continue as in the past to borrow from the banks, paying the customary $6\frac{1}{2}$ per cent. interest. The third and most rational proposal was to issue debentures bear-

ing 4 per cent., which if floated at par would effect an annual saving of \$4,625 interest. This latter measure has received the approval of the Government, and a bill has recently been passed to that end. The propriety of this measure is self-evident, and when the bonds of the province are placed on the market, but little difficulty should be experienced in disposing of them at a figure sufficiently high to better the condition of the Treasury.

FREE COINAGE.—It is now definitely asserted that President Harrison will endeavor to meet the view of the free coinage advocates, it being reported from Washington that the administration have under consideration the policy of coining the product of American silver mines as a temporary settlement of the silver question. In the event of this policy being approved of, the President will probably outline a plan in his annual message to Congress. In this connection an American contemporary says:

“ He may suggest his preference for waiting longer, in order to convince European nations that the United States will not enter upon free coinage without their joint action, but he will have an alternative in case Congress insists upon doing something. The President’s plan will aim to do two things at once—to satisfy the free coinage advocates and to maintain the currency at a parity with gold. He hopes to satisfy the free coinage people by opening the mints to the unrestricted coinage of American silver. Foreign silver would be shut out by a system of mint regulations similar to that suggested by Secretary Windom in the spring of 1890. The President hopes to maintain the new silver coin and the certificates issued against it at a parity with gold by making them convertible into gold. The way to do this, according to the plan of the President and Secretary Foster, is to accumulate a big reserve of gold in the Treasury and hold it in readiness for all demands. The present gold reserve of \$100,000,000 would probably be made available for general redemption purposes and an effort made to add \$60,000,000 to \$80,000,000 to it. It is hoped that by this means no discrimination would be made in financial circles against silver dollar and silver certificates, and that we should remain substantially upon a gold basis, while the circulating medium rested nominally upon silver. If gold enough could not be obtained to meet the views of the administration by the ordinary processes of financing, the Treasury Department might

sell bonds to obtain gold. This would only be done in case of grave necessity, but would be held in reserve as an available resource." Whether this plan will satisfy the extreme silver party is doubtful. According to their views the question can never be properly or satisfactorily settled until the free coinage of silver, without specification or restriction, is provided for. That such a law will eventually carry, even despite the presidential veto, is confidently anticipated.

ISSUE OF RAILWAY BONDS.—Applications have been received in London for a further issue at par of £590,400 6 per cent. first mortgage bonds of the Calgary and Edmonton Railway. These bonds form the balance of a total authorized loan of £1,140,400, the first £550,000 of which was negotiated in August last. The Calgary and Edmonton Railway was incorporated in 1890, for the purpose of constructing and operating a railway from Calgary, 840 miles west of Winnipeg, to the town of Edmonton, 190 miles north, with power to extend south towards the International boundary. Of the 300 miles thus to be constructed, 100 miles of the portion north of Calgary are now open for traffic, and the remaining 90 miles will be completed during the present year. South of Calgary the 110 miles to terminate at a point at or near Fort Macleod are well under way, and the entire road will be in full working order by November, 1892. The Company is entitled to an annual subsidy of \$80,000 for twenty years, from the Dominion Government, for transport of Government traffic in respect of the portion of the line from Calgary to Edmonton. This subsidy is to be semi-annually paid over direct to the agents of the loan as trustees of the bond holders. All traffic beyond that amount is to be paid for by the Government at tariff rates. In order to encourage and develop the traffic during the first few years, the company has negotiated a lease to the Canadian Pacific Railway, whereby the latter company has agreed to work and maintain the road until 1st July, 1896, free of any cash resource for loss, if any, upon the Calgary and Edmonton Railway, the Canadian Pacific retaining the receipts other than the subsidy above mentioned. On the expiry of the lease the lessees have the option, on giving six months' notice, of calling in and paying off at 110 the bonds recently floated; or in default, of returning the road to the company in good working order. In view of the importance of the road to the Canadian Pacific, however, the latter have already applied to Parliament for powers to acquire it by exchanging their 4 per cent. consolidated stock for the above bonds.

THE HUDSON'S BAY COMPANY.—A general court of the Governors and Company of Adventurers of England, trading into Hudson's Bay, was held in London on the 22nd July, when the report for the year ending March 31, 1891, was submitted for approval. The operations for the year resulted in net profits of £16,496, a very poor showing as compared with previous returns. The reasons assigned for this disappointing statement were three in number,—the poor out turn of the trade, the great sickness and mortality among the Indians, and the small amount of land sold. These causes were entirely beyond the control of the officers of the company. The price of furs has been gradually falling off, the most important having dropped in value from 50 to 65 per cent. within the past ten or fifteen years, while their prime cost to the company remains as then. Competition has also been very keen, the practical monopoly of the field having been broken in Winnipeg, Victoria and other once important centres. As to land sales the total for the year amounted to \$205,297, as compared with \$242,761 for the year ending 31st March, 1890. The cause of this decline is ascribed largely to the indifferent harvests of 1889, and the late general business depression which prevented many from becoming purchasers of land, who otherwise would have taken them up. The best purchasers of these lands have been those farmers who, having taken up free homesteads, desired to have the adjacent lands belonging to the company for themselves and their relatives. The average price per acre shows an increase from \$5.75 in 1890 to \$5.87 in 1891. On the conclusion of the Chairman's address, a spirited discussion took place, during which a leading shareholder, Mr. McLean, took exception to the administration of the company's affairs, and entered very fully into the details of its business. The turnover for the year amounted to but £261,000, on a trading capital of £900,000. Expenses of management, he considered, examples of extravagance. As to the causes assigned for the falling off in profits, he had found in his experience that the dispensations of Providence were always cited as the cause for the non-success of the incompetent and the extravagant. In his view the reasons were of a more mundane character. Many of the shareholders present joined issue with Mr. McLean in his impeachment of the Board, and considered that the interests of the company were being ably looked after by the gentlemen charged with its administration. Within three years no less than five out of the nine directors have

replaced members of the old management. Having thus recently been appointed, they were entitled to a fair chance before incompetency should be alleged against them. The report was adopted with two dissentients. Commenting editorially on this meeting, the *Canadian Gazette* says:—"Though many of those present at the recent meeting of the Hudson's Bay Company seemed unaware of it, it is none the less a fact that at a great expenditure of time and, it may be assumed, of skill, the present directors of the Company are doing all that can be thought of to bring the Company's business into harmony with the present conditions of business in the Canadian North-West. This is necessarily, under the circumstances, a work of time and of great difficulty, but those engaged in it are not easily daunted, and though they seem to get but scant encouragement from some of those who speak at the meetings, they are, we believe, quietly confident that they will in the end put the Company into the best possible position that the surroundings will permit."

IMPERIAL PENNY POSTAGE.—Great things from small beginnings often spring up; and it is not unlikely, says the *Canadian Gazette*, that the fourth Congress of the Universal Postal Congress, which closed its doors at Vienna the other day, will live in history chiefly because of an almost unrecorded incident in its proceedings. That incident may yet pave the way to Imperial penny postage. Other good work the Conference undoubtedly did. The decision that every country in the Union shall in future supply the public with reply-paid post-cards is an eminently wise one, and cannot fail to be welcome in countries such as Canada, which have ever been in the forefront in postal reform. The flow of people and commerce between the old world and the new is increasing every year, and everything which simplifies and cheapens the means of intercommunication must do good. The initial cost of the change may for the moment prove a little disconcerting to Mr. Haggart with a postal revenue below a postal expenditure, but its advantages are so obvious that the reply-paid post-card should soon become a valuable source of income. The general relaxation of the rule as to the dimensions of packets of patterns and samples of merchandise is also a step in the right direction. The recognition by the Convention for the first time of the necessity for securing by legislation the suppression and punishment of frauds on the Post Office by the counterfeiture of stamps, etc.,

must be gratifying to Canada, where an example has already been set in this particular; while the voluntary scheme for a Central Clearing House for the adjustment of postal balances and accounts may prove to be of no small service to the Dominion as well as other countries, whose desire it is to curtail the labor and expense involved in the present methods. These and other decisions of the Congress were all to the good, and throughout the deliberations Sir Charles Tupper had no difficulty in securing for the wishes of Canada the attention which her position as a postal reform entitled her. But far transcending them in importance to the British Empire was the recovery from the other powers of the perfect freedom of the United Kingdom in postal dealings with the Colonies. This is the greatest step yet taken in the direction of Imperial penny postage, and it stands to the credit of the British delegates that so important a concession was obtained at their direct instance, and without arousing the opposition of any single Power.

MINING STATISTICS.—An interesting bulletin has recently been issued as part of the mining volume of the eleventh census of the United States. The enquiry into this important field was conducted under the supervision of Richard P. Rothwell, editor of the *Engineering and Mining Journal*, the detail collected covering every branch of statistic taking. The following excerpts from the bulletin will be of interest for comparison, when similar returns for the Dominion are officially made public. Gold is produced in extremely small quantities by a vast number of independent miners, often from remote and almost inaccessible sources. The prospector, as a rule, carefully conceals the sources whence his gold came, fearing lest others interfere with his claim. While the average annual production of each of these prospectors or miners is small, the aggregate amount is considerable; but no full or accurate statistics of this portion of the gold production can be obtained. Gold is produced mainly by a few large accessible mines, from which it is easy to get statistical information. The production of bullion during the year 1889 was: Gold, 1,590,869 ounces, United States coining value \$32,886,744; silver, 51,354,851 ounces, United States coining value \$66,396,988; total, United States coining value, \$99,283,732. In gold this is nearly 28 per cent. of the world's product and in silver 41 per cent. The number of gold and silver mining "claims" or "locations,"

commonly called "mines" in the United States, is practically beyond computation. Tabulating only such mines as made returns of production or labor, statistics reduced the list to 6,004. The number of employees, amount of wages paid and average number of days employed during the year were as follows :

Employees.	No. employed.	Aver. per day.	Aver. No. days employed per yr.	Aver. wages per year.
Foremen or overseers	1,592	\$4 21	215	\$905
Mechanics.....	3,283	3 57	244	871
Laborers.....	17,121	2 65	193	512
Boys under 16 years	82	1 05	172	181
Foremen or overseers	1,357	4 21	237	998
Miners.....	29,222	3 13	236	739
Laborers.....	4,062	2 47	240	593
Boys under 16 years	43	1 54	207	319
Office force.....	873	.....	.....	.....
Total	57,635	.....	.....	.....

Expenditures during the year, including wages, value of supplies, etc., were \$63,451,136. The total value of mining plant was \$465,960,566, made up of the following items: buildings, \$7,565,918; railroads on surface, \$1,475,674; machinery, \$14,985,215; underground improvements, \$95,806,648; mine supplies, \$3,919,480; cash, \$4,112,810; and estimated value of mines exclusive of above items, \$338,094,821. The value of mills and reduction work was \$20,362,772. Total value of mines and works, \$486,323,438. Of the 6,004 mines on which returns of production on labor statistics were made, 266 were reported idle, 1,009 were reported working but not producing bullion, 28 as producing over \$500,000 worth of bullion, 44 as producing \$250,000 to \$500,000, 107 as producing \$100,000 to \$250,000; 95 from \$50,000 to \$100,000; 437 from \$10,000 to \$50,000; and 1,408 from \$1,000 to \$10,000.

From these statistics it appears that the labor employed in the actual production of the precious metals is both extremely well paid and very productive, better paid and more productive in fact than in any other industry thus far (May, 1891) reported in the bulletins issued by the Eleventh Census. The average earnings of all persons employed at the gold and silver mines (57,635) was \$725 a year, while the average output per man amounted to \$1,723 a year. In the granite quarrying industry, according to the census report, the average value of the output for each person employed in 1889 was \$648, and the average wages a year \$446.

BANKER'S INSURANCE.—The question of accepting risks without medical examination, says an exchange, has again been brought prominently before the assurance world, through the circular issued by the English and Scottish Law Life Association, in which an offer is made to insure bank officials for sums from \$500 to \$2,500, providing they are in active service, sound health, and have never been refused life assurance by any company. The family history must also be free of record of consumption, cancer, brain or heart disease, so it will be seen there are safeguards thrown around the business which are likely to prevent it being unprofitable. The policies granted are limited payment life, the payment to cease at age sixty, and endowments maturing at age or sooner. At the expiration of seven years from the original contract, the assured can, if circumstances are favorable, take out additional assurance under the same condition, so that increasing responsibilities may be provided for. It is not intended to limit the offer to persons engaged in banking houses, but to extend the lines to other corporations. The dispensing with medical examinations has been agitated for some time, and from recent action it looks as if the problem will be solved. We note that in the event of death within nine months after the taking out of additional assurance under the plan referred to, the face value of the policy will not be paid, but the premiums received will be returned. The outcome of the new order of things may be awaited with interest.

INCREASE OF STOCK.—The increasing business of the Bank of Ottawa has necessitated the issue of new stock. A special general meeting of shareholders has been called for the 30th September, in order that the necessary steps may be taken to secure the certificate of the Treasury Board required by the 26th Section of the Bank Act. It is proposed to pass a by-law authorizing the issue of new shares to the amount of \$500,000, thus making the capital stock of the bank \$1,500,000, instead of \$1,000,000 as at present. The net profits of this prospering institution for the year ending 29th November, 1890, amounted to \$105,448, and its Rest account then stood at \$425,000, a sum likely to be further augmented from the surplus profits of the current year. The stock of this bank is mainly an investment property, paying 8 per cent. dividends, and has never been an active feature on either the Montreal or Toronto stock exchanges. The step proposed seems taken more with a view to future requirements than to supply the

immediate wants of customers of the bank, as the stock will of necessity be called in by instalment, covering a considerable period of time. At the moment and in the prevailing state of the money market, 8 per cent., the rate of dividend now being paid, would be a high price to pay for money, although the incidental advantages from an increased circulation would considerably reduce the rate.

COMMERCIAL BANK OF MANITOBA.—This Bank, whose annual report for the year ending 30th April last is elsewhere presented, although one of the youngest banking institutions now operating in Canada, shows steady and satisfactory progress. The Directors report net profits for the year amounting to \$42,643, out of which dividends at the rate of 7 per cent. per annum have been declared, and the Rest strengthened by the addition of \$10,000, bringing it up to the very substantial figure of \$50,000. The capital authorized is \$2,000,000, of which sum \$714,260 has been subscribed and \$532,490 paid up at date. The greater portion of this stock is held in Great Britain, but during the past year a considerable portion has been called for by western capitalists, who see in it a profitable and safe investment. During the year covered by the report, the shares allotted increased from \$381,000 to \$525,010, an indication of the growing confidence of the public in the institution. The stock of this Bank is listed on the Montreal exchange, but has not yet become an active feature. With the development of Manitoba and the North West, to which the business of the Bank is almost wholly confined, and within which four additional agencies have lately been opened up, the Commercial Bank is largely identified, and in the near future it must reap the reward of cautious and conservative management. The directors may well congratulate themselves on the progress which it has made during the brief term of its existence, for a continuance of its present prosperity will make it ere long of the most prominent banks in the country.

THE PACIFIC PROVINCE.—The growth of the Province of British Columbia has been almost phenomenal. Total exports have risen 95 per cent. in four years, the figures for the year ending 30th June, 1890, having reached \$5,763,467 as compared with \$2,953,616 recorded in 1886. Total imports for home consumption have advanced in almost equal proportions, the custom duties collected in 1890 by the port of Victoria alone aggregating \$928,678, a sum one-third greater than was credited to the city of

Winnipeg, the great distributing point for Manitoba and the North West Territories, and equal in amount to the sum credited to St. John, N.B. These figures have been the theme of an interesting address, lately delivered in the House of Commons by one of the Victorian representatives, in the course of which he directed attention to the importance of expending a fair share of the public moneys on works of vital interest to the future welfare of the Province. Mr. Prior is to be commended for the able manner in which he voiced the demands of his constituents. Facts formed the data from which his arguments were drawn, and his speech was couched in language free from extravagant terms or intemperate words. "It is a province," he said, "possessed of boundless and varied resources, resources so great that members from the province are almost afraid to tell the truth for fear of being looked upon as grossly exaggerating the facts. Let the Government grant railway subsidies where they are really needed; let them erect public buildings where needed; let them spend money on public works where they are needed; let them protect our manufacturers, farmers and artisans, and within the next few years we will see in British Columbia such a happy, prosperous and industrious people as have not their equal on this continent." In the course of his extended remarks, Mr. Prior stated that on the 30th June, 1890, deposits in the Government savings banks of Victoria had reached the very substantial figure of \$1,155,158, thus showing the healthy financial condition of the class of people who usually put their savings into small savings banks. The amounts deposited in the chartered banks at the same date aggregated \$2,788,271. The assessed value of the city is over \$25,000,000, and is rapidly being augmented, over \$1,500,000 representing the value of buildings now under construction.

THE COST OF CANAL ENLARGEMENT.—The amount of public moneys expended on the St. Lawrence system of canals, in order to ensure the safe passage of vessels of large tonnage from Lake Superior to Montreal, has already reached the very substantial sum of \$26,500,000,—exclusive of \$15,000,000 spent before the enlargement was begun. A further sum, estimated at \$14,500,000, will be required before the contemplated work is completed, of which \$12,000,000 will be needed to deepen the St. Lawrence canals proper, the balance being absorbed by the Sault. It may prove of interest to note the progress made thus far in this vast system of in-

ternal communication ; and in doing so, we avail ourselves of the brief but succinct statement recently presented in the House by the Honorable Minister of Railways and Canals. The highest canal of the series is at Sault Ste. Marie, where there is to be a short canal and single lock of large dimensions, designed to permit of vessels drawing 19 feet passing at low water. All other canals between Lake Erie and Montreal are arranged for a navigable depth of 14 feet. Up to 1876, the intention was to carry out the views of the Royal Commission of 1870, and to make the Welland and the St. Lawrence canals of a navigable depth of only 12 feet. But so many representations were made in favor of an increase to 14 feet, that the Government, in 1876, decided to adopt this as the navigable depth. In the meantime, the Welland canal had been completed to the 12 foot gauge, and had to be subsequently deepened 2 feet. The total cost of this canal, now completed, was in round numbers \$16,100,000. None of the other canals between it and Lachine were, however, begun before the greater depth was adopted. On the Lachine, the foundations of the permanent structure were put down to the full depth, but about 6½ miles of the canal itself has yet to be lowered to obtain this depth, at an estimated cost of \$1,250,000. For about four miles above the head of the Lachine canal, Lake St. Louis is obstructed by numerous shoals, the removal of which is necessary to form a channel suitable to the enlarged 14 feet navigation. This also will require a probable expenditure of \$1,250,000. Between Lake St. Louis and Lake St. Francis, a rise of 83 feet in the river, is at present surmounted by the Beauharnois canal on the south shore of the St. Lawrence. After careful surveys and examinations extending over some years, the conclusion has been arrived at to build an enlarged scale canal on the north shore at an estimated cost of \$4,750,000. In Lake St. Francis the obstructions to a 14 feet navigation are but slight, the removal requiring the expenditure of but \$90,000. The works on the Cornwall canal are all under contract, and the locks nearly completed, leaving, however, a considerable length of the canal still to be enlarged at a cost of about \$2,100,000. Between the head of the Cornwall canal and Prescott, the main obstruction, that at the Galops Rapids, has been removed, but the Williamsburg canal, together with the necessary river works between the Cornwall canal and Prescott, have still to be completed at an estimated cost of \$2,770,000.

RAILWAY STEALS.

In speaking of the Quebec railway steal now convulsing Eastern Canada, the *Montreal Gazette* says:—

“The Baie des Chaleurs is one of those roads, somewhat plentiful of late in Canada, on the construction of which the contractors do not calculate to spend any of their own money. Government and municipal grants and the issue of bonds are looked to supply all the funds necessary, and perhaps leave something for the “boy,” as Mr. Beaty facetiously called himself in one instance. The money voted by Parliament has been paid; the company comes to Parliament with a request that it be granted new powers; certain claimants against it allege that it has failed in its obligations and has not paid its just debts, and ask for legislation to compel it to meet its legal liabilities. The actions of members of the company itself bring its affairs before Parliament, they are accused there, and Parliament, which has paid half a million dollars for the line, has a right to find out why the work it has provided the money for has not been accomplished.”

The disgraceful revelations in connection with the Quebec road should lead to a careful consideration of the whole question of government aid to railways. It is not the first time that scandalous misappropriation of public money has occurred in connection with railway schemes. Undoubtedly the country has received incalculable good from the government aid extended to certain railways, as in the case of the Canadian Pacific; but at the same time there has been a great deal of rottenness in connection with many of these government aided roads. In the first place, aid has often been secured through political influence, wire pulling and general crookedness, and not on account of the special claims of the road, or the integrity of the promoters. Secondly, aid once secured, as in the Quebec case now before the public, and also in the case of the Manitoba Central, referred to by the *Gazette*, has been misappropriated for personal gain and not for the construction of the road. In fact, the promoting of railways has, in certain cases, simply been taken advantage of as a means of stealing public property. The securing of a railway charter simply for the purpose of selling it we claim is a misappropriation of public property. When a number of schemers get hold of a railway charter, and make it valuable by securing government aid for the proposed

road, for the purpose of selling the franchise and pocketing the proceeds, we claim it is little better than a direct robbery of the treasury. Western Canada has been a rich field for the operations of these railway charter fiends. The shyster class of politicians who have been foremost in securing these railway charters is alone an indication of rottenness somewhere, for where the vultures hover there is likely to be a carcass not far away.

The third charge we have to make against government aid to railways is, that to a certain extent it was conceived in iniquity, and the natural fruit has been boodling and corruption. The bribing of public men, the people of districts or provinces, by grants of money, has been a prevalent iniquity in federal and provincial politics in Canada. It is only a coincident that this species of bribery has frequently taken the form of government grants to railways.

Our federal government, through no less a personage than the Premier, has declared that corruption in high places shall be exposed and punished. Let this system of indirect bribery of individuals and constituencies, through grants of public money, also cease. As for railways, it would be well to enquire if the time has not arrived when government aid should entirely cease. So far at least as Eastern Canada is concerned, it would seem that the time has arrived when railways should be promoted for their commercial value, constructed solely upon a commercial basis, and not from the public treasury. Even in the new West, the day of government aid for railways, except perhaps in a very few instances, may fairly be considered as closed from a standpoint of actual necessity. The opening up of the great northern regions, which will be a matter for not distant future consideration, may require special consideration. However, government aid to railways in a general sense should be carefully considered, and, if granted at all, only in very exceptional instances, such as the opening up of large portions of new country. The *Commercial* has long opposed the granting public lands in aid of railways, and is still strongly opposed to this custom, from which the West has suffered considerably. Further grants to western roads, if given, should not be in the form of public lands, which should be held for free settlement. In granting charters for railways, care should be exercised. Charters should be given only to persons who are really earnest in their intention to carry out the proposed work. Railway charters should be rendered invaluable to scheming politicians or

others who are simply desirous of acquiring a franchise to peddle for personal gain. This could be accomplished by requiring applicants for charters to deposit a round sum, under conditions which would guard against scheming of this nature. If the Abbott government will just take up this little matter, it will be a strong indication that they are in earnest in their declaration that corruption shall not go unpunished, and that they are desirous of presenting a clean record.—*Winnipeg Commercial*.

TRANSFERRING STOCK.—One or two cases of considerable importance to directors of joint stock companies have been recently decided by Mr. Justice Chitty in London, England. The effect of these decisions is that, when by the articles of any company a discretionary power is conferred upon the directors to accept or reject transfers of shares, that power must be exercised in good faith, or, as he phrased it, the power "must not be exercised corruptly or fraudulently, or capriciously or wantonly, or for a collateral purpose. In exercising it the directors must act in good faith, in the interest of the company, and with due regard to the shareholder's right to transfer his shares." Quite a number of Canadian companies attempt to control the transfer of their shares by passing by-laws which give the directors discretionary power as to accepting or rejecting the transfer of stock, thus keeping the control of the company in the hands of friends. This control may, under certain circumstances, be against the public interest, and, as the London *Economist* says: "Very rightly, Mr. Justice Chitty decided that such an exercise of their powers by the directors was unjustifiable and oppressive. It would be very convenient, no doubt, in certain cases, if a body of directors could, by refusing to register transfers, constitute themselves the only purchasers of shares. They would then be able to make their own price, and hold a lucrative property in their own hands. If, however, the proprietors of any business wish to keep it to themselves, they can do so as a private firm; and if for purposes of their own they come under the provisions of the Companies Acts, it is not too much to demand of them that they shall not abuse the powers these confer."—*Monetary Times*.

JOURNAL OF MERCANTILE LAW.

COMMENTARY ON THE BANK ACT OF 1890. (1)

SECT. 3.—LIABILITY OF DIRECTORS FOR MISMANAGEMENT.

If Bank directors do not manage the affairs and business of the Bank according to the directions of the charter and in good faith, they will be liable to make good all losses which their misconduct may inflict upon either shareholders or creditors, or both. But for excusable mistakes concerning the law, and for many errors strictly of discretion, they are not liable. Though in cases in which their action has been so grossly ill-advised as to warrant the imputation of fraud, or to show a want of the knowledge absolutely necessary for the performance of their duties, so great that they were not justified in assuming the office, they may be held responsible (2). They are required simply to show a reasonable capacity for the position they accept; to use in it their best discretion and industry; to show the scrupulous *bona fide* and conscientiousness in every matter, however minute, which is exacted rigorously from all trustees of the property of others; and to obey accurately the requisitions of the charter, or of the general banking law under whose provisions they come.

IMPROPER DECLARATIONS OF DIVIDENDS.—For example, if directors declare a dividend at a time when the Bank is so far embarrassed that such a needless disbursement of money must be regarded as an act of either fraud or folly, and which could have been advocated by no man who was not either dishonest or grossly incapable, they may be held liable for the consequent loss to the corporation (3). The act is not to be excused, for it must be either fraudulent or the result of such excessive unfitness as to become the legal equivalent of fraud.

It will be a breach of charter provisions to declare a dividend or bonus out of the capital stock of the Bank instead of out of

(1) Copyrighted.

(2) *Godbold v. Branch Bank*, 11 Ala. 191; *Smith v. Prattville Manfg. Co.*, 29 Id. n. s. 503.

(3) *Guinkle's Appeal*, 48 Penn. St. 13.

earnings, and such an act of malfeasance will render the directors concurring therein jointly and severally liable for the amount equal to the impairment, as a debt due by them to the Bank (1). And so in like manner will they be held liable, if, having a rest or reserve fund of less than twenty per cent. of the paid up capital of the Bank, they authorize a division of profits, either by way of dividend or bonus, or both combined, or in any other way exceeding the rate of eight per cent. per annum (2).

OFFICIAL BONDS.—Again, the directors may render themselves liable to the corporation for neglect of their duty, in failing to comply with the requirements of Section 23 with reference to official bonds. If any mischief results to the corporation by reason of their failure to take the bonds required by law, they may be held responsible for it, as they may for any other malfeasance in office.

As the Bank Act forbids the issue of bills for circulation, before a certain portion of the capital stock has been subscribed and paid in, and a certificate obtained from the Treasury Board, an issue before the issue of such certificate will make the provisional directors personally liable to redeem any of the bills which the Bank is unable to pay in the due and ordinary course of its business. A statutory requisition of a nature so plain and simple as this cannot be excusably broken. If broken, the breach cannot be regarded as a mistake of law (3). Mistakes as to what is the law serve to excuse cases where correct knowledge could be reasonably expected only from a professional man, and even in such cases if the directors feel any doubts they may be guilty of neglect if they fail to seek and be guided by competent legal advice (4). But ignorance of any fact in the Bank's affairs, which it is their duty to know, can never be set up by them in defence or exculpation for any act which the existence of that fact should have prohibited (5).

THE LIABILITY AN ASSET OF THE BANK.—If liability of a director once accrues for any species of malfeasance in office, whether his acts have been the result of dishonesty, negligence, or incompetence, the claim of the bank against him becomes a part of the assets of the institution. An assignee or other party whom

(1) Section 48. (2) Section 49.

(3) *Schley v. Dixon*, 24 Geo. 273.

(4) *Goibold v. Branch Bank*, 11 Ala. 191.

(5) *Bank Commissioners v. Bank of Buffalo*, 6 Paige 497.

soever, who may come into possession of the corporate property, for the purpose of collecting it and distributing it among the creditors and shareholders, is obliged to regard the right of action against such delinquent directors as a part of the available assets. It is his duty to push the claims, to make what he can out of them, and to apply the proceeds together with the other funds of the corporation to the discharge of its indebtedness, and the reimbursement of its creditors and shareholders. The liability is at common law, and though a statute or charter may declare what acts of a director, and under what circumstances committed, shall render him liable, yet these enactments will not operate to alter the nature of the liability, once accrued, or to render it statutory. They must be construed as simply relating to evidence, and as declaring that testimony establishing the act and circumstances described shall suffice to fix the liability, which, however, after it has been thus fixed, will still retain its original and inherent common-law character. But whatever liability may have been incurred by all or any of the members of a board of direction, it will not descend to their successors in office, who are blameless upon their own account. Neither will it pass to any third party to whom they have assigned corporate property, if he took it in good faith without collusion, and for value (1).

FALSE AND DECEPTIVE STATEMENTS.—It sometimes happens that the directors of a banking corporation put forth deceptive and fraudulent reports, and make false statements concerning its affairs, in order to keep up its good repute with the public, and to sustain or raise the price of shares by attracting purchasers. A collection of case-law on this and cognate subjects is to be found in Shelford's Law of Joint Stock Companies, and other books, referring to the highest sources of authority in cases upon this subject in England; both on the question of a report of directors being in any sense a representation to an outsider who buys on the faith of it, and also on the point whether it is to be considered a report of directors, or (after its adoption by the Bank) a report by the latter as having approved of it and profited by it.

Reports made and accounts rendered by directors in the course of their duty, though made and issued to the shareholders only, as to the state of affairs of the company, are considered the representations of *the company*, not only to shareholders, but to the

(1) Schley v. Dixon, *supra*.

public, if they are published and circulated by the authority of the directors, or a general meeting. But such reports and accounts made and issued to the shareholders are not the representations of the company to a person who obtains knowledge of their contents only from private sources (1). The various judgments with respect to this part of the law are very conflicting, both on account of the view formerly taken by the courts as to the difference between companies and other persons as to their liability for the frauds of their agents, and from its having been considered that reports made to shareholders could not be considered reports made by them. The real question, however, seems to be whether the person deceived has obtained knowledge through persons he has a right to consider authorized by the company to afford such information (2).

In the case of the National Exchange Bank of Glasgow v. Drew (3), Lord Cranworth said: "What is the consequence of the company receiving a report and publishing it to the world? I confess that in my opinion, from the nature of things, and from the exigencies of society, that it must be taken, as between the company and third persons, to be a representation of the company. The company, as an abstract thing, can represent or do nothing, it can only act by its managers; where, therefore, the directors, in the discharge of their duty, fraudulently, for the purpose of misleading others as to the state of the concerns of the company,

(1) The Bank in its corporate capacity can never be held to answer for any species of fraud or deception of this nature, practised by any of its directors or other officers, individually, though at the banking-house and in banking hours. No single director, neither any other official, has it within the scope of its customary authority to bind the bank by any representations whatsoever made concerning its condition or affairs. The bank does not hold them out as competent to give information of this character, and any person who relies on statements thus received puts his confidence in the individual from whom the statements proceed; and though he may have a good cause of action against him, it is against him as a private individual and not as an officer of the bank, and can by no means be against the bank itself. The corporation can only be held liable if it publishes corporate reports, as such, falsely and with the criminal intent. Such would be a statement adopted at a general meeting of the directors and intentionally put forth to the public, or left to reach the community in the ordinary course of business. *Morse on Banks and Banking*, p. 157.

(2) *Shelford on Joint Stock Companies*, vol. III, par. 15, p. 56.

3) *Macq.* 103.

represent the company to be in a different state from that in which they know it to be, and the persons to whom the representation is addressed act upon it, in the belief that it is true, I cannot think that society can go on without treating that as a representation by the company, otherwise companies of this sort would be in this extraordinary predicament, that they may employ, nay must employ, agents to carry on their concerns, and that those agents might make representations, be they ever so false and ever so fraudulent, and yet that the company might benefit by those representations." And in the same case Lord St. Leonards said: "I have certainly come to the conclusion, that if representations are made by a company fraudulently, for the purpose of enhancing the value of their stock, and they induce a third person to purchase stock, these representations so made to them for that purpose do bind the company. I consider representations by the directors of a company as representations of the company; although it may be a representation to the company, it is their own representation." These remarks are sanctioned by Lord Chelmsford in a more recent case (1).

And finally it has been said by Lord Westbury: "If reports were made to the shareholders of a company by their directors, and adopted by the shareholders at a regular meeting, and those reports were afterwards industriously circulated, undoubtedly representations contained in those reports must be taken, after their adoption, to be representations and statements made with the authority of the company, and, therefore, binding on the company; and if those reports, having been industriously circulated, should be clearly shown to be the proximate and immediate cause of shares having been bought from the company by any individual, undoubtedly it would be impossible consistently with the principles of equity to permit the company to retain the benefit of that contract, and to keep the purchase money" (2).

In fine, it has been the opinion of the most eminent judges of the present day, that if in a body consisting of a great number of shareholders, the directors whose duty it is to present a balance sheet or report to the body at large containing a representation of the state of the affairs of the company; if that body executing that duty or that function make a report that is entirely false, and

(1) *Western Bank of Scotland v. Addie*, L. R., 1 Sc. Ap. 156.

(2) *New Brunswick R. Land Co. v. Conybreare*, 31 L. J. 362.

if that is made to a public and general meeting, although there be no order to publish it either by the directors or the body at large from the very nature of the case, it must be made public (1).

A great number of cases, more or less distinguishable from each other in some of their details, are collected in the work already mentioned, as also in a recent work by Mr. Buckley, the third edition of which appeared in 1879, but without going into them, it may be gathered from what we have already observed that if representations made in a report should turn out to be false and to have caused injury, there is abundant authority for holding that such a representation is a representation made to the outside public, for which the directors, and in certain cases the corporation itself, may be held liable.

With regard to the personal liability on the part of the directors, in certain cases, there can be no manner of doubt. The 99 section of the present Act says that every president, vice-president, director, principal partner *en commandite*, auditor, manager, cashier, or other officer of the Bank, who prepares, signs, approves or concurs in the making of any false or deceptive statement, or uses the same with intent to deceive or mislead any person, shall be responsible for all damages sustained by such person, in consequence thereof, and shall be further liable to imprisonment for a term not exceeding two years. Here we have both criminal and civil responsibility, the latter expressly extended to Bank directors. This is only a reiteration of the common law rules, as declared in article 1053 of the Civil Code of the Province of Quebec, that "Every person capable of discerning right from wrong is responsible for the damage caused by his fault to another, whether by positive act, imprudence, neglect, or want of skill."

LIABILITY TO SHAREHOLDERS INDIVIDUALLY.—The right to sue directors for malfeasance in office, whereby loss accrues to the shareholders, is often expressly given to the shareholders by statutory enactment, though, without doubt, it exists at common law in the absence of legislative intervention. Errors of judgment, unless so gross as to resemble fraud, or to render the acceptance of office practically a fraud, by reason of entire incapacity and unfitness for it, give no right of action. But any fraudulent act or any breach or neglect of charter provisions, whereby loss is entailed

(1) Per Kindersley V. C. *National Patent Steam Fuel Co. v. Worth*, 4 D. & W. 529.

upon the corporation, and the value of the shareholder's property is as a necessary consequence depreciated, gives a right of action at law to each one of them to recover the damage or loss which he individually has sustained. The suit need not join all the directors, nor even all who participated in the wrongful act, as defendants; but any one of them may be sued singly.

In this case, however, the declaration is insufficient, if it alleges simply that this sole defendant did an act which could in fact be done only by several directors. The allegation must be that he, together with others, did the act complained of, neither is it sufficient simply to allege that he has done wrongful acts. The nature of the acts should be set forth in general terms, though an accurate description of each part or element going to make up the entire act complained of must often be impossible, and may be dispensed with. An allegation, that by reason of the act the plaintiff's shares depreciated in value, is a sufficient allegation of loss. That the directors declared a dividend out of the capital stock of the bank, instead of out of earnings, is a good cause of action. Nor is it a defence that the shareholder who brings the suit has himself received the dividend upon his own shares, provided that he did not know at that time the improper basis upon which it had been declared.

(TO BE CONTINUED.)

CHATTEL MORTGAGES.—The chattel mortgage is one of the most common of all the legal documents that pass between firms and individuals engaged in trade. It is also one in which an important omission is not infrequently made, whereby the instrument is practically rendered null and void. In the body of the mortgage form are blank spaces in which to fill, among others, the words "his," or "her," or "theirs," as the case may be. This is accomplished usually without difficulty, but in the affidavit of *bona fides* that follows, the word "against," while apparently the last in the document, is not, but is intended to be, supplemented by the words "him," or "her," or "them," as the case may be. Here occurs the omission we desire to call attention to. We are told that there is more than one case on record where the document has been duly registered without the necessary word added, and has subsequently been invalidated because of the omission,

thus leaving the mortgagee in precisely the same position as any other unsecured creditor. This irregularity, on the part of both lawyer and law clerk, is explained by the fact of the mechanical work of filling up the blank spaces, seeming to cease when there are, at first glance, no others to fill up. It is, however, most important to note, as before urged, that the printed word "against" is not the last, but must be followed, in writing, by either "him," or "her" or "them," as required.—*Monetary Times*.

An important judgment has been rendered by the Superior Court at Montreal, in the case of *Lambe vs. the Montreal & Sorel Railway Company*. It will be remembered that after the issue of a writ of *venditioni exponas* in this case, at the instance of the local Government, represented by Mr. Lanbe, collector of revenue, the Great Eastern Railway Company, lessee of the Montreal & Sorel, filed an opposition. This opposition was dismissed, however, but an appeal, still pending, was taken from the judgment. Meanwhile, the Government petitioned to have a sequestrator appointed, who should collect the revenue of the road for the benefit of the creditors. This was again opposed by the Great Eastern on different grounds, and, among others, that a sequestrator could not be appointed to a railway company; that the Great Eastern had a lien on the road by their lease, and that it was in the interest of the creditors that they should continue to run the road. The court dismissed this opposition on every point, and ordered the appointment of a sequestrator, holding that there was no ground for the alleged right of the Great Eastern to indefinitely run the line, and that there was connivance between the defendant and opponent. This is the first instance of a sequestrator being appointed to a railway in this province.

BANKING AND FINANCIAL NEWS.

JULY BANK STATEMENT.

	July, 1897.	June, 1897.	July, 1896
Capital authorized	\$75,258,665	\$75,258,665	\$76,008,665
Capital subscribed	62,118,272	62,085,112	61,960,232
Capital paid up	60,875,834	60,702,365	59,634,914
Amount of Rest	23,068,184	23,007,678	21,134,034
Aver. specie for month	6,391,322	6,650,442	6,211,860
Aver. Dom. notes for month. ...	10,548,041	10,691,416	9,442,074
Greatest circulation during month	32,050,696	.....	.....
Aggregate of loans to directors and to firms in which they are partners	5,943,958	7,579,121	7,233,402
LIABILITIES.			
Notes in circulation	\$30,579,968	\$31,379,886	\$31,167,628
Balance due Dom. Govt. after deduc- ting advances from credits, pay lists, etc.	2,898,017	4,571,696	3,578,774
Balance due to Provincial Govt.	2,857,015	2,226,659	3,063,638
Public deposits on demand.	58,956,896	59,383,409	54,630,576
Do do after notice....	84,568,962	83,249,806	76,635,176
Loans from other banks in Can- ada secured	189,000	249,000	244,386
Deposits payable on demand after notice or on a fixed day by other Canadian banks....	2,516,257	2,240,452	1,937,592
Balances due to other banks in Canada in daily exchanges...	531,034	.....	.....
Balances due to agencies of bank or to other banks or agencies in foreign countries	222,360	141,340	109,321
Balances due to agencies of the bank or to other banks or agencies in the U. Kingdom..	2,912,774	3,841,322	1,696,783
Other liabilities	310,455	262,382	196,289
Total liabilities	\$156,582,729	\$188,337,504	\$173,935,855

ASSETS.

Specie.....	\$ 6,321,846	\$ 6,673,974	\$ 6,375,880
Dominion Notes.....	10,805,960	10,734,520	9,610,147
Deposits with Government for security of circulation.....	842,904	.....	.....
Notes and cheques on other bks.	6,237,880	7,270,397	5,980,498
Loans to other banks in Canada, secured.....	367,000	} 3,856,907	} 2,978,974
Deposits payable on demand or after notice or on a fixed day in other banks in Canada....	2,437,660		
Balances due from other banks in Canada in daily exchanges.	1,757,464		
Balances due from other banks or agencies in for. countries..	16,722,340	15,289,185	12,069,930
Balancies due from banks or agencies in U. Kingdom.....	2,635,593	1,805,893	2,412,184
Dom. Govt. Debenture Stocks..	2,493,774	2,482,765	2,556,758
Can. Municipal Securities, and British, Foreign, Provincial or Colonial public securities (other than Dominion).....	6,299,900	6,605,085	5,939,927
Canadian, British and other railway securities.....	3,751,030	.....	.....
Call loans on bonds and stocks..	10,660,906	16,309,409	13,411,475
Current Loans and Discounts..	184,566,971	178,173,044	176,098,947
Loans to the Govt. of Canada...	21,726	624,935	1,303,612
“ to P.ovincial Govts....	1,806,368	2,048,052	328,908
Overdue debts.....	2,808,271	2,841,071	2,586,377
Real estate, other than bank premises, the property of the bank.....	1,075,910	1,003,218	1,051,847
Mort. on Real Estate sold by the bank.....	839,566	814,029	708,142
Bank premises.....	4,325,878	4,303,362	4,054,652
Other assets.....	1,482,202	2,509,151	2,473,428
Total assets.....	\$268,261,328	\$269,491,153	\$254,648,943

The revenue for the fiscal year ending 30th June, 1891, on account of the consolidated fund, was \$37,689,130, and the expenditure \$39,909,170, a surplus of \$6,779,960.

The statement of revenue and expenditure for the month of July shows revenue of \$2,528,601 and expenditure of \$2,345,025. The expenditure on account of consolidated fund for the month was \$57,854. The public debt at the end of the month was \$237,035,851, an increase of \$3,495,629.

NOTE REDEMPTION OFFICES OF CANADIAN BANKS.*

The following redemption offices were unavoidably held over from our last number. Those cities alone are given where the bank does not redeem at its own branch offices.

<i>Bank.</i>	<i>Town.</i>	<i>Redemption Office.</i>
Bank of Yarmouth.	Charlottetown,	Merch. Bk. of Halifax.
	Halifax,	“ “
	St. John,	Bank of Montreal.
	Montreal,	“ “
	Toronto,	“ “
	Winnipeg,	“ “
Bank of Brit. Col.	Victoria,	Bank of Brit. Col.
	Charlottetown,	{ Bank of Nova Scotia.
		{ Merch. Bk. of Halifax.
	Halifax.	{ Bank of Montreal.
		{ Bank of Nova Scotia.
		{ Halifax Banking Co.
		{ Merch. Bk. of Halifax.
		{ Union Bk. of Halifax.
	St. John,	{ Bank of Montreal.
		{ Bank of Nova Scotia.
		{ Merch. Bk. of Halifax.
	Montreal,	{ Halifax Banking Co.
{ Bank of Montreal.		
{ Can. Bk. of Commerce.		
{ Molsons Bank.		
Toronto,	{ Bank of Nova Scotia.	
	{ Merch. Bk. of Halifax.	
	{ Bank of Montreal.	
	{ Can. Bk. of Commerce.	
	{ Imp. Bk. of Canada.	
	{ Molsons' Bank.	
	{ Bank of Hamilton.	
	{ Traders Bk. of Can.	

*In our last issue the Redemption Office of the Canadian Bank of Commerce in Montreal is wrongly stated. The Bank of Commerce has a branch office in this city, and its notes are redeemable at such office.

Bank of Brit. Col.	Winnipeg,	} Bank of Montreal. Imp. Bk. of Canada. Molsons' Bank. Comm'l. Bk. of Man. Bank of Brit. Col.
(1) Imperial Bank	Victoria	

MONTREAL CLEARING HOUSE.

<i>For week ending</i>	1891.		<i>Corresponding Week</i> 1890.	
	Clearings.	Balances.	Clearings.	Balances.
July 23	\$9,765,730	\$1,315,078	\$9,351,665	\$1,702,129
July 30	8,715,633	1,351,995	8,629,626	1,242,186
Aug. 6	9,528,350	1,546,023	9,548,530	983,165
Aug. 13 (2)	9,518,660	1,625,423	8,770,292	1,299,761
Aug. 20	10,048,057	1,376,263	9,750,461	1,194,202

TORONTO CLEARING HOUSE. (3)

<i>Week ending</i>	1891.	
	Clearings.	Balances.
July 30	\$5,272,406	\$796,139
August 6	5,741,379	850,251
August 13 (2)	4,828,156	538,226
August 20	5,143,246	582,425

DIVIDENDS.

The following semi-annual dividends have been declared:

BANKS.

People's of Halifax,	Rate 3 0/0	Payable Aug. 31
Halifax Banking Co.,	3 0/0	Sept. 1
Union of Halifax,	3 0/0	Sept. 1
Du Peuple,	3 0/0	Sept. 7

LOAN COMPANIES.

London & Can. L'n & Agcy Co.,	Rate 4 0/0	Payable Sept. 15
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MANUFACTURING COMPANIES.

Dom. Cotton Mills Co.,	Rate 2½ 0/0 (4)	Payable Sept. 1
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(1) For further particulars as to the Redemption offices of this bank, see page 422.

(2) One holiday this week.

(3) Of which the Bank of Toronto is not a member. (4) Quarterly.

MISCELLANEOUS BANKING AND FINANCIAL
ITEMS.

QUEBEC.

A large number of counterfeit American dollar pieces are said to be in circulation in Montreal.

A company is to be organized at Sherbrooke for the construction of an electric railway for the locality.

The \$50,000 4 per cent. bonds issued by the city of Sherbrooke, redeemable in twenty-five years, have been purchased by Messrs. Hanson Bros., of Montreal, at 94.

The meeting of creditors and shareholders of the Canada Agricultural Insurance Company, for the appointment of an assignee in the place of the late Mr. Thomas Darling, has been called for August 25.

The return of the Montreal City and District Savings Bank for July shows liabilities of \$8,520,486 and assets of \$9,604,200. On the same date the liabilities of the Caisse d'Economie de Notre Dame de Québec were \$3,090,460, against assets of \$3,446,880.

Since the building of the Quebec, Montmorency and Charlevoix Railway to Ste. Anne de Beaupré, the road has been paying splendidly, and travel is on the increase every day. No less than 6,604 passengers were carried over the road on a recent Sunday.

Messrs. Greenshields, Peterson, C. E., Wilson, Smith, Fairman, Hall, Irwin, Edward Hanson, and Robert Thos. Hopper, all of Montreal, are applying for letters patent as the Montreal and Kootenay Mining Company (Limited). The chief place of business is to be in Montreal, and the capital stock \$20,000.

The Bank of Toronto has purchased at a cost of \$100,000 the building now standing on the southeast corner of St. James and McGill streets, Montreal, and will occupy the ground floor as soon after the 1st of May next as the necessary alterations can be made. The plans call for a remodelling of the entire structure.

The Glasgow and Montreal Asbestos Company (Limited), 68 St. Vincent street, Glasgow, has been officially registered. Its purpose is to purchase the Martin mines in the township of Coleraine, county of Megantic, and the Fraser mines in the township of Broughton, county of Beauce, and to carry on the business of asbestos producers, manufacturers and merchants, and of a mineral or mining company in all its branches. The capital is £70,000, in 70,000 shares of £1 each.

The report of St. Cunegonde for the year ended December 31, 1890, has just been issued, and presents a very fair showing, the assets exceeding the liabilities by \$35,873.15. The assets are put down at \$567,143.49, of which the principal are: Cash on hand, \$9,019.51; municipal taxes, \$5,960; special taxes, \$25,860.60; waterworks, \$400,000; drains, \$76,488.76; real estate, \$22,000; sundry debts, \$8,451.66. The liabilities are put down at \$531,270.34, of which the principal are: City of Montreal, for main drain connections, \$6,500; mortgages, \$12,975.34; bonds and interest, \$517,745.68.

ONTARIO.

The earnings of the Toronto Street Railway average \$15,000 weekly.

The Bank of Hamilton, Hamilton, are erecting new bank premises at an estimated cost of \$100,000.

An interim half-yearly dividend of four per cent. has been declared by the Bell Organ and Piano Co., Guelph.

The delay for receiving tenders for the unrealized assets of the Central Bank has been extended to Tuesday, 8th September.

The liquidators of the Central Bank have issued a writ against the St. Catharines and Niagara Central Railway for \$22,500 due John Shields and David Blain, as contractors for the building of that line.

The Madoc Banking Co., at Madoc, Ont., changes its style to J. C. Dale & Co., in order to comply with the Banking Act. In the same town, E. D. O'Flynn & Co., in the same business, change style to E. D. O'Flynn & Sons.

The death is announced of Alfred Richardson, who for nearly 18 years was a trusted officer of the Huron and Erie Loan and Savings Co., London. He was vice-president of the Essex Brass and Iron Works Co. of the same city.

Mr. C. E. L. Porteous, manager of the Bank of Montreal, Kingston, narrowly escaped death by drowning some days since, through the upsetting of his canoe in the harbor at Kingston. He was rescued after having been in the water some time.

It is said that in nearly every town and village in the county of Kent are to be found some of the forged notes floated through private banks by one William Plummer. The offender is now in the States, but will likely be brought to justice in a short time.

London's bonus of \$100,000, granted to the London, Huron and Bruce Railway, has been paid off, the Consolidation Act having been availed of in retiring the debentures thereon which fell due on the 14th inst. The city debt is therefore \$100,000 less.

A meeting of the creditors of Adam Allison, the missing banker and grain buyer of Belmont, was held in St. Thomas, on the 24th. The claims filed amount to about \$18,000, and the assets nominally to \$7,000. It was decided to dispose of the estate as quickly as possible.

Sealed marked tenders will be received up to noon, September 1st next, for the purchase of \$15,000 debentures of the town of Port Hope. Said debentures will be in \$1,000 and \$500 amounts, to run 20 years, to carry coupons, bearing interest at 4½ per cent., payable half-yearly.

The capital stock of the McKay Milling Company, recently incorporated, is placed at \$1,000,000, consisting of 4,000 preference and 6,000 ordinary shares of \$100 each. The holders of the preference shares will be entitled to an annual preferential dividend of 7 per cent., and the surplus profits may be applied to the payment of dividends on the ordinary shares. The company proposes to carry on the business of millers, elevating wheat, baking, purchasing or selling power for supplying electricity, and supplying electricity for light, heat and power.

A night watchman named John Calahan, in the employ of the Hamilton Street Railway, has been arrested for extensive stealings from the company. For six years passed he has been able to open the combination safe, from which he took, during that time, something like \$15,000. He has made restitution of \$12,500, which was at his credit at several banks in Hamilton.

The Hamilton Electric Light Company has elected the following officers: R. E. Kennedy, president; Robert Thompson, vice-president; J. V. Teetzel, secretary; Directors—J. M. Lottridge, D. R. Dewey, H. S. Stephens, Hamilton; H. M. Pellatt, W. H. Howland, Toronto; D. Graham, Montreal. The whole of the capital stock of \$200,000 has been taken up. The company intends to extend its business shortly.

The Toronto City Council some time since granted a monopoly to the Bell Telephone Company, by a vote of 13 to 14. The Bell Company presented two offers, either of which the city was at liberty to accept, the city to be paid 5 per cent. of the Company's gross receipts, and the users given telephones at \$45 and \$25, or the city not to be paid any percentage, and business telephones to be cut down to \$40. The majority felt that the principle under the first offer was the proper one to adopt—that the city generally should share in the concession to be made, not that the users of business telephones should get the whole benefit in a still further reduction of rates.

The original capital stock of the E. B. Eddy Manufacturing Company was \$1,500,000, of which \$865,000 was subscribed and paid up. The company, however, changed its first intention, sold its timber limits, and practically went out of the lumber business. The company recently decided to reduce its stock, all the shareholders approving, and an act has been obtained, changing the name to "The E. B. Eddy Company." The act cancelled 6,000 of the unsubscribed and unissued shares representing a nominal value of \$600,000 reduced the remaining capital stock to \$300,000, and converted the remaining shares into 3,000 new shares of \$100 each, and provided that every person who is a paid up shareholder shall be entitled to one paid up share of such new shares for every three of the old paid up shares.

MARITIME PROVINCES.

The Moncton, N.B., agency of the Bank of Montreal has handsome quarters in the new building of the Y.M.C.A.

Messrs. Hosmer and Skinner, representing the Canadian Pacific Railway, have been elected Directors of the Halifax & Bermuda Cable Company to represent the controlling interest recently secured in that Company, with the intention of extending the system to Jamaica and the British West Indies. Negotiations for the extension of the cable are already well in progress.

The Halifax police are of opinion that they have made a big capture in the arrest, on Saturday, of Oliver Hurd. Detective Power had been shadowing Hurd for some days. He was informed that Hurd approached about a dozen persons in Halifax, and offered to sell them "green goods." Various samples of counterfeit money were found on Hurd. A number of the notes are stamped only on one side, while others are completed, ready to fill in the figures.

Pursuant to a resolution of the Shareholders of the Telephone Company of P.E.I., the Directors have offered for subscription stock of the Company not exceeding \$12,000 in the aggregate, for the purpose of the contemplated extension of the Company's lines mentioned in the Act of Assembly passed at the last Session of the Legislature. Subscription books have been found at Bank of Nova Scotia, Summerside; Bank of Nova Scotia, Charlottetown; and at Messrs. A. A. McDonald & Bro's., Georgetown, and closed the 14th day of August, at noon, on the terms and subject to the conditions mentioned in the subscription books.

Orders have been received from England for the suspension of the work on the Chignecto Ship Railway. The explanation given is that, owing to the state of the money market, the company is unable to float its bonds without a sacrifice, but that as soon as the market improves work will be resumed. "The work is far advanced," the *Chignecto Post* says, "machinery all there, rails laid twelve miles, and line half ballasted. A few months' work will complete it. The contractor's liabilities are all paid, and no one loses anything." At the same time it is learned that a mortgage of £700,000 has just been placed on the railway.

On the 25th of March last, the agent of the People's Bank of Nova Scotia in Lunenburg mailed at the post office there \$1,500 for the agency at Mahone Bay. On the arrival of the mail at the latter place, it was discovered that the money had been extracted from the mail bag, and that the way-bill had been placed in the Chester mail bag. An investigation was at once commenced by the postal authorities, but no clue as to who had taken the money could be obtained. It remained a mystery till this week, and is so still, so far as the public are concerned, but the authorities have now arrested Postmaster Burgerine and Jacob Rhuland of Mahone Bay. The postmaster of Lunenburg has died in the meantime, possibly of a broken heart, because of the suspicion then cast upon him.

MANITOBA AND WEST.

Real estate men of Winnipeg estimate the land transfers of last year at \$12,000,000, and the value of new buildings at nearly \$1,000,000.

Mr. G. L. Smellie, late manager of the Binscarth Farm, has been appointed inspector for Manitoba of the Canada Permanent Loan & Savings Company.

A vote will be taken upon a by-law granting a bonus of \$4,000 to assist in the erection of a grist mill at Killarney, Man., on Friday, August the 7th next.

It is announced, says the *Colonist*, that arrangements are being made for the establishment in Victoria of a large malting and brewing establishment upon a joint stock basis.

The Western Milling Company (Limited) is the name of a new concern seeking incorporation at Regina. The promoters intend to build a new elevator before November 1st.

A recent report of the Winnipeg telephone exchange shows that there are now 750 subscribers. This is one instrument to every 36 of the population, figuring the population at 27,000.

The prospectus of the British Columbia Paper Co. (Limited), just issued, states that the proposed capital is to be \$50,000. A site for the mills has been selected on the first rapids of the Somas River.

The Commercial Colonization Company, of Manitoba, has gone into voluntary liquidation, and its loans, says the *Free Press*, are being taken over by the Canadian Settlers' Loan & Trust Company.

The assessed real value of real estate in Victoria is now a fraction over \$18,827,000, to which will be added \$7,000,000 more when the territory embraced in the recent extension to the city is valued. The property exempt is valued at \$1,250,000.

The British Columbia *Gazette* announces the incorporation of the Chilliwack Tramway Company (Limited), capital \$25,000, in 100 shares. Its objects are the construction, operating and maintaining a street railway or tramway within the limits of the municipality of Chilliwack.

A company of citizens has been organized, says the *Brandon Times*, with a view to providing Brandon with an electric street railway. The application of the company for a thirty years franchise has been made to the City Council, and the matter is now under the consideration of the Board of Works.

The British Columbia Corporation (Limited) has been incorporated in London, England, with a capital stock of £300,000. Mr. Robert Ward, when in England recently, promoted the company. The directors believe they will have no difficulty in obtaining mortgages on suitable security at rates varying from six to eight per cent.

More details are to hand regarding the Bank of Montreal's new building in Vancouver. The banking house proper will cover an area of 2,500 square feet, the space for the public outside the counters being 22 feet 6 inches by 26 feet 9 inches. The vault is a very large one, being 14 by 9 feet. There are desks for 20 clerks. Over the banking office there will be very handsome quarters for the manager, comprising the whole of two storeys.

"Green goods" circulars are again flooding Winnipeg and many towns in the West. The *Free Press* has seen several copies received by citizens. The sender desires the recipient to do all his business by telegraph with "Samuel Holdman, Tilly Foster Mines, New York." All the first message should contain are the words "Send sample of ore," when Mr. Holdman says: "I shall send you full instructions on receipt of above telegram where you can meet me at my headquarters. I only receive my telegrams at this address, but transact business elsewhere. Don't as long as you live write me a letter."

The British Columbia *Gazette* announces the incorporation of the Hixon Creek Hydraulic Company, Limited, with a capital of \$100,000, in \$1 shares. The principal place of business will be Quesnellemouth, the objects of the company being hydraulic or other process or processes of mining; to own and construct ditches, flumes or other systems of water-ways; to purchase, own, operate and sell mines, minerals and water and water-ways; to build, own and operate mills, machines, or other processes for the reduction

of ores, and to sell the same ; and to do and perform all such other acts and things as are incidental or conducive to the attainment of the above objects, or any of them.

An Ottawa telegram says : " Alex. Begg, agent of the British Columbia Government in Scotland, has arrived from Scotland, whither he went to promote crofter-emigration to the Pacific province. He has made arrangements with the Chancellor of the Exchequer for a loan of £150,000 for colonization purposes. This will be advanced as required and re-paid by the British Columbia Government, who in turn will collect it by instalments from the settlers. They get thirty years in which they repay their loans, not having to pay anything for the first five years. The scheme provides for the settlement of six thousand crofter fishermen. From £120 to £150 will be expended on each family. A syndicate is being formed in England to carry on fishing and mining operations in British Columbia, to afford employment for these settlers. They will ask the Dominion Government to locate and assist in developing the fisheries of the coast. Before the scheme is adopted it must receive the endorsement of both Governments.

UNITED STATES.

The aggregate of the interest and non-interest bearing debt of the United States is \$1,005,806,560, and the interest charge last year was \$37,127,201.

The date of the annual convention of the American Bankers' Association, to be held at New Orleans, has been changed from October 14th and 15th to November 1st and 2nd.

Women are found to be the best experts in the Treasury Department at Washington, and are said to have a wonderful quickness in telling a good dollar from a poor one at sight.

The elevated railroads of New York city, which cost less than \$17,000,000, are stocked and bonded for over \$90,000,000. If a railroad is only properly stocked it can be made almost as prolific as a fish pond.

During the seven months since the Comptroller of the Currency made his last annual report, there have been more failures of National banks than are recorded for any one year before. The average number of failures is about seven a year, but during this seven months there has been twenty-two failures.

A dangerous counterfeit 50-cent piece is in circulation in the United States, says the Norwich, Conn., *Bulletin*. The piece is a beauty, and shows great care and skill in its make-up. It is one of the series of 1887, and has the clear ring of the genuine article. The main point of difference, however, lies in the thickness, which is a trifle greater than in the genuine article. The figure on one side is rather obscure, but is at the same time nearly perfect, although there is a slight depression in the shield.

It is stated that owing to the great demand from banks in the West and South for one and two dollar bills, to be used in moving the crops, and the inability of the Bureau to complete the plates for the new certificates in time, the Bureau is now, by direction of the Treasury Department, printing a sup-

ply of two-dollar certificates from the plates bearing the vignette of the late General Hancock to meet this demand. The printing of bills from the Hancock plates was discontinued some months ago, on account of the appearance of a dangerous counterfeit, as already noted in these pages.

The first savings bank in America was the Provident Institution for Savings in Boston, which was incorporated Dec. 12, 1816, and commenced business during the latter part of January the following year. This bank is still in existence, and is one of the leading savings banks of New England, besides holding the honor of being the oldest savings bank in the world. The second bank for savings in this country was started in Philadelphia in 1818, and the third in Salem, Mass., in the same year. The total deposits of these three banks at the close of the year 1818 were \$42,800.

A statement just issued by the Treasury Department at Washington undertakes to show the volume of money in circulation in the United States, with the amount per head of the population. In 1860 the amount in circulation was about \$425,000,000—not quite \$14 per capita. In 1865 it was \$723,000,000—or nearly \$21 per capita. Twenty years later the figures were \$1,292,000,000—a per capita of \$23. On the 1st of January last the total circulation was nearly \$1,529,000,000—a per capita allowance of \$23.37, the largest in the history of the United States. While there are different estimates as to the amount of gold in the hands of the people, these figures are regarded by the Philadelphia *Record* as approximately correct.

Secretary Foster has issued a circular, announcing that 4½ per cent. bonds may be presented at his office on or before September 2 next for continuance during the pleasure of the Government, with interest at the rate of two per centum per annum, in lieu of their payment at that date. Upon the surrender of the bonds with a request for continuance, the Secretary will return to the owners registered bonds of the same loan, with the fact that such bonds are continued during the pleasure of the Government with interest at the rate of two per cent. per annum stamped upon them. Upon the receipt of bonds to be continued, the interest thereon to September 2, 1891, will be prepaid at the date the bonds now bear.

Mr. Villard, who has just returned from Europe, and who is in close relations with leading financial men abroad, and especially in Germany, expresses the opinion that the decline in American securities is largely due to the fear that the United States is approaching the silver standard. He is reported as saying: "I hold that the growing danger of the silver standard is the blackest cloud that has hung over this country since the outbreak of the civil war; and I am convinced that if the threatened calamity should really set in, it will result in the worst and longest financial crisis this country has ever seen. My fears that we are steadily approaching the silver standard are based on the steady loss of gold by the United States treasury, and the steady accumulation of silver certificates in place of gold certificates in the banks. There is also clear evidence of the spreading of this fear among the general public in the accumulation of idle funds in our leading financial institutions."

The United States Secretary of the Treasury has adopted a new distinctive paper, which will be used, until otherwise ordered, for all new designs of United States notes, certificates, national bank notes and securities other than cheques and drafts. The silk threaded paper adopted in 1885 will be used for existing designs until the supply shall have been exhausted, after which the new paper will be used for all obligations of the United States, except cheques and drafts. The new paper is a cream white bank-note paper. Its distinctive features consist of a localized red and blue silk fibre incorporated in the body of the paper while in the process of manufacture, so placed as to form a perpendicular stripe on either side of the centre portrait or vignette of each note or other obligation. The distinctive paper of similar quality, with water mark U. S. T. D. so placed therein that it may show upon each separate check or draft, adopted in 1885 for United States cheques and drafts, will be continued in use for that purpose.

The Secretary of the Treasury gives notice that these distinctive papers, together with those hitherto adopted for the printing of the obligations or other securities of the United States, are and will be subject to the provisions of sec. 5430 of the Revised Statutes, which reads as follows:—

Every person who has or retains in his control or possession, after a distinctive paper has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States, any similar paper adapted to the making of any such obligation or other security, except under the authority of the Secretary of the Treasury, or some other proper official of the United States, shall be punished by a fine of not more than \$5000, or by imprisonment at hard labor not more than 15 years, or by both.

"It is the source of the highest gratification," says the *Co-operative News*. "to be able to state that in the 6200 building loan associations of the United States the percentage of loss through dishonest management is remarkably low. Viewed comparatively, it does not amount to 1 per cent. of the losses found in other forms of saving. Illinois in this respect presents a better record than can be found in most any other State. There is, no doubt, a good reason for this. We believe that the reason lies largely in the fact that in Illinois the main officer upon whose efforts and faithfulness the safety and the prosperity of an association depends, the secretary, is adequately paid for his services. His salary affords him a fair remuneration for the time and trouble and expert knowledge necessary to the faithful and efficient discharge of his duties. Where the position is dignified by an association itself through the payment of a proper salary, it becomes dignified and important in the eyes of the incumbent and of the general public."

BRITISH-

A leading London journal propounds this query: "If such a house as Messrs. Murietta was so utterly wrong in all its judgments—wrong respecting the real condition of the Argentine Republic, wrong respecting the gravity of each step in the crisis there, wrong in its valuation of the securities it offered to the public, wrong in its estimate of its own liabilities and its own assets—how can anything that is put forward be believed?"

It is reported that Lord Salisbury will send a committee of experts from the Royal Exchequer to the Argentine Republic, to enquire into the financial position of its Government with a view to suggesting a remedy for its embarrassment.

The despatch which noted the placing of treasury bills in the London market by the Canadian Government, sufficient to offset recent withdrawals of savings bank deposits, states that the Canadian Treasury Department has followed in all its details Mr. Goschen's example in the case of British treasury bills. The bills are to run twelve months.

The average dividends paid by English joint stock banks in 1890 was 12.9 per cent, Scotch banks paid an average of 11.6 per cent., and Irish banks an average of 10.5 per cent. In addition to these dividends considerable sums were carried to reserve and other special funds. Exclusive of the Bank of England, the English banks earned last year an average of 6 per cent. on their paid-up capital.

Sir J. E. Gorst, parliamentary secretary for the India office, presented the annual Indian budget statement in the British House of Commons on the 4th August. He called attention to the continued extraordinary growth of the surplus, which for 1891 he estimated as nearly double that of 1890. This growth was mainly due, he said, to the alteration in exchange consequent on the sudden inflation of the rupee by American legislation. He announced a large decrease in the revenue from opium and a steady increase in the land revenue.

The report of Mr. Mortimer, the British vice-consul at Los Angeles, Cal., just issued, says: "Great dangers beset the investors in Southern California from promoters in London and from the mismanagement of English managers who are not familiar with the country, and from the impositions of vendors here." Mr. Mortimer adds that he is reluctantly compelled to advise English capitalists not to invest in that part of the country, and quotes San Francisco newspapers as declaring that the companies floated in London for the past five years have been miserable failures, while many of them have been out and out swindles.

In London, Eng., a Lord Chief Justice has had a remarkable argument with a stock broker who was giving evidence before him. The ethics of the stock exchange are pretty much international in scope and character, and the admission of Mr. Rokeby Price, as a member of the London stock exchange for forty-seven years, and its present chairman, has, of course, an international interest. He swore that he would sell a stopped bond, which he knew to be stopped, to a man who did not know that the bond was stopped, and he furthermore swore that this is the practice of the stock exchange. His lordship advised the witness that, as chairman of the stock exchange, he ought to make a rule to ensure even "elementary honesty." If the witness had only stopped at saying what he himself would do, the admission would not be quite so bad as his wholesale branding of his fellows in England and in other countries.

In the British House of Commons recently, Mr. Allison brought up the case of the notorious American forger Austin Bidwell, who was imprisoned for life in 1873 for forgeries on the Bank of England amounting to upwards of £100,000. Mr. Allison asked Home Secretary Matthews to consider the fact that Bidwell was 25 years of age when convicted, that he had now been eighteen years in prison, and that he had a good record throughout. Mr. Matthews replied that he had repeatedly carefully considered memorials in favor of Bidwell, but his sense of public duty forbade him advising the Queen to release the prisoner.

The arrest and prosecution of a firm of dishonest brokers in Manchester throws a lurid light on the way some American enterprises are floated in London. In May last a joint stock company, called the Waterworks and Gasworks Securities Corporation, with a capital of £2,000,000 was floated with apparent success. It proposed to deal with water and gas securities entirely in America, and was projected by Col. L. B. Inman, of Inman Bros. & Low, aqueduct builders and engineers of New York. The board of directors was a very influential one, and included the name of Sir Charles Tupper. Before going to allotment, the sum of £700,000 had been underwritten and approved of. It now turns out that out of this large sum no less than £450,000 had been underwritten by means of forgery of prominent names in Manchester and of Liverpool. It was discovered to be the work of Ernest Powers, manager of the broker firm of Power & Clegg; Power is under arrest. He is charged with forging transfers of £50,000 in shares of the Pearson and Knowles Co. It was thought by his arrest that the forgeries of the underwriter's name would become known. The directors of the Waterworks & Gasworks Company met and determined to return all moneys subscribed by the public, and adding 5 per cent. interest.

If anything were necessary to show the great wealth of the business men of England, evidence enough would be provided in eleven wills reported during the past week in the newspapers. They foot up the handsome total of £3,713,756. The highest is Mr. David Barclay Chapman with £983,676, and then follow Mr. Wright, Castle Park, Cheshire, £674,821; Mr. William A. Guesdon, £593,540; Mr. James Scaright, £314,171; William Cliff, Liverpool, £311,066; and so on down to Mr. Robert Morland, colliery owner, £124,955. Two estates with personality exceeding £1,000,000 were reported in the first six months of the year. The number of those admitted to probate during the same period with personality between £100,000 and a million was considerably over the average of the past three years. It has been noticed that the investments made by men leaving these large amounts behind them are rarely in any but good securities, whilst on the other hand those who had to examine the share lists of a large number of the new adventures of the past three years state that the people who have put their money into the worst schemes are almost always those who can least afford to lose it. Save perhaps the United States, there is no other country in the world whose probate courts would be called upon in the course of one week to deal with such immense sums.

A private meeting of the Baring Bros. was held a week or two since. Frank Baring, who presided, after a reference to the death of the head of the firm, said that, thanks to the generous help of the shareholders by subscribing capital, the company retained nearly the whole of the commercial credit business of the old firm. The American customers continued their accounts almost without exception, and the accounts with foreign Governments, and the great mass of dividend accounts, were also retained. He then presented a balance sheet, which he said showed that the firm were doing good business, though the actual results could not be shown until December. The figures, he said, were very small compared with the old firm's accounts, the acceptances amounting to only £3,250,000, against the old firm's £20,000,000, but all was sound business. That which had been given up was the creation of finance bills against unfloated bonds and unmarketable securities. The reduction of many millions was due to the severance of the connections with Hales of Buenos Ayres, though the sounder commercial connections with South America were preserved. The chairman was emphatic in referring to the retention of American business. He summed up the situation when he said that the company's business was smaller but sounder.

FOREIGN.

According to the official reports of the imperial banks, the current accounts and deposited savings of the people throughout Russia amounted at the beginning of this year to 3,000,000,000 (three milliard) rubles.

The Chinese paper currency is in red, white and yellow paper, with gilt lettering and gorgeous hand-drawn devices. The bills, to the ordinary financier, might pass for washing bills, but they are worth good money in the Flowery Kingdom.

The prices of the leading bank stocks of Berlin have, since 1889, fallen on an average 25 per cent., those of the principle iron mining and manufacturing stocks from 30 to 40 per cent., and the aggregate shrinkage of 417 industrial stocks quoted on the Berlin Bourse is estimated by the London *Statist* at over \$110,000,000.

Salvation Army leaders in Paris have been selling what they call "Shares of Paradise," \$1 a share for the common issue, and \$20 for the preferred shares (doubtless carrying corner lots with them), and now the municipal authorities have ordered a judicial investigation, with a view to arraigning the officers of the army on the charge of obtaining money under false pretences.

In France it is believed postage stamps are now being extensively forged; and although no actual proof is yet forthcoming that a similar fraud is being perpetrated in England, there is reason for suspecting something of the sort. The forgery is effected by means of photography, some stamps being neither more nor less than negatives. The process is simple and effective; and even if the spurious stamps were at all imperfect, forgery is not likely to be suspected.

Senator Calvin S. Brice estimates that the United States has been making for some time past an average of \$500,000,000 of securities a year, one-half of which has been absorbed by Europe, where there is no longer any sale. The consequent depression of values is widely felt, many railroads having suffered severely, and the liquidation now taking place will entail severe losses among those who have invested.

By the exercise of rigid economy, the Italians managed to reduce their annual deficit for the last fiscal year to 78,000,000 lire, or about \$15,600,000. For the year ending June 30, 1890, the deficit was 56,509,075 lire, and for the year before that 191,819,041 lire. So that in the three years the country has gone behind in its accounts no less than \$65,000,000. No wonder its people are flocking to America.

A novel plan for extinguishing a church debt has been hit upon in Melbourne, Australia. The church committee—or vestry, as the case may be—divide the total debt among themselves, and each man insures his life for the amount that falls to his share. The policies are transferred to the church, and the annual payments on them are made out of the collections. Then, of course, as the members of the committee “drop off,” the sums insured on their lives drop in, and later, when the only survivor dies, the last instalment of the church debt is paid.

There was recently published by the French ministry of finance an interesting pamphlet in relation to the cost of the world's postage, which gives some very significant figures. The total cost of the postal service the world over is a little less than \$500,000,000. Of all nations the United States is the most liberal patron of the post office, with an annual expenditure of \$66,000,000. Germany ranks second, spending \$50,000,000; but this also includes the telegraph service, accounts not being available for the separation of the two services. Great Britain spends \$49,000,000 for postal service, and France about \$28,000,000.

A great sensation has been caused at Guatemala City by the discovery that \$6,000,000 in bonds have been issued for the redemption of the treasury notes, instead of \$4,000,000 called for by the decree issued by President Barillo to effect the change. It is further stated that Barillo has sold \$5,000,000 worth of these bonds at 40 per cent. of their full value, and pocketed the money, and has placed the remainder of the bonds in the Treasury to redeem the notes. This piece of work has caused great indignation, and Barillo has become more unpopular than ever.

The Russian Government appears to have abandoned all hopes of discovering the fate of Captain Alexandre Maximovitch Osersky, who in 1890 left Irkutsk, Siberia, in command of a military guard, which was to have escorted to St. Petersburg a transport train laden with gold ore from the Siberian mines. Since then absolutely nothing has been heard of officer, men or train; they seem to have as completely disappeared as though the crust of the earth had opened, drawn them in and closed above them. Still, as couriers leave St. Petersburg, they invariably carry with them copies of a ukase published in *The Official Monitor*, which reminds Russian subjects of

the facts in this strange case, and calls upon them to exercise themselves in assisting the Government to solve the mystery. The value of the ore under convoy amounted to several million roubles.

In Germany, as in England, comparatively few new companies took the field during the past half-year. The issue of industrial shares only amounted to 24 million marks, compared with 82 million marks in the corresponding half of 1890. There was considerable activity, however, in the foreign loan market, and the issues of foreign loans in Germany are estimated at 174 million marks, against only 116 millions in the like period of last year. The most conspicuous of these were the Greek Loan in January, the Portuguese Tobacco Loan in April, and the 4 per cent. Roumanian Rentes in June.

The Hon. W. A. West Erskine of Adelaide, South Australia, looks for breakers ahead in the financial status of the proposed commonwealth. He says:—If we include New Zealand and Tasmania, the Australian national debt will reach the alarming amount of \$1,000,000,000. Just think of that for three million people. Of course we have railroads, telegraphs, public buildings and schools to show for this, but I can safely say that one-fourth of the money has been invested in non-productive works. The agitators never pause to consider that this money must be paid back.

Some statistics of French savings banks for the year 1889, forwarded by U. S. Consul Williams of Havre, give a curious illustration of the confidence the small French investor has in his government in financial affairs, and the timidity, one might say distrust, with which he apparently views investments outside of government control. The deposits in ordinary French savings banks in the year 1889 were \$516,070,346. This sum was owned by 5,500,000 depositors, an average of less than \$94 per book. Of this sum \$26,067,417 was held by depositors whose individual accounts are less than 200 francs, \$38.58. These depositors number 3,100,000, so that while they only contribute one-twentieth of the deposits they constitute eleven-twentieths of the depositors. But it is with regard to the heavier deposits that statistics are specially interesting. There are 1,300,000 depositors, possessing altogether \$282,857,692 in books of over 500 francs (\$96.35 each), who, the report says, are contented with 3½ per cent. interest rather than become owner of any share or obligation whatever. Among all the values quoted they cannot find a single title which seems to them a sufficient security. This is—whatever may be the cause of this strange suspicion—a most regretful symptom; in fact, one of two things: either the persons of whom we speak have to do with the local banks, whose counsels do not appear to them worthy of following, or their financial education leaves much to be desired, since they do not understand the advantages they would have in receiving 4½ and 5 per cent. income, instead of 3½ per cent. which the savings banks give." The number of these large depositors it is said diminished during the year 1889.

WORLD OF FINANCE.

FINANCE IN EUROPE.—With the exception of England, perhaps, every country in Europe, Russia not excepted, is practically insolvent. The smaller nations are gradually losing their credit, and the leading continental nations have difficulty in meeting their obligations, after taxing everybody and everything they can to the very utmost, and driving away their best citizens, mentally and physically, to foreign lands. Socialism and republicanism are gradually assuming greater strength and influence, and the only reform that can save monarchical institutions will be the quick and ample reduction of the present great standing armies and navies, and other excessive, unproductive expenses. The *Dreibund* does not promise to bring to Germany, Italy and Austria any relief. How is it to be obtained? War or revolution may be the fruits of *non possumus*, an inextricable dilemma in which the continental nations stand, with a ruin they cannot avert staring them in the face.—*Bankers' Monthly*.

WASHED HIS GREENBACKS.—Speaking of money reminds me to ask if you have ever washed any filthy lucre. I never heard of such a thing until recently, when I happened to be making a social call at the home of a physician. Pausing a moment at the open door of his office, I noticed a row of "greenbacks" hanging on a string stretched from the washstand to the chimney piece. "I am just washing some money," he said. "I do it because I get money from all kinds of people, and it is often so horribly dirty that I know it is a breeding place for microbes. I wash every grimy and ragged bill that comes to me. Give me one of yours; I will show you." With some misgivings I handed him a dilapidated five-dollar bill. The physician lathered its face generously with soap, and began a vigorous rubbing. Then rinsing it off in cold water, he squeezed it dry, and, smoothing it out again, hung it in the bright sunshine. To my surprise, in a few moments it became a clean, crisp and self-respecting product of the United States Treasury, instead of the limp disgrace I had been carrying about. If you don't believe me, try it and see.—*Hartford Courant*.

A PRINCELY FAILURE.—Prince Borghese and his family have disappeared from Italy since his failure became known. His liabilities amount to \$7,400,000 and his assets to \$4,800,000. The crash is causing failures among other aristocratic families. It is reported that the Vatican and the Royal family made strenuous but futile efforts to avert the disaster. Prince Borghese is the head of a patrician family originally of Siena, Tuscany, which first came into prominence about the middle of the 15th century. Marco Antonio Borghese settled in Rome in the early part of the 15th century, and became an advocate of the Papal Court. His third son, Camillo, became Pope Paul V in 1605, and did much for the advancement of his relatives. For Marco Antonio, a son of his older brother, he procured the principedom of Sulmona, and a grandeeship in Spain. His own brother, Francesco, he made commander of the troops which he sent against Venice in 1607, and Scipione

Caffarelli, a nephew, he created a cardinal. Paolo Maria Apostino Ignazio Filomeno Giulio Melchiorre Cornelio Ghilaino Borghese, the present head of the family, was born at Rome on Sept. 23, 1845, and succeeded his father on the latter's death on October 5, 1886. In December, 1866, he was married in the Castle of Appenyi, in Hungary, to the Countess Ilona Appenyi. They have a numerous family of children, while the immediate family connections of the Prince are very large. Besides 800 paintings arranged in historic order, and including famous works of Raphael, an immense collection of bronze and marble statuary, of carvings, rich armors, hangings, cabinets, antique furniture, gold and silversmiths' work and treasures of Greek, Roman and Oriental art, made the Borghese galleries one of the finest museums of the products of human genius and skill in all Italy.—*Cable from Rome.*

RAILWAY SAVINGS BANKS.—The great railway companies of the United States are being urged by American journals to establish savings' banks in connection with the pay offices for their employees. It is pointed out that one of the greatest and most successful railway systems of Great Britain has had for twenty years savings banks in connection with all its offices, and that the system has proved very successful. This company, the South-Eastern, has over ten thousand employees, and of these nearly one half have taken advantage of the opportunity thus afforded of investing their savings. The company has acted very generously towards its employees in this matter, inasmuch as it pays four per cent. interest on the deposits which are received in any sum from one penny upwards. As the Company can borrow money on call at three per cent., and on time on the security of its bonds at less than four—its four per cent. bonds being quoted on the market at 125—it must lose financially by their establishment. The Company must, however, feel that the system is an advantageous one for it, or it would not have maintained it so long as it has done. It is probable that the opportunities of investing their savings at a good rate, immediately on their being paid over the counter, promotes in the employees of the Company a habit of saving with the industry, frugality and comparative freedom from drinking which such a habit implies. As the depositors are by law given the first lien upon the railway for the amount of their deposits, the security afforded is absolute. It is pointed out by the American journals that a good many American companies could not only afford to pay four per cent. on savings bank deposits, but even a higher rate, inasmuch as most of them are borrowers on less easy terms. The deposits in such banks in the United States could not be made a first lien upon the roads, inasmuch as most of the roads are already mortgaged, but the companies might, as one journal says, be required to hold against all deposits a requisite amount of their first mortgage bonds. In Canada the need for railway savings banks is not so great as in the United States, where they have no post office savings banks; but as they have been found useful in England, where the post office system is carried to the highest perfection, they probably would be here too. In many towns and villages where the post offices and banks have no savings departments, such institutions established by Canadian railway companies would be valuable.

It is probable, if such a system were established by the Grand Trunk and Canadian Pacific Railway companies throughout all Canada, the amounts placed on deposit by their employees would be very large. To have the opportunity of investment immediately on being paid, and before temptation to spend comes in their way, would, in all probability, develop habits of saving amongst thousands of employees who spend their money thoughtlessly. American wage earners, and, indeed, all classes in America, spend their money very freely as compared with the same classes in Europe, and people on this side of the Atlantic live up to the full amount of their incomes in a way which surprises the more provident peoples of older countries, where profitable employment is not so easily obtained. The success of the South-Eastern system of savings banks has induced no fewer than eight other British railway companies to obtain the necessary authority from Parliament to establish similar systems, and there are now over twenty thousand depositors in railway savings banks in England. The system is one which is, at least, worthy the consideration of our great railway companies.—*Montreal Witness.*

THE VARIED PAPER AND COIN MONEY OF THE U. S.—We have now gold certificates, silver certificates, currency certificates, treasury notes, greenbacks or United States notes, and bank notes, with gold, silver, nickel and copper coin; quite a varied assortment. The gold certificates are secured by gold, dollar for dollar, held in trust for the owners or holders of the certificates. The Treasury notes are secured by silver bullion at the market price, and may be said to be secured in full. The greenbacks or United States notes rest on the security of the Government, but are redeemable in *gold*, for which purpose one-third in gold or so is kept on hand in trust by the Treasury for that purpose. The currency certificates are secured by greenbacks, or United States notes, which notes are redeemable in gold as above. The silver certificates are secured by standard dollars, at 78 cents in the dollar, at the present price of silver. To draw the silver for this paper and export it, a very heavy, indeed ruinous, loss would ensue; but the paper circulates at par in the local trade, on the strength of the 78 cents and the credit of the country.

The National bank notes of course are payable in gold, on demand, at the place of issue, and in New York at the Sub-Treasury, and are secured by bonds of the United States Government; so that if the purchase of silver with paper is not pushed too far, but brought to a close before the paper becomes redundant, we may save our par basis with the rest of the world and our bi-metal basis at the same time. Gold for foreign, silver for local trade.

There is a class of orators who say that the Government of this country could go on buying silver with paper until the three thousand millions afloat outside India are accumulated here, and that our gold would remain, and the paper issues, then \$4,000,000,000, say *four billions of dollars*, would not have any modifying or disturbing influence on our inland trade or foreign commerce. In fact, that it would be a good investment, and that storing it,

and issuing paper, it is money in hand, and no withdrawal of wealth from the people. The magnitude of the figures does not alter or modify the principle, which is just as erroneous, if it is erroneous, for our present \$400,000,000, invested under legal force, as for four thousand millions—yes, as erroneous for one hundred thousand dollars as for four thousand millions, if the system is false and wasteful. To pay one dollar in capital for the use of a paper dollar does not seem an economical way of getting paper money, which in all other countries costs the next thing to nothing. We will not argue the question, nor will we refer, other than as a mention, to the fact of the production of silver progressing on a great scale after we have our four thousand millions, and no market for the new production, and our hoard constantly threatened by a descending price.

This brief sketch of our currency in its present shape and future uncertainty is mainly for readers abroad. At home the present condition and future dilemma are understood.—*Bankers' Monthly*.

LOANS ON LANDS.—In Europe, as in the United States, land owners have suffered from the high rates of interest they were forced to pay on loans based on their property. Forty years ago, in many parts of Europe, the rates of interest charged on loans on lands averaged as high as those now charged in any part of the United States. Since then, however, there has been a great change, and even in the poorer countries of Europe money may be obtained by land owners at a rate not above 5 per cent. per annum. The change has not been brought about by the increase of wealth, making money more plentiful, but by deliberate efforts on the part of governments, or private companies acting under their authority, to provide the sources of money supplies needed by the agricultural interest, which was suffering greatly for the lack of them.

These institutions are generally known as mortgage banks, and were organized for the special purpose of making loans on land. The British foreign office has been inquiring into their operations, and the *Pall Mall Gazette* of London publishes an article giving the statistics thus gathered. The Hungarian experience is given first. In 1848, when the emancipation of land took place, so that the nobles were deprived of certain rights over the peasants, the question of labor became of vast importance to the large land owners. Free labor had to be hired, and the capital to do it with was not on hand. The interest rate was prohibitory. The situation became so embarrassing that the National Bank, in 1857, undertook to relieve the land owners by advancing loans. The first efforts were not promising, and the relief which finally came was through the organization of an institution by several leading landed proprietors. This organization, known as the Bowden Credit Institute, has opened up a new era in Hungarian agriculture. It does not claim to be a joint stock company, working for a profit, but is instead a patriotic undertaking, carried on for the benefit of land owners, who may secure through its officers loans on safe and easy terms. The institute does not actually furnish the money, but procures it at far more reasonable terms than the individual could possibly secure, and at the same time satisfies the lender with the necessary guarantees. The interest rate has steadily

decreased, and now stands at 4 per cent., 5 per cent. covering the total annual charges. Some idea of the success of the undertaking is given by the statement that the arrears of loans after many years amounts to less than £25,000, out of a sum loaned of nearly £8,000,000.

In Austria there are four kinds of institutions for granting credit on real estate, namely: Bank and joint stock companies, licensed by the government to lend money on mortgages, savings banks, agricultural societies and provincial Bowden credit institutes. All of these institutions do a successful business and have high credit. They have reduced the interest rate to about the same as in Hungary.

France has its Credit Foncier, which is the only national bank of real property in France. In addition to loans on property, it is authorized to loan money to departments, communes and agricultural associations. Since its foundation it has loaned on real property £135,000,000, and has paid out £720,000 in the purchase of estates, which have remained on its hands in consequence of the non-payment of money advanced. This is relatively a small sum, considering the full amount of the mortgage loans of the society. The interest rate averages about five per cent.

In Italy the attempt to establish an institution on the Credit Foncier plan has failed. One scheme after another has been tried, but nothing entirely satisfactory has resulted. In 1861 the mortgage on real property of Italy amounted to one-sixth of its total value. The progress of events may be appreciated by noting that in 1886 eight mortgage banks, some of them dating back to the sixteenth century, were given certain zones for lending operations. Their advances were not, however, equal to the demands of the land owners, and other arrangements were made by which the zones were abolished and additional companies were authorized to transact mortgage business. This plan promises to be successful, and the interest rate has already fallen to about the general European level for such loans.

The object sought in all these countries was to make it possible for land owners to borrow capital at a low rate of interest, and the means adopted was to make the lending of money to land owners as safe as possible. The means seem to have been perfectly adapted to the end sought, if we may judge by results. The European land owner can borrow money at from 4 to 5 per cent. It is not probable that the European merchant or business man can do better, no matter what his collaterals for the loan.

A change in our laws that will make the collection of loans on land as certain, as prompt and as cheap as the collection of loans backed by Government bonds or railroad stock will bring about the same result in the United States. It is an invariable rule that the borrower pays for the risks and uncertainties that stand between the borrower and his money.—*Macon Telegraph.*

LAWS AGAINST CAPITAL.—The effect of legislation instigated against capital by the Farmers' Alliance is beginning to show itself in Texas. It has already been noticed that although there was a strong sentiment among the farmers of this State against National banks, this did not appear to have the effect of discouraging the projection of such banks. They were, furthermore.

quite beyond the pale of a direct legislative attack. The former law-maker bent his energies in another direction, and enacted a law which provides that no alien shall hold land in Texas, nor any corporation composed in whole or in part of such, except that an alien, bidding in property at foreclosure upon which he has loaned money, may hold the same for six years, while deeds to foreigners are void. The effect of this law is to drain capital from a State which has none to spare, and which can use all that can be procured for the development of its vast resources. In thus delivering a blow at certain matters which the former regarded as full of evil, he struck at his own interests, and will feel the consequences severely. The law's first effect was to force a popular bank into liquidation. This institution held funds deposited by a foreign investment company, which the latter withdrew when the new law went into effect. How many other banks have likewise been compelled to surrender a part of their resources we do not know; but it is a fact that foreign investors regarded Texas as a favorable State for placing funds, and their holdings of land mortgages, etc., must be large.—*The American Banker*.

THE MONETARY POSITION IN THE UNITED STATES.—Keen interest is felt by financiers and political observers at home and abroad in the course of American finance. Indeed, the condition of the money market in the United States just now is of more than usual interest, because, as the *London Economist* puts it, "the value of money in European markets during the next two or three months must be very largely dependent upon the currency requirements of the United States." According to the Treasury Statement, the total amount of money of all kinds in circulation in the States on the 1st of the present month was, in round figures, \$1,500,000,000, which is a very unusual ratio of increase over the same date of the previous year, as comparison will show. Comparison and comment are made by the *Economist* as under:—

TOTAL CIRCULATION ON JULY 1ST.

1891	£300,000,000
1890	285,960,000
1889	276,020,000
1888	274,520,000
1887	263,560,000

"It will be seen that the volume of the currency increased during the past year by fully £14,000,000, which compares with an increase of £10,000,000 in 1889-90, and of only £1,500,000 in 1888-9. And it is argued in some quarters, that having already been thus greatly increased, no large further addition to the currency will be needed to meet the requirements of the country in the autumn. Without going so far as that, however, there are some reasons for believing that the pressure for money in the States during the next two months may very probably be less than seemed likely only a little while ago. Last year, between the 1st of July and the 1st of October, the circulation was increased by no less than £13,600,000, and if there were

any prospects of a similar augmentation being necessary this year the outlook would be for a very large drain of gold from this side. But last year was an exceptional year. During the September quarter, credit was being strained both in mercantile and financial quarters. Merchants and traders were borrowing largely in order to carry stocks of commodities in anticipation of the passing into operation of the McKinley tariff, and the newly enacted silver legislation had given rise to extravagant speculation in Stock Exchange securities. There were thus altogether exceptional demands to be met, and the expansion of the circulation was exceptionally great. It was nearly three times as large as the average expansion in the September quarter of the previous three years."

There is no likelihood, our contemporary thinks, of anything like so great an expansion of the currency in the States this year as took place last autumn, even admitting that crops will be heavy, and more than the average of money will be needed to move them. And he goes on to discuss the probability of the Treasury being able to supply the additional currency needed, showing that "while the Treasury will not be able out of its own resources to do much to meet the demand for additional currency, there are other sources from which that may be met to such an extent as may render it unnecessary to draw any large amount of gold from this side. We are not, of course, attempting to prophesy. It is impossible to say in advance exactly what course affairs may take." But it is added, "the figures we have quoted are calculated to encourage the belief that the United States will not make such large demands upon the European stocks of gold as have been apprehended; and it has to be remembered that the Bank of France is pledged to bear a share in meeting whatever demands may rise, since it has undertaken, if called upon, to resell at the price paid for them some millions of the gold obtained from the United States during the past month or two."

Commenting on the large increase in the currency consisting of or based upon silver, the *Economist* reminds its readers that in 1885, silver, and paper representing silver, constituted only about 14 per cent of the total circulation, while now the proportion is 31 per cent. "And in view of this, the fears entertained in the States that the country is gradually drifting to a silver basis, although exaggerated, cannot be said to be altogether groundless."—*Monetary Times*.

THE BANKRUPTCY OF NATIONS.—The tendency among American financiers and financial writers is to belittle the consequence of the European situation, so far as it affects business affairs in this country. A disposition may be everywhere observed to conclude that no matter how seriously the banks and the governments of Europe may be involved in unpleasant monetary complications, the demand for our products must be large enough to maintain the balance of trade in our favor, and return to us in due course the gold which we have been recently exporting.

I think the gravity of the present crisis in Europe is under-estimated by us, and that its possible effect is not given due consideration. The uneasiness manifested in the great financial centres of the world is created by apprehension of the impending bankruptcy of several of the lesser nations.

There seems to be a realization that several important nations, though not of the first rank, have reached the limit of their borrowing power, and that their revenues from taxation are not sufficient to meet their liabilities. The failure of the Argentine Republic last fall seems to have opened the eyes of the financial world to the condition of the finances of other nations. The efforts which had been made to adjust the Argentine debts, so to arrange their obligations that possible revenue might pay interest, have revealed such miscalculations, such inadequacy of resources, and have resulted in such a dismal failure to reach any hopeful adjustment, that general confidence in all similar securities has been greatly shaken. The inquiries which have been stimulated by this feeling have not tended to renew faith in the ability of the governments in question to meet their obligations satisfactorily.

In the list of these nations whose credit has been shaken by these inquiries are the names not only of the South American republics, but of various European nations. Portugal leads in this list, not in importance, it is true, but in point of time. It is generally admitted that this little government must suspend payment on its debts, and compromise with its creditors. A consideration of Portugal's difficulties, however, has led to an examination of Spanish finances. Spain is in but little better condition than Portugal. Italy, too, is in somewhat the same situation. It is probable that neither Spain nor Italy can borrow more money at the present time--that a loan of neither of these countries could be floated in any market. The revenues of both Spain and Italy are inadequate for the conduct of their governments, and for meeting the interest on their obligations. The securities of all these countries have experienced a marked and ominous decline in the past few months. Russian bonds have also fallen off seriously, but this may be attributed to other causes than the inability of the Russian Government to meet its obligations.

It is certainly a useful if not an essential question for us to ask, what would be the consequences to us if, in addition to the Argentine Republic, Uruguay and Portugal, Brazil, Spain and Italy become bankrupt nations. We seem to assume that whatever happens the world must have our wheat and corn and provisions, and must pay for them in gold or its equivalent. If we examine the histories of national bankruptcies we must discover that their effect is always shown in causing extreme poverty among their people. The trade of a nation by the bankruptcy of its government is paralyzed. The conditions of life among its people are reduced to a lower plane, the consumption of even the necessities of life is greatly curtailed. It is altogether probable that what has been in the past the commercial consequences of national bankruptcy will prevail in the future. If the nations which I have mentioned are unable to meet their obligations, their ability to buy and pay for our products will be immensely diminished.

The effects, too, of such national bankruptcies upon the purchasing power of other and solvent nations must be manifest. The cessation of interest upon the bonds of these nations will lessen the income of bondholders in England, France and Germany, where these securities are mainly held, and

this will curtail the purchasing power of those peoples, and diminish their consumption of our products.

Leaving out of account our peculiar position on the silver question, I think it must be manifest that no widespread failure to meet obligations among the other nations of the world can fail to affect our commercial affairs disastrously. A condition would be created similar to that which was remarked after the panic of 1873. It was ascribed at that time to over-production, but in fact it was due to under-consumption. A great surplus of commodities waiting a market always produces lower prices and the insolvency of those least able to stand the strain. A general cessation of demand will accomplish the same results. Accumulated stocks everywhere cause the shutting down of factories, the throwing out of employment of large numbers of laborers, an increase of poverty and a period of hard times. No matter how prolific our fields may be, if our products cannot be sold in the quantities in which we have been accustomed to market them, the demand for our manufactured products will fall off, and idle men will be found in increasing numbers throughout the country. We cannot avoid being affected by the foreign situation. We may assume, if we please, that our own affairs are in the most satisfactory condition; but if our foreign market is largely diminished, our home consumption and production must be likewise diminished in a manner which will mean ruin to thousands of our enterprises.

It is well, then, for us to regard the foreign situation not too complacently. We are deeply interested. If Spain, Italy and the other nations which I have mentioned are about to pass through a period of insolvency, with all the destruction of apparent wealth which that involves, it will be necessary for us to adopt a most conservative policy. We cannot avoid the effects of the financial revulsions which must ensue, but we can mitigate and diminish them if we wisely understand their nature and govern our actions accordingly.—*Chicago American.*

MINES AND MANUFACTURES.

THE KOOTENAY SMELTER.—The Kootenay, B.C., Smelting and Trading Syndicate smelter was the scene of considerable stir this week. On Monday, fires were started in the furnace, and for two days following the firing continued. Then the furnace was closed below, it being heated, and tons of bar lead thrown into it, and soon after the ore, charcoal, coke, limestone, sand, etc., were shovelled into the cauldron of fire. Since that time, this shovelling process has been continued day and night. The air from the bellows helped the fierce fire, and, on Thursday, the first bullion was drawn from the big crucible. The "slag" also flowed freely, and Dr. Campbell was covered with smiles, soot and perspiration, when he told a *Star* representative, with evident satisfaction, that there was the first slag drawn from a smelter in British Columbia, an evidence that all was going well. As was stated in the *Star* last week, the ore being treated carries a high percentage of zinc, 15 per cent. more than can be safely counted on to run. Friday was looked upon as the critical time, when, if the ores were not going to run freely, they would "freeze," and the fires would be blown out. The ore continued to run, however, and, at the time of writing, smoke ascended from the smelter stack, and nearly a dozen men were kept busy feeding and attending to the furnace. The smelter was thronged with visitors, and numerous pieces of bullion and slag were taken away as souvenirs of the first output of the Kootenay smelter.—*Kootenay Star*, July 25.

OUR ASBESTOS MINES.—Considerable interest has of late been manifested by those connected with the mining industry of Canada, in the rapid development of the asbestos mines of the Eastern Townships, especially in portions of the districts of Thetford, Leland, Coleraine and Wolfestown. Up to within a very few years ago, by far the greater part of fine asbestos fibre adapted for spinning came from the mines of Italy and Corsica, and its price ranged from \$250 to \$300 a ton. The recent discovery of immense quantities of the valuable mineral in the Province of Quebec has almost revolutionized the trade. The output of the Canadian mines—which are all comprised in a very small

circuit—has increased from 50 tons in 1878 to 8,000 in 1890; and prices have advanced until, notwithstanding the largely increased production, No. 1 Quebec asbestos now commands about as good a price as the best Italian. This is due not only to the superior quality of the article, but to the varieties of new uses to which it has been found that it can be put; and the purposes to which it can be applied are increasing almost daily. The commoner grades continue, as before, to be manufactured into steam packing and fire-proof building felt. The methods of the spinning and weaving of the finest quality of the fibre have been so much improved upon, that from being employed for drop scenes and other heavy theatre-stage paraphernalia, it has now come to be used for the manufacture of the light dresses worn by those engaged in the ballet. Dr. Ellis, of the Government Geological Survey, states that the mineral asbestos proper belongs to the hornblende or pyroxene group of minerals, while that of Quebec is a variety of serpentine called chrysolite. The rock carrying the merchantable asbestos is generally a greyish or green serpentine, containing numerous small particles of iron. The veins of asbestos range in size from a mere thread to a thickness of five or six inches. Veins of two and a half inches and upwards of good quality, and unbroken by particles of iron, are regarded as "extra No. 1." The system of mining is open quarry work, the entire rock being removed and broken up in order to separate the asbestos. Though it was known some decades ago that there was asbestos in the Eastern Townships, it was only a few years ago, when the burning of the forest in Thetford and Coleraine laid bare the hills of serpentine, that the abundance of the deposit was discovered. Now there have sprung up in each of those townships populous mining villages containing 2,000 to 3,000 souls each, and large quantities of the product of the mines are shipped almost daily to Boston. The profits derived from some of these mines are enormous, although the methods of extracting the mineral are, in many cases, crude and elementary. A German firm who recently acquired some valuable mining property in Coleraine are about to introduce improved machinery from Europe into their mines, not to increase the production, but to lessen its cost. There would be no difficulty in largely increasing the output; but it is stated by an authority on the subject, that the owners have a practical understanding among themselves to keep up the price of the raw product by allowing the demand to regulate the supply.—*Trade Review*.

NICKEL AND COPPER IN ONTARIO.—The following is what the Hon. A. S. Hardy, Ontario Commissioner of Crown Lands, said in a recent speech upon the new mining regulations of Ontario:—

“As to nickel and copper, such progress has been made that it may not be unfair to say that success is assured. The bounds of the nickel-bearing region are not known, but they embrace an area of not less than 70 miles in length by 50 miles in breadth, an area of something like two and one-quarter millions of acres. The Government has parted with about 135,000 acres, and the remainder is still the property of the Crown; but that area is continually being widened. This is taken from the report of Dr. Bell of the Dominion Geological Survey, and he does not say that the nickel-bearing ores are confined to the area he has described. Since then, and beyond the region he has described to Lake Wanapitae, and down to the shores of Georgian Bay, new developments have taken place and new discoveries have been made. It is now claimed, rightly or wrongly, that these discoveries are not less valuable than those near Sudbury. Under these circumstances we are not quite justified in supposing that the nickel ore is confined to the limits I have mentioned. Seeing this, and seeing the capital that is being invested, it becomes a question, not whether we shall do as they have done in Quebec, impose a royalty on the lands already patented, but whether this royalty shall not be charged on lands yet to be sold, and the revenue applied for all time to the general good.

“The development of the nickel industry is mainly a question of market. The market thus far has absorbed about 1,000 tons per year, and it was not until the discovery of the nickel mines in the penal colony of New Caledonia that it reached that figure. Nickel has thus far been used only for ornamental purposes, which would not absorb a large quantity: but the opening of the mines at Sudbury has attracted attention to it for other and greater purposes, and the tendency to use it in this way is slowly increasing. There has been an offer made by the Schneiders of France, to take the entire output of Sudbury—at least of the largest mine there—for an unlimited term of years. This firm manufactures the armor plating for the French Government, and stands in the same relation thereto that Whitworth and Campbell do to the British Government, or Carnegie to the American. The United States, it is said, recently made a contract for about 12,000 tons of nickel steel, transforming their order for armor-plating into one

for nickel steel-plating; and I am told that these are the contracts now being fulfilled, and that the manufacturers get every dollar's worth of their nickel from Sudbury. Two of the miners are already selling in Europe the greater part of their output. When we were at Sudbury with the Toronto Board of Trade last fall, we were pointed to stores of matter representing a million to a million and a half of dollars, which had been accumulated as the result of the operations at the Copper Cliff mine. They proposed, as I understood it, to further refine it,—to raise it from 45 per cent. of copper and nickel to about 95 per cent. * * * * Supposing the output of the Copper Cliff mine to be \$1,000,000 a year; if we were in a position to impose a royalty of 3 per cent., that would give us a revenue of \$30,000. There are also the Dominion Mineral Company and Vivian mines, and others are developing, and contemplate the erection of smelters."

RAILWAYS AND NAVIGATION.

ANOTHER DISTRICT OPENED.—*Edmonton, Alberta, July 25.—Tracklaying on the Calgary & Edmonton Railway was finished to Edmonton this evening. The last spike was driven by Donald Ross, the oldest settler.*

The telegram above conveys information of a most important nature to northern Alberta in particular, and Canada in general. It intimates that the great Saskatchewan country has again been invaded by the iron horse, and that a vast and fertile region has been opened to settlement and civilization. Less than a year ago the first railway was completed to the North Saskatchewan river. Now, a second railway has been constructed to this river, at a point about 300 miles west of the place reached by the first railway to the Saskatchewan.

The Calgary and Edmonton railway, as its name implies, is a line of railway connecting the towns of Calgary and Edmonton, both of which are in the territory of Alberta. At Calgary the road connects with the main line of the Canadian Pacific Railway. The road, commencing at Calgary, runs in a northerly direction, a distance of about 200 miles, to the North Saskatchewan river, near Edmonton, the town being situated on the north side of the river, opposite the railway terminus. The road runs through an

excellent stock and agricultural country. The region is well watered by numerous streams flowing eastward from the Rocky Mountains, and along these streams abundance of fine timber, suitable for lumber and fuel, can be obtained. The slopes and foothills of the mountains are wooded, and belts of timber also extend along some of the streams well into the prairie country. Saw logs can be floated down these streams to points convenient to the railway, and there manufactured into lumber. Thus settlers are assured of cheap building material. There are saw mills at Edmonton, and on the Red Deer river. Coal also exists throughout this region. The famous Red Deer country is on the line of this railway. Work was commenced on the Calgary and Edmonton Railway just a year ago last month, so that the railway was completed in the same month in which construction was commenced. The road will be operated by the Canadian Pacific, under lease, and to all intents and purposes will form a branch of this great system.

Edmonton has been an important post of the Hudson's Bay Company for many years, and a considerable settlement has also existed here for years. The town has a population of about 800 to 1,000, with over fifty business institutions, including several important mercantile concerns. Those not acquainted with the circumstances will wonder how such a town and settlement became established at a point distant hundreds of miles from railway communication. There are several reasons for this. The original location of the Canadian Pacific Railway would have taken the great transcontinental line through this district, had it not been abandoned in favor of the southern route. A number of early settlers located about Edmonton, while under the belief that the transcontinental road would pass through the district. The agricultural advantages of the district induced others to locate here. The location of the town on the North Saskatchewan river, with the advantages of navigation afforded by the river, assisted in making the place an important point. The geographical position of Edmonton is such as to make it the doorway to the great and valuable region north of the North Saskatchewan. This made it an important point in the fur trade, and the principal base of supplies for the immense territory watered by the Athabasca, Peace and other rivers.

Now that the country between Calgary and Edmonton has been provided with a line of railway, an increased inflow of immigra-

tion will follow, which will have a beneficial effect upon the trade of Calgary. Edmonton, as the chief centre of Northern Alberta, will also be favorably influenced by the influx of settlement which may now be confidently expected.

Now that we have a railway at the doorway to the great region north of the Saskatchewan, we will likely soon learn more about this portion of the Dominion, about which so little is now known. Exploration and even settlement will be stimulated in the north country. The North Saskatchewan country has up to the present time been the stopping place of those adventuresome settlers, who wished to be in the vanguard of advancing civilization, and who accordingly selected the most remote parts accessible. But now with two railways to the Saskatchewan, this region will have lost its charm to such adventuresome individuals. We may, therefore, expect in a few years to find settlements as far north of the Saskatchewan, as the Saskatchewan settlements themselves were until recently distant from communication with the outside world.

The completion within a year of a second railway to the North Saskatchewan is a matter of importance to Canada in general, in that it indicates its rapid development of Western Canada. New regions, equal in superficial area to the large countries of Europe, are being opened annually for settlement, and still there is room to go on with the same work for years to come. Only the doorway to the great north country has now been reached.—*Winnipeg Commercial.*

THE RELATIONS BETWEEN THE GRAND TRUNK AND THE CANADIAN PACIFIC.—For several days past rumor has been busy in London with the affairs of the two great Canadian railway companies. Powerful pressure, it is said, is being brought to bear upon the Grand Trunk directors, in order to bring about a reorganization of the board, and, if possible, the establishment of close and cordial relations with the Canadian Pacific. In fact, it has been definitely asserted that two directors of the latter company would join the board of the Grand Trunk. To sift out the truth is not easy. There can be no doubt, however, that some large shareholders, who are also influential members of the Stock Exchange, have been pressing Sir Henry Tyler to strengthen the Grand Trunk board, and also to adopt a conciliatory policy towards its great rival. With these movements the Canadian Pacific officials have naturally been acquainted, and it is suggested

that even if Lord Mount-Stephen was not responsible for their initiation, which is scarcely probable, he may at least have subsequently given them some support. Whether any positive results have yet been attained is doubtful. We are inclined to think that some changes may be made in the Grand Trunk board, which is by no means a strong one; but the new directors are scarcely likely, we should think, to include any official representatives of the Canadian Pacific, for this would be sure to raise a storm of indignation in the Dominion. Hence those gentlemen in the "House" who have been acting recently may be disappointed, for they probably counted upon a big rise in prices resulting from a partial fusion of the boards of the two companies. In fact, the movement, like nearly all others initiated on the Stock Exchange, appears to be greatly involved with speculative operations in securities.

It is, however, very doubtful if any vital changes on the Grand Trunk board should be made, or whether the company should enter into any new arrangements with the Canadian Pacific, until the position of affairs has been carefully investigated. It may be, of course, that some amicable arrangement between the two companies can be made which will benefit both, and which will not be detrimental to the interests of the public in Canada; but the Grand Trunk shareholders should do nothing until they know exactly how the company stands in relation to the Canadian Pacific. Superficially, no doubt, it appears as if they had better agree with their adversary while he is in a conciliatory mood. For some time past the competition between the two roads has been keen, and just recently it has been increased by the arrangements which enabled the Canadian Pacific to reach Chicago, thus placing it in close and direct competition with the main line of the Grand Trunk and its Western extensions into the United States. And this, it is assumed, mainly accounts for the great difference between the results obtained in the past half-year by the two companies. For the past half-year, which the returns nearly cover, the Grand Trunk shows a gross decrease of about £111,000, while to the end of May the falling off in net revenue amounted to £65,000. It is thus clear that the dividend upon the so-called guaranteed stock will be at the rate of only $1\frac{1}{2}$ to 2 per cent., in lieu of the 4 per cent. to which the holders are entitled. Should this be the case, not only will the position of the other stocks be

much impaired, but the margin of safety securing the debenture capital will be materially diminished.

On the other hand, the Canadian Pacific exhibits a gross gain for the half-year of \$1,668,000, while to the end of May a sum of \$679,000 had been added to the net revenue, hence the promise of the directors that 5 per cent. would be earned upon the shares in 1891 seems likely to be fulfilled. Nevertheless, there are some important considerations to be taken into account which tend to modify the conclusions that these results at first suggest. For instance, the Canadian Pacific's gross receipts are now being increased by the takings from its new steamer lines, and from larger mileage—191 miles of road—now in operation. Further, we have to remember that its rate of expenditure is very low comparatively, and that, as this is associated with an open capital account, it naturally excites some suspicion. No matter how honest the management may be, it is extremely difficult to draw the line between an expenditure upon improvements which can be properly debited to capital account, and one which relieves present charges at the expense of the future. On the other hand, the Grand Trunk's expenditure, although high, does not appear excessive as compared with that of most American companies. For, as our readers are aware, a high ratio may be due either to extravagance, or equally to the lowness of rates. Finally, the political position in Canada cannot be left out of consideration. At present a party is in power which is openly identified with hostility to the Grand Trunk, but its tenure of office is very uncertain, and any day the success of the Liberal party at the polls may bring into office a Government with different views, which would be opposed to the Canadian Pacific, and ready to give valuable assistance to the Grand Trunk.

From all this it is clear that the Grand Trunk shareholders should not be too ready to make a "deal" with the Canadian Pacific upon the basis of present conditions. It is probable, indeed, that the directors of the latter company see that they now occupy a privileged position, but one which lacks stability, and that they are thus quite disposed to make or receive overtures for peace. And, as we have said, these may perhaps be made or received by the Grand Trunk with advantage, but first the shareholders must know how they stand, and also what position their opponent really occupies. Then a binding arrangement may be made which will

prevent suicidal strife, while leaving free honest competition. But a mere shuffling of directors can by itself yield no result worth anything. To see its absurdity, it is only necessary to imagine, say, that two Caledonian directors were transplanted upon the North British board. Endless squabbling would, of course, follow, and the end would be that of a house divided against itself. The Stock Exchange, of course, might be pleased to secure such a questionable success, simply because the ignorance of the public might lead to fluctuations in prices, but no one else would have reason for congratulation.—The *Economist*.

THE GRAND TRUNK.—The reconstruction of the Grand Trunk board has now been practically completed, and the consultations with influential sections of the proprietors may be considered as having terminated. Mr. Duncan McIntyre has been elected to a seat on the board. Mr. Hubbard, of the Great Western Railway Company, has consented to become a director, if his acceptance should meet the approval of the proprietors. Mr. Allen has also consented to act as director. The board has thus been strengthened by the addition of three new members, who will have the full confidence of the proprietors, and whose proved experience and business aptitude cannot fail to be of great service to the company. More negotiations of a very important nature have been opened with the Canadian Pacific. Mr. Van Horne, who has recently had several interviews with Mr. Seargeant, in Canada, has arrived in London, it is assumed, for the purpose of considering arrangements which will put an end to needless and costly competition. Among other matters which are spoken of, is the adoption of a "pooling" agreement for traffic between important points where the two lines come into rivalry. Sir Henry Tyler and Mr. McIntyre will proceed to Canada in a few days, after having had interviews with Mr. Van Horne. The re-arrangement of the board has given complete satisfaction to that portion of the proprietary who have recently shown some feeling of hostility to the present management. Impending changes in the Government of the Dominion lead to the hope that the claims of the Grand Trunk may meet with more favorable consideration than they have latterly received. Harvest and trade prospects in Canada are brighter, and it will be very gratifying to proprietors of the Grand Trunk if a long looked for and patiently awaited turn in the affairs of this great undertaking should follow as the result of negotiations which

have been conducted throughout with mutual good feeling, and an earnest desire to promote the prosperity of the line.

The detailed statement of the traffic on the Grand Trunk Railway of Canada for the past half-year, just to hand, gives valuable indications as to the course of business and the tendency of working expenses. Passenger travel has been, on the whole, well maintained. The number of persons carried during the 26 weeks amounted to 2,791,000, and the receipts to £521,000, an increase of £670 over last year's figures. The immigrant business, however, shows a falling off of £978, while the carriage of mails yielded £1,233 additional. The goods traffic, however, shows a serious decline both in volume and revenue. The tonnage carried was 3,842,000, a decrease of 189,700 tons, while the receipts were £1,220,000, or £110,000 less than in the first half of 1890. The average receipts per ton of goods last year amounted to 6s. 7d., while for the six months just closed the average was 6s. 4d. These figures necessarily imply the increased ratio of working cost already shown in the periodical revenue statements. The receipts for the half-year aggregate £1,821,000, or a loss of £109,000 as compared with the figures of the first six months of 1890.—*Railway News*.

GRAND TRUNK RAILWAY TRAFFIC RETURNS.

Week ending			1891.	1890.
July	25	Passenger train earnings	\$162,268	\$146,480
do		Freight do do	235,096	249,709
August	1	Passenger do do	149,287	149,562
do		Freight do do	229,109	252,122
August	8	Passenger do do	167,056	154,519
do		Freight do do	225,380	225,208
August	15	Passenger do do	173,903	173,984
do		Freight do do	230,668	242,115
			<hr/>	<hr/>
			\$1,572,167	\$1,593,699
				1,572,167

Decrease..... \$ 21,532

CANADIAN PACIFIC RAILWAY TRAFFIC RETURNS.

Week ending			1891.	1890.
July	21	Traffic earnings	\$384,000	\$359,000
July	31	do	503,000	462,000
August	7	do	391,000	348,000
August	14	do	395,000	354,000
			<hr/>	<hr/>
			\$1,673,000	\$1,523,000
			1,523,000	

Increase..... \$ 150,000

The earnings of the New Brunswick Railway are included in the earnings of both years.

The earnings of the Canadian Pacific Railway for the month of June, 1891, were as follows:—

Gross earnings.....	\$1,606,481 78
Working expenses.....	1,004,669 10
	<hr/>
Net Profits.....	\$ 601,812 68
Net Profits, June, 1890.....	548,115 60
	<hr/>
Increase, 1891.....	\$ 53,697 08

For the five months ending June 30, 1891, the figures are as follows:—

Gross earnings.....	\$9,031,464 61
Working expenses	6,076,942 51
	<hr/>
Net profits.....	\$2,954,522 10
Net profits, same period, 1890.....	\$2,223,374 03
	<hr/>
Increase, 1891	\$ 731,148 07

The earnings and expenses of the New Brunswick Railway are included in both years.

The annual meeting of the Montreal and Champlain Junction Railway Company will take place at the Company's offices, Montreal, on the 7th September, at 2 o'clock p.m.

Canada was the seventh of the world's states to enter upon the construction of railways—England coming first on the list, Austria second, and France, the United States, Belgium and Germany following in order. The date of the English enterprise was September 17, 1825; that of the United States, December, 1829; of Canada's, January, 1836.

The first sod for the new tunnel to be constructed under the Detroit river, connecting Canada, at Windsor, Ont., and the United States, at Detroit, Mich., was turned April 30th. The tunnel will take a direction which will bring it to the river below the Michigan Central Railway slip dock. The total length will be 12,033 feet, of which there will be an open cut of 2,000 feet on the Windsor side and 1,500 on the Detroit side. The inside will be twenty-seven feet in diameter, wide enough for a double track. The work is progressing favorably.

The greatest wooden bridge in the world was built in five weeks, and is to be seen at Milford, Man., on the line of the Canadian Pacific Railway. It is 3,300 feet long and 75 feet high. There were used in the work 1,300,000 feet; board measure, 1,300 piles for supporting the trestle, and 150 piles for the abutments of the Howe truss of the great span.

Fully alive to the necessities of the hour, the C. P. R. are actively preparing to handle the largest crop that Manitoba has ever offered for transshipment to the seaboard. Their workshops are now turning out weekly a large number of cars, destined for the work, and the company are busily employed at Fort William in arranging facilities for the storage of 4,000,000 bushels. With the elevators along the line and the general warehousing facilities now at their disposal, sufficient preparation has been made to prevent a repetition of previous trouble on this score.

By agreement between the C. P. R. and G. T. R., rates to Montreal on grain for export were advanced from the 17th inst. to the following:—From points now taking rate 10 cts. per 100 lbs., new rate will be 12½c.; from points now taking rate 12½c. per 100 lbs., new rate will be 14c.; and from points now taking rate 14c., new rate will be 16c. These rates will as before be exclusive of Montreal elevator and floating charges. The grain will be forwarded to Montreal at the published tariff rates, and reduced to the above mentioned special rates after exportation.

One of the passengers by the S.S. "Empress of India" from Vancouver on the 29th July was George A. Keefer, C.E., of Victoria, who sailed for Yokohama, where he will take the Japanese steamer direct to Vladivostock, Eastern Siberia. Mr. Keefer, who was engaged in the construction of the Canadian Pacific in the mountains of British Columbia, goes out on behalf of a Canadian syndicate, which has been invited by the Russian Government to tender for the construction of between 300 and 400 miles at the eastern terminus of the Siberian railway from Amur river to Vladivostock. Vladivostock is the southernmost point of Siberia, is in latitude 41 degrees 30 minutes, and will be the future terminal seaport of the Russian transcontinental railway to the sea of Japan. The railway will run nearly north from this until it reaches Amur, near the international boundary between China and Russia. Hon. Mr. Abbott gave him credentials.

GOVERNMENT RAILWAY STATISTICS.—The Government report of the railway statistics of Canada, and capital, traffic and working expenditure of the railways of the Dominion, has been issued. The tables appended may be summarized as follows :—

Miles of railway completed (track laid).....	14,004
Miles of sidings.....	1,679
Miles iron rails in main lines.....	665
Miles steel rails in main lines.....	13,339
Capital paid, including the four following items.....	\$786,447,811
Government bonuses paid.....	143,330,663
Government loans paid.....	21,201,314
Government subscriptions to shares paid.....	300,000
Municipal aid paid.....	13,709,624
Miles in operation.....	13,256
Earnings.....	\$ 46,843,826
Working expenses.....	32,913,350
Net earnings.....	13,930,476
Passengers carried.....	12,821,263
Freight carried (tons).....	20,787,469
Train mileage.....	41,849,329

The amount of Government and municipal loans, bonuses, etc., promised to railways completed and under construction is \$1,972,342.

According to the monthly report of the Montreal Harbor Master, the shipping of the port, since the opening of navigation to August 1, has fallen off from last year. The total number of vessels that have arrived is six less than last year, and there is a decrease in tonnage of 9590 tons. The figures for the past four years are :—1888, vessels 320, tons 390,888 ; 1889, vessels 331, tons 405,049 ; 1890, vessels 341, tons 451,684 ; 1881, vessels 335, tons 442,094

There is an increase of one in the number of sailing vessels this year, and a tonnage increase in sailing vessels of 2737 tons. The classification of the vessels which have arrived since the opening of navigation is as follows : 297 steamships, 6 ships, 8 barques, 1 brig, 3 brigantines and 20 schooners. The number of inland craft which have arrived since the opening of navigation in four years is :—1888, 2533 ; 1889, 2810 ; 1890, 2449 ; 1891, 2475.

The comparative statement of revenue for July, and from the opening of navigation till August, shows a decrease from last year. The revenue for July was \$35,129, against \$42,014 for July last year. The total amount since the opening of navigation this year is \$96,928, as compared with \$100,541 during the same period of last year, a decrease of \$3,613.

MEETINGS AND REPORTS.

THE BANK OF TORONTO.

The Annual General Meeting of The Bank of Toronto (being the 35th since the commencement of business) was held at the banking house of the institution, June 17th, 1891.

On motion George Godderham, Esq., was called to the chair, and Mr. Coulson was requested to act as secretary.

Messrs. Walter S. Lee and T. G. Blackstock were appointed scrutineers.

By request of the chairman the Secretary read the following

REPORT.

The Directors of the Bank of Toronto beg to present to the Stockholders the 35th annual report of the Bank's affair.

Notwithstanding the feeling of uncertainty that prevailed so widely, and the unfavorable conditions under which many branches of business have been suffering during the past year, your Directors have pleasure in reporting that the net profits of the year have been maintained.

After making full provision for all losses, and deducting expenses, interest accrued on deposits and rebate on current

discounts, the net profits amount to the sum of.....\$ 282,449 94
The balance at credit of profit and loss on 31st May, 1890, was.. 23,808 67

\$306,258 61

This sum has been appropriated as follows:—

Dividend No. 69, 5 per cent.....	\$ 100,000 00	
Dividend No. 70, 5 per cent	100,000 00	
		\$200,000 00
Added to rest account.....	100,000 00	
Carried forward to next year.....	6.258 61	
		106,258 61
		\$306,258 61

The addition to the rest thus reported makes this fund amount to \$1,600,000.

The Directors desire to avail themselves of the provisions the Banking Act authorizing the formation of an Officers' Guarantee Fund. A resolution will be submitted for your approval, authorizing them to establish this fund and to contribute thereto out of the funds of the Bank.

A branch of the Bank has been opened in the town of Brockville under favorable auspices.

The Directors cannot close this report without referring to the loss the Bank has sustained in the decease of their late colleague, W. R. Wadsworth,

Esq. Mr. Wadsworth was one of the charter members of the Bank, and by his sound judgment and experience at all times rendered it good service.

To fill up the vacancy, the Directors, acting on the powers conferred upon them, elected John Lays, Esq., of Rice Lewis & Sons (Limited).

The various officers of the Bank have fulfilled their duties to the satisfaction of the Board.

The whole respectfully submitted.

(Signed)

GEORGE GOODERHAM,
President.

GENERAL STATEMENT.

30TH MAY, 1891.

Liabilities.

Notes in circulation.....		\$1,394,219 00
Deposits bearing interest.....	\$5,634,350 80	
Deposits not bearing interest	1,563,219 22	
		<hr/> 7,197,570 02
Balances due to other banks.....		123,689 76
Unclaimed dividends	120 00	
Half-yearly dividends payable 1st June, 1891....	100,000 00	
		<hr/> 100,120 00
Total liabilities to the public.....		<hr/> \$8,815,598 78
Capital paid up	\$2,000,000 00	
Rest	1,600,000 00	
Interest accrued on deposit receipts...\$47,235 00		
Rebate on notes discounted..... \$6,553 00		
		<hr/> 133,788 00
Balance of Profit and Loss Account carried forward.....	6,258 61	
		<hr/> 3,740,046 61
		<hr/> \$12,555,645 39

Assets.

Gold and Silver Coin on hand.....	\$ 333,493 89
Dominion Notes on hand.....	749,432 00
Notes and Cheques of other Banks	213,077 95
Balances due from other Banks in Canada.....	72,571 83
Balances due from agents of the Bank in Great Britain.....	273,757 49
Balances due from agents of the Bank in the United States.....	281,663 63
Municipal debentures.....	82,532 66
	<hr/>
Total assets immediately available	\$ 2,006,529 45

Loans and bills discounted	\$10,416,911 09	
Overdue debts (estimated loss provided for)	5,207 44	
Real Estate other than bank premises.....	6,997 41	
		10,429,115 94
Bank premises.....		120,000 00
		\$12,555,645 39

(Signed)

D. COULSON,

Cashier.

TORONTO, May 30th, 1891.

After the reading of the above, the President, George Gooderham, Esq., addressed the meeting as follows:—

GENTLEMEN,—In moving the adoption of the report, I ask your indulgence while I make a few remarks in enlargement of the topics contained in it.

The past year has been, as you are doubtless aware, an eventful one in financial centres of two continents. Unwise if not reckless investment and speculation in questionable securities resulted in enormous losses and lock-up of capital and threatened disaster unparalleled in extent, which was only averted by measures as unique as they were successful. Happily we, in Canada, were interested mainly as onlookers; yet during the time this apprehension and uncertainty prevailed, those having your interests in charge had additional care and anxieties.

In our own surroundings little has transpired that seems to call for lengthy comment from me.

The crops were only fair, although somewhat better than the preceding year. Enhanced prices, however, made up for the deficient yield. Fortunately, the increased duty imposed by the McKinley tariff on our barley imported into the United States did not come into force until the bulk of the crop had been shipped, and we have yet to experience the full effect of this legislation on this large and important crop.

The cheese industry, I am happy to say, experienced a successful and prosperous season, the production and export being the largest in the history of the trade. Prices were good, and the farmer, factory man and dealer all made money.

The export of cattle was very active; the number shipped largely exceeded that of any former year. Prices were good, and caused a large and active circulation of money. Farmers and feeders did well; the shippers, however, barely held their own during the early part of the season, and experienced considerable loss towards its end.

The results of the year in the timber and lumber trades were unsatisfactory. In Britain prices were much depressed, and very unremunerative returns were received by manufacturers and shippers, while shipments to the United States were delayed, owing to the impending tariff changes, which did not take place until too late in the season to permit of any considerable movement.

The results to merchants and manufacturers cannot, I think, be said to have been satisfactory. Speaking generally, profits have been small and losses much in excess of an average. Of this there is ample evidence in the large increase in numbers and importance of failures that have taken place.

The Bank has not come through the year without its reverses; and while we have benefited by the conditions that were productive of increased activity in business, we have also met with more than the usual amount of losses. But reviewing the business as a whole, I think we can congratulate ourselves on the results of the year's operations. We have been faithful in endeavoring to ascertain the full extent of the bad debts and in writing them off, in addition to making provision for possible losses in cases where doubt and uncertainty seemed to exist; and having done this, we are still able to report profits somewhat in excess of last year.

As a result of investigation made, the Board decided to open a branch of the Bank at the town of Brockville, and we are justified in saying that up to this time the results have exceeded our expectations.

You will all share in the regret which is expressed in the report regarding the death of the late W. R. Wadsworth, Esq. He was one of the petitioners named in the Act of Incorporation, and his name also appears in attendance at the first meeting held for the purpose of organizing the Bank. In all the preliminary steps he took an active part, and shared in the duties and responsibilities of the provisional committee. He has, therefore, had a longer connection with the Bank than any of our number, and his interest in the Bank's affairs continued to be manifested throughout this long period of over 35 years.

The Directors have had under consideration the establishment of an Officers' Guarantee Fund in connection with the Bank, to which the officers should contribute. The rule has been to take the bonds of private parties as sureties, indemnifying the Bank against loss from the want of fidelity on the part of employees. This rule has on the whole worked well, but the absolute enforcement of it has been in some cases attended with difficulties, and we have thought that it might be supplemented by the establishment of a fund of this character. The Bank has been singularly free from irregularities on the part of its officers, and it is anticipated that a light assessment made upon the salaries of the employees, together with contributions made by the Directors out of the Bank's funds, will in a few years form a sufficient guarantee against the possibility of loss accruing to the Bank from this source, and also prove to be of advantage to the staff. As the Banking Act requires that your authority be given to the Directors to make contributions of this character, a resolution dealing with the matter will be submitted to you.

I have at times in my remarks on these occasions called attention to the steady increase that is taking place in the Bank's business and the changes shown by the figures presented in these annual statements, and I have again had prepared a comparative statement, showing the position of the Bank as presented at the annual meetings in the years 1861, 1871, 1881 and 1891.

CAPITAL, REST AND PROFITS RESERVED.

	<i>Capital.</i>	<i>Rest and Profits Reserved.</i>
Annual statement, June, 1861....	\$ 789,570 00	\$ 79,993 04
Annual statement, June, 1871....	1,400,000 00	655,661 85
Annual statement, June, 1881....	2,000,000 00	934,506 66
Annual statement, June, 1891....	2,000,000 00	1,740,046 61

Increase in rest and profits reserved in last 10 years, \$805,539.95—over 86 per cent.

CIRCULATION.

In 1861, our circulation was.....\$ 571,674 00
 In 1871, our circulation was..... 1,157,364 00
 1881—Owing to the Government having withdrawn the right to issue \$1's, \$2's and \$4's it was reduced to 864,364 00
 But in 1891 it had risen to..... 1,394,219 00
 an increase of over 60 per cent. in 10 years, and I may further add that the circulation during the past year reached the sum of \$1,800,000, being \$300,000 greater than the highest point reached in any previous year.

Deposits.

The deposits in 1861 were.....	\$ 478,467 05
“ 1871 “	2,328,055 91
“ 1881 “	3,162,293 23
“ 1891 “	7,197,570 02

the increase in the last 10 years being 127 per cent.

Discounts.

The loans and discounts in 1861 were	\$ 1,407,318 42
“ “ 1871 “	4,612,967 64
“ “ 1881 “	5,964,498 49
“ “ 1891 “	10,422,118 53

an increase of 75 per cent. in the last 10 years.

In no decade has the increase been so marked as in the last one. Circulation, deposits and loans have grown steadily, and we can look forward hopefully, feeling that we have the confidence of the public, and believing that we are justified in expecting a continuance of that confidence.

The report concludes with expressing satisfaction with the way in which the officers of the Bank have discharged their duties. I can only say in addition to this, that the increase in business and the continuance of such statements as have been presented from year to year are largely due to the care and watchfulness exercised by the cashier and managers, and the assistance rendered by the other officers of the Bank.

With these remarks, gentlemen, I beg leave to move, seconded by the Vice-President, that the report be adopted.

The resolution was adopted.

Moved by Walter S. Lee, Esq., seconded by Henry Gooderham, Esq., that the Directors are hereby authorized to establish a guarantee fund for the officers and employees of the Bank of Toronto, and to contribute thereto from time to time out of the funds of the Bank.

A resolution was then passed, tendering the thanks of the stockholders to the President, Vice-President and Directors for their care and attention to the affairs of the Bank during the past year.

Balloting for the election of Directors for the year then took place, and the scrutineers subsequently reported the following named gentlemen unanimously elected :—

GEO. GOODERHAM,	ALEX. T. FULTON,
WM. A. BEATTY,	HENRY COVERT,
HENRY CAWTHRA	WM. G. GOODERHAM,
JOHN LEYS.	

The new board met the same afternoon, when George Gooderham, Esq., was unanimously re-elected president, and Wm. H. Beatty, Esq., vice-president.

BANK OF HAMILTON.

The Nineteenth Annual Meeting of the Shareholders of the Bank of Hamilton was held at the offices of the Bank, Hamilton, on Monday, 15th June.

On motion Mr. Ramsay, in the unexpected indisposition of the President, was called to the chair, and Mr. Turnbull was requested to act as secretary.

The minutes of the last meeting and the report on balance sheet for the present year were taken as read.

REPORT.

The Directors beg to submit their Nineteenth Annual Report to the Shareholders for the year ended May 30, 1891.

The balance at credit of profit and loss account, May 31, 1890, was.....	\$10,317 14
The profits for the year ended May 31, 1891, after deducting charges of management, and making full provision for all bad and doubtful debts, are.....	145,124 93
	<u>\$155,442 07</u>
Premium received for new stock (being at the rate of 45 per cent. on \$206,850, the amount paid in to date) is.....	93,082 50
	<u>\$248,524 57</u>

From which has been declared :—

Dividend 4 per cent., paid Dec. 1, 1890.....	\$41,421 75	
Dividend 4 per cent., payable June 1, 1891.....	47,388 10	
	<u>88,809 85</u>	
		<u>\$159,714 72</u>

Carried to reserve fund from the year's profits	\$56,917 50	
Carried to reserve fund premium on new stock as above.....	93,082 50	
	<hr/>	
	\$150,000 00	
Carried to rebate on current bills discounted.	\$5,000 00	
	<hr/>	155,000 00
Balance of profit and loss carried forward.....		\$4,714 72

The new head office building is in progress, and promises to be in all respects satisfactory. The Toronto office has been removed to the Canada Life Assurance Company's new building, and the change to these prominent and spacious premises may be confidently expected to promote the advancement of the Bank in Toronto.

Having regard to the growth of Hamilton and the convenience of the public, the Directors considered it advisable to open a branch of the Bank in the northern part of the city, and a site was secured on the corner of James and Barton streets, where a suitable office, at moderate cost, is now being erected.

The new issue of stock authorized by the shareholders at their annual meeting on June 12, 1888, was allotted as on September 30 last at a premium of 45 per cent., and the Directors are much gratified by its very general acceptance by the shareholders.

The business of the Bank during the year shows the same steady growth as in years past, and the Directors are pleased to be able to report corresponding results.

JOHN STUART,
President.

HAMILTON, June 3. 1891.

GENERAL STATEMENT.

Liabilities.

To the public:—

Notes of the bank in circulation.....		\$971,678 00
Deposits bearing interest.....	\$3,175,192 22	
Deposits not bearing interest.....	747,016 84	
Amount reserved for interest due depositors. ..	44,693 53	
	<hr/>	3,966,902 59
Balances due to other banks in Canada.....	\$3,892 50	
Balances due to other banks in Great Britain ...	264,495 06	
	<hr/>	268,387 56
Dividend No. 37, payable June 1, 1891.....	\$47,388 10	
Former dividends unpaid.....	370 18	
	<hr/>	47,758 28
		<hr/>
		\$5,254,726 43

To the Shareholders :—

Capital stock paid up.	\$1,206,850 00
Reserve fund.....	600,000 00
Amount reserved for rebate of interest on current bills discounted.....	30,000 00
Balance of profits carried forward.....	4,714 72
	<hr/>
	\$7,096,291 15

Assets

Gold and silver.....	\$194,455 47
Dominion Government notes.....	307,812 00
Notes of and cheques on other banks.....	123,295 85
Balance due from other banks in Canada and the United States.....	144,015 70
Canadian and British Government and other public debentures.....	503,968 92
Loans at call, or short call, on negotiable securities.....	52,910 93
	<hr/>
Notes discounted and advances current.....	\$1,326,458 87
Notes discounted, etc., overdue (estimated loss provided for)	5,553,157 09
Bank premises, office furniture, safes, etc.....	30,134 84
Real estate (other than bank premises, mortgages, etc.)....	154,847 42
Other assets not included under foregoing heads.....	8,867 70
	<hr/>
	22,825 23
	<hr/>
	\$7,096,291 15

J. TURNBULL,
Cashier.

Bank of Hamilton,

HAMILTON, May 30, 1891.

Mr. Ramsay, in moving the adoption of the report, expressed his regret that Mr. Stuart was unable to be present, and called attention to the prosperous year which the Bank had had, comparing this year's earnings with those of last year, and pointing out that they represented about 14 per cent. upon the capital actually employed, a rate which has been only exceeded by one bank, if by one, in the country, so far as he knew. He also noted the satisfactory progress being made with the new building, and referred to the new branch office in process of erection in the city, mentioning the success which had followed similar ventures in other places. Mr. Ramsay acknowledged, on behalf of the board, the services of the staff, and stated that the officers possess their full confidence. As to the future, he said that he could not prophesy, but he believed that as the Bank was undoubtedly on a sound basis a continuance of prosperity could be expected.

Mr. Roach, in seconding the motion, expressed his sorrow at the absence of the President, and stated that Mr. Stuart had been most anxious to be present. Mr. Roach thought the Bank had been most successful, and that the Shareholders had great reason to be thankful for the progress made.

The adoption of the report, on being put to the meeting, was carried, after which the usual vote of thanks to the President, Directors and Officers of the Bank were passed.

On a ballot being taken, the Scrutineers, Messrs. W. F. Findlay and Campbell Ferrie, reported the appointment of the following gentlemen as directors: John Stuart, A. G. Ramsay, George Roach, John Proctor, Charles Gurney, A. T. Wood and A. B. Lee.

At a subsequent meeting of the board John Stuart was elected president and A. G. Ramsay, vice-president.

ONTARIO BANK.

The Thirty-Fourth Annual General Meeting of the Stockholders of this institution was held in its banking house, Toronto, on Tuesday, the 16th June, 1891.

On motion, Sir W. P. Howland, K.C.M.G., was called to the chair, and Mr. Holland was requested to act as secretary.

Messrs. J. K. Macdonell, W. J. Macdonell and C. S. Gzowski, jr., were appointed scrutineers.

At the request of the Chairman the Secretary read the following report:—

REPORT.

The Directors beg to submit to the Shareholders the Thirty-Fourth Annual Report and General Statement of the Bank for the year ending 31st May, 1891:—

The net profits, after deducting charges of management, interest accrued upon deposits, and making provision for bad and doubtful debts, were	\$130,102 89
Profit and loss (brought forward from 31st May, 1890).....	27,783 95
	<hr/>
	\$157,886 84

Which were appropriated as follows:—

Div. No. 66, 3½ per cent., paid 1st Dec., 1890...	\$52,500 00
Div. No. 67, 3½ per cent., payable 1st June, 1891.	52,500 00
Added to rest.....	30,000 00
	<hr/>
	135,000 00
Balance of profits carried forward to next year.....	\$22,886 84

The business of the Bank for the year was satisfactory, and your Directors were pleased at being able, after payment of the usual Dividends of 7 per cent., to set aside the sum of \$30,000 for the Reserve, now making that fund \$280,000.

The usual inspections of the different Branches have been made throughout the year, and a new office was established at Sudbury, the centre of the

Nickel Mining industry, which promises in time to be an acquisition to the Bank.

The Officers of the Bank continue to discharge their duties to the satisfaction of the Board.

All of which is respectfully submitted,

W. P. HOWLAND,
President.

GENERAL STATEMENT.

Liabilities.

Capital Stock paid up	\$1,500,000 00	
Rest	280,000 00	
Balance of Profits carried forward	22,886 84	
Dividends Unclaimed	3,470 46	
Dividend No. 67, payable June 1, 1891	52,500 00	
Reserved for interest due Depositors, Exchange, etc	68,040 47	
Rebate on bills discounted	29,540 18	
	<hr/>	1,956,437 95
Notes in circulation	915,217 00	
Deposits not bearing interest	1,075,230 47	
Deposits bearing interest	3,518,946 46	
Balances due Banks in Canada	40,105 98	
Balances due Banks in Great Britain	114,599 09	
	<hr/>	5,664,099 00
		<hr/>
		\$7,620,536 95

Assets.

Gold and Silver Coin	\$178,244 48	
Government Demand Notes	315,393 00	
Notes of and Cheques on other Banks	275,763 80	
Balances due from Banks in Canada	117,046 78	
Balances due from Banks in United States	161,514 04	
Government Securities and Municipal and other Debentures	434,529 20	
Call Loans	480,729 62	
	<hr/>	\$1,963,220 92
Bills Discounted and Current	5,271,829 74	
Overdue debts secured	43,352 33	
Overdue debts not specially secured (estimated loss provided for)	56,922 64	
Real Estate (other than Bank Premises)	123,573 80	
Mortgages	17,590 00	
Bank Premises (including furniture, safes, etc.) ..	161,651 91	
Other Assets, not included under foregoing heads ..	2,395 61	
	<hr/>	5,657,316 03
		<hr/>
		\$7,620,536 95

C. HOLLAND,
General Manager.

Ontario Bank, Toronto, 30th May, 1891.

After explanations from the President on the business of the Bank he moved, seconded by D. Mackay, that the report be adopted, which was duly carried.

The usual resolutions thanking the President, Directors and Officers of the Bank were then passed.

The scrutineers appointed at the meeting subsequently reported the following gentlemen duly elected as directors for the ensuing year, viz.:

Sir W. P. Howland, R. K. Burgess, Donald Mackay, A. M. Smith, G. M. Rose, Hon. C. F. Fraser and G. R. R. Cockburn, M. P.

The new board met the same afternoon, when Sir W. P. Howland was elected president and R. K. Burgess, Esq., vice-president, by unanimous votes.

UNION BANK OF CANADA.

The Twenty-Sixth Annual General Meeting of Shareholders of this Bank was held in Quebec on Monday, July 13th, 1891.

There were present:—Messrs. Andrew Thomson, Hon. E. J. Price, D. C. Thomson, E. Giroux, Hon. G. Irvine, E. J. Hale, G. H. Thomson, J. W. Henry, T. H. Dunn, C. P. Champion, S. J. Shaw, J. Sharples, W. H. Carter, J. Louis, J. Shaw, W. Shaw, C. Dufresne, J. H. Simmons, W. G. Wurtele, John V. Welch, D. McGie.

The president took the chair and read the following

REPORT.

The directors beg to submit the following statement of the result of the past year's business of the Bank, together with the usual statement of the assets and liabilities at the close of the financial year ending 30th June last:—

PROFIT AND LOSS ACCOUNT, 30TH JUNE, 1891.

Balance at credit of Profit and Loss Account on 30th June, 1890.	£	381	71
The net profits for the year after deducting expenses of management, reserving for interest and exchange, and making provision for bad and doubtful debts, amounted to.....		98,265	77
		<hr/>	
		898,647	48
Which has been appropriated as follows:—			
Dividend No. 47, three per cent.....	\$56,000	00	
Dividend No. 46, three per cent.....	36,000	00	
Added to Rest Account.....	25,000	00	
Balance carried forward to next year.....	1,647	48	
		<hr/>	
		898,647	48

While the net earnings are less than those of the previous year, the profits nevertheless were sufficient to meet all losses, to provide for expenses incurred in opening new branches, to pay the usual dividend, and to add \$25,000 to "Rest" account, which now stands at \$225,000.

A suitable office has been provided for the branch at Montreal in the new buildings of the Sun Life Assurance Company, Notre Dame Street.

Agencies of the Bank in connection with the Winnipeg branch have been established during the year at Boissevain, Carberry, Moosomin and Neepawa, and the business obtained at these offices has fully realized our expectations.

The branches of the Bank have, as customary, been inspected during the year.

The Directors beg to express their appreciation of the services rendered by the cashier in a year that has called for unusual care and exertion, and the Directors have much pleasure in referring to the able assistance rendered by the managers of branches and other officers of the Bank in furthering his efforts.

A. THOMSON,
President.

QUEBEC, July 13th, 1891.

GENERAL STATEMENT, 30TH JUNE, 1891.

Liabilities.

Notes of the Bank in circulation.....	\$ 944,192 00	
Deposits not bearing interest.....	\$56,073 20	
Deposits bearing interest.....	3,053,963 61	
Reserved for interest accrued on deposits.....	39,532 22	
Balances due other banks in Canada.....	5,800 49	
Balances due agents in Great Britain.....	106,589 20	
Dividends unclaimed.....	3,413 41	
Dividend No. 49.....	36,000 00	
	<hr/>	
Total liability to the public.....		\$5,045,664 13
Capital paid up.....	\$1,200,000 00	
Res.....	225,000 00	
Reserved for rebate of interest on current discounts.....	27,389 57	
Balance of Profit and Loss Account carried forward.....	1,647 48	
	<hr/>	\$1,454,037 35
		<hr/>
		\$6,499,701 48

Assets.

Specie.....	\$ 26,942 57	
Dominion Government notes.....	459,289 00	
Notes of and cheques on other banks.....	162,265 00	
Balances due by other banks in Canada.....	29,688 61	
Balances due by other banks in United States.....	71,454 90	
	<hr/>	
Assets immediately available.....		\$ 749,640 38
Loans and bills discounted current.....	\$5,376,803 13	
Overdue debts secured.....	34,213 44	

Overdue debts not specially secured (estimated loss nil).....	63,149 36	
Mortgages on real estate sold by the Bank ...	612 50	
Real estate other than bank premises.....	18,721 96	
Bank premises and furniture.....	185,000 00	
Other assets.....	71,660 71	
	<hr/>	\$5,750,061 10
		<hr/>
		\$6,499,701 48
		E. E. WEBB,
		Cashier.

QUEBEC, 30th June, 1891.

The President then moved, seconded by Hon. E. J. Price, that the report be adopted and printed for distribution among the shareholders, which motion was carried.

Moved by Mr. W. H. Carter, seconded by Mr. S. J. Shaw,—“That the annual general meeting of the Shareholders in future be held in the month of June, on a day to be fixed by the Directors, not later than the twentieth day of that month.”—Carried.

Moved by Mr. T. H. Dunn, seconded by Mr. J. H. Simmons,—“That the thanks of the Shareholders be given to the President and Directors for their valuable services during the year.”—Carried.

Moved by Mr. A. Thomson, seconded by Mr. J. W. Henry,—“That the thanks of this meeting are due and are hereby tendered to the cashier, managers and other officers of the Bank, for their careful attention to its affairs.”—Carried.

The Scrutineers then reported that the following gentlemen were elected Directors of the Bank for the ensuing year:—Sir A. T. Galt, and Messrs. E. Giroux, E. J. Hale, Hon. T. McGreevy, Hon. E. J. Price, A. Thomson, D. C. Thomson.

At a subsequent meeting of the new board of Directors, A. Thomson, Esq., was re-elected President, and Hon. E. J. Price, Vice-President.

LA BANQUE JACQUES-CARTIER.

The Annual General Meeting of the Shareholders of Jacques-Cartier Bank was held in the offices at the Bank, Montreal, on Wednesday, 17th June.

Mr. A. Desjardins was called upon to take the chair, and Mr. A. DeMartigny was requested to act as secretary. The minutes of the last meeting were then read and approved.

The President then read the following report of the Directors on the business of the past year.

REPORT.

The Board of Directors has the honor to submit its report relative to the situation of the Bank at the close of the year ending on the 30th day of May last.

BANK MEETINGS.

551

Balance at credit of Profit and Loss on May 31, 1890	\$12,910 07
Profits of past year after providing for bad and doubtful debts and deducting costs of administration.....	41,134 54
	\$54,044 61

Which has been appropriated as follows:—

Dividend, 3½ per cent., Dec. 1, 1890	\$17,500 00
“ “ June 1, 1891.....	17,500 00
Balance	19,044 61
	\$54,044 61

We regret to have to report that the year just passed has been but a continuation of the period of depression on which we remarked at the general meeting last June, and from the same cause.

A third year of indifferent harvest aided by the perturbation of our markets consequent upon the fiscal legislation of the United States Government, known as the McKinley Bill, has accentuated the uneasiness already felt in relation to our business with the country districts.

However, thanks to the confidence which the public has continued to accord us by placing at our disposal large sums on deposit, we have been enabled to assist our clients in an efficacious manner, and at the same time realize by our operations a considerable amount of profit, which enabled us to provide for losses sustained in some of the numerous failures which have marked the course of the year past, and also to leave, after providing for the usual dividends, the sum of \$19,044.61 over and above our Reserve Fund.

The head office and the different branches have been regularly inspected, and your Directors are pleased to testify to the zeal and prudence displayed by the General Manager and the officials under his control at the head office and also in the several branches.

All the Directors have now to retire from office, but are eligible for re-election.

The whole is respectfully submitted.

ALF. DESJARDINS,
President.

BALANCE SHEET.

Liabilities.

Capital		\$500,000 00
Reserve Fund.....	\$150,000 00	
At credit of Profit and Loss.....	19,044 61	
		169,044 61
Semi-annual Dividend, June 1, 1891.....	17,500 00	
Unclaimed Dividends.....	1,351 52	
		18,851 52
		\$687,896 13

Notes in circulation.....	\$ 356,861 00	
Deposits payable on demand	1,019,407 07	
Deposits payable at a fixed time.....	655,851 25	
Federal Government deposits.....	19,576 47	
Provincial Government deposits.....	50,000 00	
Balance due to other Banks in Canada.....	2,610 09	
Other debts.....	8,736 78	
		2,113,072 68
		\$2,800,968 79

Assets.

Specie.....	\$14,249 85	
Dominion Bank Notes.....	40,520 00	
Notes of and Cheques on other banks in Canada...	102,960 14	
Balances due by other banks in Canada.....	8,289 58	
Balances due by other banks in foreign countries..	7,221 76	
Balances due by agencies of the Bank and other agencies in the United Kingdom	35,659 09	
		238,900 42
Bills discounted.....	1,829,298 93	
Bills discounted, due and not specially guaranteed.	15,481 70	
Bills discounted, due and guaranteed.....	67,750 17	
Different properties.....	60,758 43	
Mortgages on property sold.....	20,857 40	
Debentures of the International Mine.....	200,000 00	
Bank buildings.....	82,415 00	
Other assets.....	276,536 74	
		2,562,068 37
		\$2,800,968 79

A. L. DEMARTIGNY,
Manager.

MONTREAL, May 30th, 1891.

The following gentlemen were elected Directors for the ensuing year:— Messrs. A. Desjardins, A. S. Hamelin, L. Huot, D. Lavolette and A. DeMartigny.

At a subsequent meeting of the Board of Directors Mr. A. Desjardins was re-elected President, Mr. A. S. Hamelin, Vice-President, and Mr. A. DeMartigny, Manager.

THE STANDARD BANK OF CANADA.

Report of the Directors of the Standard Bank of Canada, submitted to the Shareholders at the Sixteenth Annual Meeting, held in the Head Office of the Bank, Toronto, 17th June, 1891.

The Directors beg to submit to the Shareholders the statement of the Bank for the year ending 31st May, 1891.

The profits for the year were fairly good, and the Board felt warranted in increasing the dividend for the second half-year to 4 per cent. The Directors are also pleased to say that, after providing for the losses, they were enabled to add \$40,000 to the Reserve Fund, making that Fund now \$500,000, or 50 per cent. of the capital of the Bank. The agencies were carefully inspected during the year, and new offices opened at Stouffville and Brussels, with fair prospects of business. The officers of the Bank continue to discharge their duties to the satisfaction of the Board.

All which is respectfully submitted.

W. F. COWAN,
President.

STANDARD BANK OF CANADA, 30TH MAY, 1891.

PROFIT AND LOSS ACCOUNT.

Debtor—	
Balance of Profit and Loss account brought forward from last year	\$11,961 41
Profits for year ending May 31st, 1891, after deducting expenses, interest, etc., and providing for bad and doubtful debts.	117,502 96
	<u>\$129,464 37</u>
Creditor—	
Dividend No. 30, paid 1st December, 1890.....	\$55,000 00
Dividend No. 31, payable 1st June, 1891.....	40,000 00
	<u>\$75,000 00</u>
Added to Rest Account.....	40,000 00
Balance carried forward.....	14,464 37
	<u>\$129,464 37</u>

GENERAL STATEMENT.

Liabilities.

Notes in circulation.....	\$ 654,645 00
Deposits bearing interest (including interest to date).....	\$3,237,445 45
Deposits not bearing interest.....	779,058 45
	<u>\$4,013,513 90</u>
Balance due to other Banks in Canada.....	6,655 26
	<u>\$4,654,814 16</u>
Total liabilities to the public.....	\$4,654,814 16
Capital paid up.....	1,000,000 00
Rest Account.....	500,000 00
Former dividends unpaid.....	349 75
Dividend No. 31, payable 1st June, 1891.....	40,000 00
Balance of Profit and Loss account carried forward.....	14,464 37
	<u>\$6,209,628 28</u>

Assets.

Specie	\$146,182 60
Dominion Notes, Legal Tenders	255,667 00
Notes and Cheques of other Banks	173,255 99
Balances due from other Banks :—	
In Canada	\$177,262 55
In United States	61,547 09
In England	89,033 36
	<hr/>
	\$327,843 00
Dominion Government and other first-class Debentures.....	701,644 88
Loans on Securities at Call	561,715 00
	<hr/>
Assets readily available	\$2,166,308 47
Loans on Securities at short dates.....	255,000 00
Real Estate (productive), the property of the Bank.....	17,000 00
Bills discounted and advances current.....	3,638,430 01
Notes and Bills overdue (estimated loss provided for).....	13,579 40
Bank Premises (freehold), Safes and Office Furniture, at the Head Office and Agencies.....	108,553 95
Other Assets not included under the foregoing.....	10,756 45
	<hr/>
	\$6,209,628 28

J. L. BRODIE,
Cashier.

TORONTO, 30th May, 1891.

The following gentlemen were unanimously elected Directors for the ensuing year, viz.:—W. F. Cowan, Esq., John Burns, Esq., W. F. Allen, Esq., Dr. G. D. Morton, A. T. Todd, Esq., Frederick Wyld, Esq., and A. J. Somerville, Esq.

At a subsequent meeting of the newly elected Board, W. F. Cowan, Esq., was duly re-elected President, and John Burns, Esq., Vice-President.

COMMERCIAL BANK OF MANITOBA.

The Sixth Annual Meeting of the Shareholders of the Commercial Bank of Manitoba took place on the 17th June, 1891, at Winnipeg, the President, Mr. D. MacArthur, in the chair, when the following report was submitted :

REPORT.

In submitting to you the usual statements of the affairs of the Bank on this occasion, the Directors have much satisfaction in reporting that the Bank has met with an increased measure of support from the general public, and has done a profitable business during the past year. After paying a dividend at the rate of seven per cent. per annum, and providing for all ascertained losses and doubtful debts, the sum of \$10,000 has been added to our Rest, bringing up its amount to \$50,000, which is a little less than ten per cent. of the amount of our paid-up capital stock.

The paid-up capital of the Bank has been increased since the date of our last annual meeting from \$381,020 to \$525,010, and there is still a constant enquiry for our shares. A gratifying circumstance in this connection is that a comparatively large demand for our stock has arisen in this province during the past twelve months, thus showing that funds are becoming available for local enterprises, and that our stock is a favorite security. The Directors have under consideration the propriety of making a further increase to the capital stock during the current year, in order to meet the increasing requirements of our business.

During the past year branches have been established at the following points:—Virden, Manitoba, under the charge of R. Adamson; Carberry, Manitoba, under the charge of J. D. Campbell; Boissevain, Manitoba, under the charge of Wm. Cowan; Fort William, Ontario, under the charge of A. H. Dickens. And these, along with our other branches, have been duly inspected, and have returned satisfactory results.

The Directors have also pleasure in stating that they have been successful in making arrangements to establish an agency of the Bank in London, England, under the charge of Messrs. R. A. McLean & Co., No. 1 Queen Victoria Street, and they attach importance to this agency, as it will probably become a useful medium in connection with exchange and other branches of the Bank's business.

You are probably aware that the existing bank charters expire on the 30th inst., and that the new Banking Act, which will continue in force for a period of ten years, comes into operation on the 1st July next. There are several beneficial changes in the new Act, the most important of which is the creation of a Bank Note Guarantee Fund, bearing interest, in the hands of the Dominion Government, to which each of the banks contribute five per cent. of the amount of their notes in circulation, and under which full payment of the notes of all the Canadian banks is guaranteed to the public. The practical effect of this measure is to place the notes of all the banks on the same level as regards value, and under the provisions for redemption, at various points in the Dominion, to provide a circulating medium which will pass at par throughout the whole Dominion. In accordance with the said provision, we have made arrangements with the following banks to redeem for us, viz. :

For the Province of British Columbia, The Bank of British Columbia; for Ontario and Quebec, The Merchants Bank of Canada; for the Maritime Provinces, the Bank of Nova Scotia. The Board has also taken steps to comply with all the other requirements of the new Bank Act.

The prospects of business are encouraging. The immigration up to the present time has been considerable, and of a desirable kind. It is estimated that about 200,000 acres have been added to the area under crop last year, and judging from the present appearances, the prospects of reaping a large crop are unusually good. During the past year the Bank has rendered important service to the Province in affording large facilities to move the crops and other products of the country to market.

In conclusion, your Directors think there is reason to be satisfied with the

progress which the Bank has made during the six years it has been in existence, and they are sanguine that under the same cautious and conservative management which has characterized its operations in the past, its future success will be assured, and that it will continue to be a growing and influential power in the legitimate development of Manitoba and the North-West Territories.

Statement of the result of the business of the Bank for the year ending the 30th April, 1891.

PROFIT AND LOSS ACCOUNT.

Cr.

At credit of account, 30th April, 1890.....	\$ 2,375 61
Profits for year ending 30th April, 1891, after deducting charges of management, etc., and making provision for bad and doubtful debts.....	42,643 55
	<hr/>
	\$45,019 16

Dr.

Dividend $3\frac{1}{2}$ per cent., 1st November, 1890.....	\$ 14,683 50
Dividend $3\frac{1}{2}$ per cent., 1st May, 1891.....	17,429 09
Amount transferred to Rest account.....	10,000 00
Balance Profit and Loss, forward.....	2,206 57
	<hr/>
	\$45,019 16

In accordance with the Act of Incorporation, the Directors go out of office this day, and a new board will require to be elected.

A more detailed statement of the accounts is hereto appended for the inspection of the shareholders.

D. MACARTHUR.
President.

GENERAL STATEMENT.

Liabilities.

Notes in circulation.....	\$ 357,695 00
Deposits.....	902,580 03
Due to other banks.....	68,302 10
Dividend payable 11th May.....	17,429 09
	<hr/>
Total liabilities to the public.....	\$1,346,006 22
Capital paid in.....	525,010 00
Rest account.....	50,000 00
Balance Profit and Loss Account.....	2,906 57
	<hr/>
	\$1,923,922 79

Assets.

Gold and silver coin on hand.....	\$ 7,105 90
Dominion notes on hand.....	22,700 00
Balances due by banks in Canada.....	98,247 99
" " " United States.....	63,404 54
Balances due by banks in England.....	12,921 19
Notes and cheques of other banks.....	51,144 01
	<hr/>
Total immediately available assets.....	\$ 255,583 63

Loans and discounts payable on demand.....	140,000 00
Loans and discounts payable after date.....	1,433,668 23
Loans and discounts overdue, secured.....	30,392 11
Loans and discounts overdue, unsecured.....	16,992 63
Bank premises.....	12,642 60
Safes and other office furniture.....	7,715 22
Real estate and mortgages.....	26,928 37

\$1,923,922 79

The President moved, seconded by R. T. Rokeby, the adoption of the Directors' report as submitted, and that the same be printed and distributed amongst the shareholders. The motion was unanimously carried.

After a motion, expressing the thanks of the shareholders to the Directors and other officers of the Bank, the election of Directors was proceeded with, and the result of the ballot was as follows: Duncan MacArthur, R. T. Rokeby, Hon. A. A. C. LaRiviere, Alex. Logan, I. M. Ross, G. H. Strevel, Norman Matheson.

The meeting then adjourned, and at a meeting of Directors subsequently called, Mr. D. MacArthur was elected President, and Mr. R. T. Rokeby, Vice-President, of the Bank.

FARMERS' LOAN AND SAVINGS COMPANY.

The Nineteenth Annual Meeting of this Company took place at the Company's office, 17 Toronto Street, on Wednesday, the 3rd June, at 12 o'clock noon.

On motion of Mr. Ross, Mr. James Scott, vice-president, took the chair, Mr. Bethune acting as secretary. The following report and statement of affairs was then submitted:

REPORT.

The Directors beg to present to the Shareholders the following statements of the result of the business for the past year.

The net profits, after deducting expenses of management, and all charges, commissions, etc., amount to \$51,535.30, out of which two half-yearly dividends of 3½ per cent. each, amounting together to \$42,800.10, have been paid, leaving a balance of \$8,735.20 to be added to Reserve, making a sum of \$137,048.97 now to the credit of that Fund.

The amount borrowed on Sterling and Currency Debentures has been further increased since last year, on the former by \$35,575.34 (£7,310), and on the latter by £39,547.00.

The accompanying Financial Statements verified by the Auditors are submitted for the consideration of the Shareholders.

Wm. M'LOCK,
President.

LIABILITIES AND ASSETS, 30TH APRIL, 1891.

Liabilities.

Liabilities to the Public:—	
Deposits and interest.....	\$ 445,166 31
Debentures (sterling).....	455,374 00
“ (currency).....	249,788 33
Interest accrued on debentures.....	15,994 27
	<u>\$1,166,322 91</u>

Liabilities to Shareholders :—

Capital paid up.....	\$ 611,430 27	
Dividend No. 38, payable 15th May, 1891.....	21,400 05	
Reserve fund, 30th April, 1890.....	\$128,513 77	
Addition, 30th April, 1891.....	8,735 20	
	<u>\$137,248 97</u>	
		770,079 29
		<u>\$1,936,402 20</u>

Assets.

Mortgages.....	\$1,866,182 07	
Loans on company's stock.....	7,736 10	
Debenture expense account.....	1,256 04	
Stock expense account.....	745 28	
Office furniture.....	296 18	
Cash in bank.....	57,678 84	
Cash on hand.....	2,507 69	
		<u>\$1,936,402 20</u>

PROFIT AND LOSS, 30TH APRIL, 1891.

Dr.

To cost of management including rent, inspections and valuations, office expenses, etc.....	\$ 12,885 97	
“ Dividend and tax thereon.....	43,416 58	
“ Interest on deposits and debentures.....	53,118 28	
“ Agents' commissions on loans and debentures.....	1,482 90	
“ Foreign agents.....	1,236 45	
“ Written off office furniture, debenture and stock expense account.....	255 26	
“ Carried to reserve.....	8,735 20	
		<u>\$121,190 64</u>

Cr.

By interest on Mortgages.....	\$121,190 64	
		<u>\$121,190 64</u>

We hereby certify to having examined the books and securities of the Farmers' Loan and Savings Company, for the year ending 30th April, 1891, and that we find them correct and in accordance with the above statements.

W. E. MURRAY, } *Auditors.*
BENJ. PARSONS, }

TORONTO, 23rd May, 1891.

The usual votes of thanks to the retiring directors having been proposed and adopted, a ballot for the election of directors for the ensuing year took place, resulting in the unanimous re-election of the former board, viz.: Messrs. Joseph Cawthra, D. B. Dick, Prof. James Loudon, J. D. Laidlaw, William Mulock, A. Ross and James Scott.

The meeting then adjourned.

At a subsequent meeting of the board, William Mulock, Esq., M.P., was re-elected president, and James Scott, Esq., vice-president, of the Company for the ensuing year.

STOCK EXCHANGE QUOTATIONS.

Revised according to the official lists up to the 18th day of the month. The following tables include all securities listed on the Montreal and Toronto Stock Exchanges: these are designated by the letters "M" and "T."

The Quotations indicate the last bid or asked price. Quotations marked * are the ruling prices, ex-dividend. The highest and lowest price for the year 1890, actual sales, are given for comparison.

LOAN COMPANIES.

NAME.	Share Value.	Last Dividend semi-annual.	Year 1890.		Montreal.		Toronto.	
			Per cent.		Per cent.			
			High.	Low.	Aug. 18, 1891.			
				Bid.	Ask.	Bid.	Ask.	
Agricultural Sav. and Ln.	50	3½						
Brit. Can. Ln. and Inv. T	100	3½	115	110½			110	
Brit. Mortgage Loan	100	3½						
Building and Ln. Ass. T	25	5	108½	105			110½	
Can. Landed and Nat. Inv. T	100	3½					124½	
do Permanent Ln. and Sav. T	50	6	207	198½			200	
Ditto 20 per cent. T	50		200	184½*			185	
Canadian Sav. and Loan T	50	3½						
Cent. Canada Ln. and Sav. T	100	5	124	124			122	
Ditto New Stock. T	100						115	
Dom'n. Sav. and Inv. Soc. T	50	3	89½	80½			96	
Farmers' In. and Sav. T	50	3½	123½	119½			122	
Ditto 20 per cent. T	50		115	110			111	
Freehold Ln. and Sav. T	100	4	150½	132½			145	
Ditto 20 per cent. T	100		140	121½			135	
Hamilton Prov. and Ln. Soc. T	100	3½	126	125			121	
Home Sav. and Ln.	100	3½						
Huron and Erie Ln. and Sav. T	50	4½	160	159			158	
Ditto 20 per cent. T	50		148½	145*			145	
Huron and Lambton Ln.	50	4						
Imperial Ln. and Inv. T	100	5½	124½	119½			125	
Landed Banking and Ln.	100	5						
Land Security	25	5	250	225			215	
London & Canada Ln. & Agy T	50	4	154½	122½			127½	
London and Ontario Inv. T	100	3½	114½	115			115½	
London Loan	50	3½						
Manitoba Investment	100	4						
Do and North-west Ln. T	25	3½	112	110			109	
Montreal Building Assn.	50							
Do Ln. and Mortgage. M	100	5			128	135		
Montreal Inv. and Building.	25	5						
Nor. of Scot. Canada Mortg. T	50	5					151	
Ontario Ind. Ln. and Inv. T	100	3½	118	115			160	
Do Inv Ass.	50	4						
Do Ln. and Deb. T	50	3½	125½	125			126½	
Do Ln. and Sav.	50	3½						
Peoples Ln. and Dep. T	50	5½	118½	113½			115	
Real Estate Ln. and Deb. T	50		41	36			50	
Royal Ln. and Sav.	50	4						
Toronto Land and Inv. Cor. T	50	5	115	110				

STOCK QUOTATIONS.

STOCK EXCHANGE QUOTATIONS.

Revised according to the official lists up to the 18th day of the month. The following tables include all securities listed on the Montreal and Toronto Stock Exchanges: these are designated by the letters "M" and "T."

The Quotations indicate the last bid or asked price. Quotations marked * are the ruling prices, ex-dividend. The highest and lowest price for the year 1890, actual sales, are given for comparison.

LOAN COMPANIES—Continued.

NAME.	Share Value.	Last Dividend Semi-annual.	Year 1890.		Montreal.		Toronto.	
			Per cent. High.	Per cent. Low.	Per cent. Aug. 18, 1891.			
					Bid.	Ask.	Bid.	Ask.
Toronto Land and Loan.... T	50	3	.....	.....	.....	.....	110	.....
Do Savings and Loan.... T	100	3	130	130	.....	.....	112½	.....
Union Ln. and Sav..... T	50	4	134½	130	.....	.....	133	.....
Western Canada Ln. and Sav. T	50	5	182	178	.....	.....	.....	179
Ditto 25 per cent... T	50	.....	172½	168	.....	.....	162½	165

INSURANCE COMPANIES.

Accident of North Am.....	100	3	.....	.....	.....	.....	.....	.....
British America.. T	50	3½	111½	102	.....	.....	96	98
Canada Life..... T	400	5	.....	.....	.....	.....	.....	.....
Citizens of Canada.....	85	3	.....	.....	.....	.....	.....	.....
Confederation Life Ass..... T	100	7½	.....	.....	.....	.....	.....	.....
Guarantee of N. A.... M	50	3	.....	.....	.....	.....	.....	.....
Quebec Fire.....	100	3½	.....	.....	.....	.....	.....	.....
Queen City Fire.....	50	5	.....	.....	200	210	.....	.....
Royal Canadian.....	25	3½	.....	.....	90	100	.....	.....
Sun Life.....	100	6	.....	.....	240	250	.....	.....
Western..... T	40	5	151½	135	.....	.....	142	143½

NAVIGATION AND RAILWAY COMPANIES.

Canada Shipping..... M	100	5	.....	.....	.....	.....	.....	.....
Canadian Pac. Ry..... M & T	100	2½	.....	.....	84½	84½	84	84½
Rich. and Ont. Nav..... M	100	3	.....	.....	59½	60½	.....	.....
St. Paul, Min. & Man. Ry.. M	100	3	.....	.....	.....	.....	.....	.....

GAS AND STREET RAILWAY COMPANIES.

Consumers' Gas (1)..... T	50	2½	150	170	.....	.....	172	174
Montreal Gas..... M	40	6	.....	.....	205	208	.....	.....
Ditto New Stock..... M	.....	.....	.....	.....	187½	200	.....	.....
Montreal Street Railway... M	50	4	.....	.....	150	200	.....	.....
Dito New Stock..... M	.....	.....	.....	.....	175	186	.....	.....

(1) Dividend Quarterly.

STOCK EXCHANGE QUOTATIONS.

Revised according to the official lists up to the 18th day of the month. The following tables include all securities listed on the Montreal and Toronto Stock Exchanges: these are designated by the letters "M" and "T."

The Quotations indicate the last bid or asked price. Quotations marked * are the ruling prices, ex-dividend. The highest and lowest price for the year 1890, actual sales, are given for comparison.

TELEGRAPH, TELEPHONE AND ELECTRIC LIGHT COMPANIES.

NAME.	Share Value.	Last Dividend Semi-annual.	Year 1890.		Montreal. | Toronto.			
			Per cent.		Per cent.			
			High.	Low.	Aug. 18, 1891.		Bid.	Ask.
Bell Telephone..... M	100	4	.....	.....	129	130	.....	.....
Commercial Cable (1) M	100	1 $\frac{1}{2}$	.....	.....	104 $\frac{1}{2}$	107 $\frac{1}{2}$	.....	.....
Dominion Telegraph (1)... T	50	1 $\frac{1}{2}$	89	83 $\frac{1}{2}$	.....	.....	85	87
Montreal do (1)... M & T	40	2	101 $\frac{1}{2}$	93	105 $\frac{1}{2}$	106	.....	.....
Royal Electric (1)..... M	10	2	.....	.....	115*	120	.....	.....

COTTON COMPANIES.

Canada Cotton	M	100	.....	.....	30	34	.....	.....
Coaticooke Cotton.....	M	100	.....	.....	.....	.....	.....	.....
Dominion do	M	100	5	.....	120	130	.....	.....
Dundas do	M	100	.....	.....	.....	.....	.....	.....
Hochelaga do	M	100	5	.....	.....	.....	.....	.....
Kingston do	M	100	.....	.....	.....	.....	.....	.....
Montreal do	M	100	3	.....	70	81 $\frac{1}{2}$	.....	.....
Stormont do	M	100	3	.....	.....	.....	.....	.....
Merchants' Manf.....	M	100	3	.....	.....	50	.....	.....

MINING AND MANUFACTURING COMPANIES.

Canada Paper	M	100	5	.....	.....	.....	.....	.....
New England Paper.....	M	100	.....	.....	.....	.....	.....	.....
Starr Manf.....	M	100	.....	.....	.....	.....	.....	.....
Intercolonial Coal.....	M	100	.....	.....	20	35 $\frac{1}{2}$	.....	.....
Londonderry Iron.....	M	.....	.....	.....	.....	.....	.....	.....
National Cordage.....	M	.....	4	.....	90 $\frac{1}{2}$ *	93*	.....	.....

MISCELLANEOUS STOCKS.

		£	s	d				
Canada Nor.W. Land.. M & T	.....	4	17	6	.....	79 $\frac{1}{2}$	82	79 $\frac{1}{2}$ 80 $\frac{1}{2}$
Dominion Cattle Co.....	M	.....	3	1	.....	.....	.....	.....
Globe Printing Co.....	T	\$500	.....	.....	.....	.....	.....	.....
Ont. and Qu'Appelle Land....	M	100	.....	.....	.....	.....	60	.....
Montreal City 4 % Stock.....	M	.....	.....	.....	.....	104	.....	.....
Ditto 5 % do	M
Ditto 7 % do	M
Victoria Rolling Stock.....	T	5000	5	150

STOCK QUOTATIONS.

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STOCK EXCHANGE QUOTATIONS.

BONDS.

NAME.	Value.	Interest per cent.	Year 1890.		Montreal.		Toronto.	
			Per cent. High.	Low.	Per cent. Aug. 18, 1891.			
					Bid.	Ask.	Bid.	Ask.
Bell Telephone M								
Canada Central Ry. M					117			
Canadian Pac. Ld. Grant. M & T		2½			108½	109½		
Canada Cotton M						99		
Champ. and St. Law. Ry. M					99	100½		
Dominion Cotton M					99½			
Montreal Harbour 5 % M								
Intercolonial Coal M								
Kingston Cotton M								
Merchants' Manf M								
Montreal Cotton M					100			

CANADIAN SECURITIES IN ENGLAND.

NAME.	LONDON.			
	July 23.	July 30.	Aug. 6.	Aug. 13.
Canada, 3 per cents.	94	94	94	95½
Ditto 3½ per cents.	104	104	104	104
Ditto 4 per cents., 1885	108	108	108	108
Ditto 4 per cents., 1874-9	105	105	105	106
British Columbia 4½ per cents.	108	109	109	110
Ditto 6 per cents., 1865	104	104	104	104½
Yanitoba 5 per cents., 1888	112	112	112	112
Quebec Prov. 4 per cents.	98	97	98½	99½
Ditto 4½ per cents.	102	101	102	102
Ditto 5 per cents., 1883	106½	106	106	105
Montreal 3 per cents.	81	81½	81½	81½
Ditto 5 per cents., 1873	104	104	104	104
Ditto 5 per cents., 1874	104	104	104	104
Quebec City 4½ per cents., 1884-87	101	101	101	101
Ditto 6 per cents., 1873	100	100	100	100
Ditto 6 per cents., 1875	110	110	110	110
Ditto 6 per cents., 1878	110	110	110	110
Toronto 3½ per cents.	92	92	92	92
Ditto 4 per cents.	102	102	102	102
Winnipeg 5 per cents.	107	107	107	107
Ditto 6 per cents., 1883	112	112		
Canadian Pacific Shares	84½	85½	82½*	83½
Ditto 1st Mortgage Bonds	115	115	115	115
Ditto 3½ per cent. Ld. Grant Bonds.	96½	97	97½	98
Ditto 4 per cent. Debenture Stock	100	100	100	100½
Ditto Columbia and Kootenay Bonds	98	98	98	100
Ditto Souris Branch Bonds	98	98	98	100
Grand Trunk Ordinary Stock	9	9½	9½	9½
Ditto 1st Preference	62½	65½	64½	64½

CANADIAN SECURITIES IN ENGLAND—Continued.

NAME.	LONDON.			
	July 23.	July 30.	Aug. 6.	Aug. 13.
Grand Trunk 2nd Preference.....	41½	44¾	43¼	43¾
Ditto 3rd do	22½	23¾	23¾	23¾
Ditto 4 per cent. Guaranteed.....	72½	73¾	73¼	73¼
Ditto 4 per cent. Debenture Stock...	95½	95½	95½	96
Ditto 5 per cent. do	120	120	121	121
Ditto Great West. 5% do	118	118	117	117
Ontario and Quebec Shares.....	144	145	145	145
Ditto Debenture Stock.....	127	126	126	126
Qu'Appelle & Long Lake 1st Mrtg. Bds.	102	102	99	99
Quebec & Lake St. John 1st Mrtg. Bonds	86	84	82½	82½
St. Lawrence and Ottawa do	98	98	98	98
Temiscouata 1st Mortgage Bonds.....	90	89	89	89
Ditto St. Francis Branch.....	90	89	89	89
St. John and Maine shares.....	26½	26½	26½	26½

MINING COMPANIES.

NAME.	Value of Share.	Paid-up Capital	LONDON.	
			Aug. 13, 1891.	
			Bid.	Asked.
Excelsior Copper (L'd).....	£ 1	£410,738	.....	.....
Nicola (L'd).....	1	35,000	.....	.....
Shumiah Weachu (L'd).....	1	99,888	.....	.....
Silver Wolverine	1	68,465	.....	.....
Tilt Cove Copper.....	2	160,000	.....	.....
Ditto Preference 10% Shares...	2	13,478	.....	.....
Ditto £80,000 5½% Deb .....	.....	.....	.....	.....
General Mining L'd).....	8	219,752	3¾	4¼
Low Point, Barrasois and Lingan.....	\$100	509,100	.....	.....
New Vancouver, Coal Mining and Land (L'd).....	£ 1	185,000	½	½
North Western Coal and Nav. (L'd)....	10	149,500	.....	.....
Ditto Preferred Stock.....	100	900	.....	.....
Ditto £160,000 6% Deb. coupons...	.....	.....	.....	.....
Sidney and Louisburg Coal and Ry. Ordinary Shares	10	250,000	½	¾
1st Preference 10% cumulative.....	10	30,000	7½	8½
2nd Pref. 6% non-cumulative	10	14,560	3	5
Anglo-Canadian Asbestos (L'd).....	2	11,490	.....	.....
Bell's Asbestos (Ltd).....	5	120,000	8¾	8¾
Ditto £66,800 5% Deb.....	.....	.....	.....	.....
Anglo-Canadian Phosphate (L'd).....	10	46,510	.....	.....
Ditto Deferred Shares.....	10	25,000	.....	.....
Canadian Phosphate (L'd).....	1	110,000	.....	.....
General Phosphate (L'd).....	10	39,024	.....	.....
Ditto Founders' shares.....	10	5,000	.....	.....