

just before leaving off for the day, a last shot brought out a piece of quartz weighing twenty-six ounces, twelve ounces of which were pure gold, this was at seven feet from the surface. Tenders are out for sinking on the Toronto Co's. shaft.

MUSQUODOBOIT.—Mr. Hyde has now one hundred men at work, including all who are at the mine and engaged on the tramway, which he is having built. The results from his mill have not transpired. Mr. Burkner brought up about 50 ounces as the first yield from his mill, and the lode which he is working has widened out to five and a half feet, and still shows much shotty gold on the face. The average yield from last crushing of two and a half feet of vein stuff was fifteen penny-weights per ton.

COAL MINES.—We regret to learn that the fire in the Foord Pit, Albion Mines, is likely to prove a more serious affair than was one time anticipated. On Wednesday evening last, several explosions occurred, since which time we have not learned any further particulars.—*Eastern Chronicle*, 3rd April.

—The fibrous mineral, asbestos, has often been spoken of as a substitute for rags, but as the supply of asbestos was uncertain, no practical use has been made of the knowledge. The *Montreal Herald* believes there are several deposits of asbestos in Canada, particularly in the eastern townships, and these will, no doubt receive attention as the demand for their mineral increases. A mine of asbestos, which has a long fibre, and quite equal to the Italian, exists on the property of the Slate Company at Melbourne, and is being worked by parties in New York.

Financial.

TORONTO STOCK MARKET.

(Reported by Pellatt & Osler, Brokers.)

With the exception of Bank of Montreal, which has advanced 6 per cent., stocks generally close weaker, and in some cases show a considerable decline.

Bank Stock.—Montreal has advanced, owing to the declaration of a 6 per cent. dividend, and there are now buyers at 152, and no sellers. No sales of British. Ontario firm at 101½. Toronto has declined since our last report, the latest sales being at 118½. Royal Canadian.—In consequence of certain circulars issued in reference to this Bank the stock rapidly declined, but there are now buyers at over 60. Commerce is rather heavy at 102½, with buyers at 102. Gore has again declined, sales having taken place at 36½. Transactions in Merchants' occurred at 107 and 107½, closing heavy at the latter rate. Quebec continues in firm demand at 102 to 102½. Sales of Molson's are reported at 109, which rate is still procurable. Sales of City were made at 101 to 102, but the stock declined to 101½, with no buyers over par. Du Peuple is in fair demand at 108; little offering. The latest sales of Jacques Cartier were at 109; little offering. Mechanics—Very little offering; buyers and sellers a part. Other banks nominal.

Debentures.—No Canada five or six per cents. in the market. Dominion stock has been sold at 107½; holders now demanding 108½ to 109. Toronto bonds having ten years to run offering at rates to pay a little over 6½ per cent. No County offering; they would command high rates.

Sundries.—There are limited sales of City Gas at 107 to 107½. There are buyers of British American Assurance at 56. Small sales of Canada Permanent Building Society were made at 125½, at which rate there are buyers. Western Canada B. S. is offered at 121, with buyers to a limited extent at 120½. Freehold B. S. sold at 112½, at which rate there are buyers. Holders ask 134 for Montreal Telegraph, with no buyers over 133. Mortgages have been freely placed to pay 8 to 10 per cent. Money tight; commercial paper commands high rates.

THE ROYAL CANADIAN BANK.

Some correspondence has taken place with reference to the affairs of this bank. Hon. Donald McDonald, in a circular issued by him from Ottawa, alleges that the advances by the Bank to Brown and Chewett were characterized by recklessness; that he was ignorant of the transactions, though a member of the Board; that the original agreement with Brown was entered into by A. M. Smith, on his own responsibility, without consulting the Board, and even without reporting it, and that the final loan of money to be used in gold speculation was, in the same manner, granted by Mr. Smith, on his individual authority; that the Board has been kept uninformed of all important business despite Mr. McDonald's repeated protests, and the President has assumed absolute authority; that the system has worked badly, as shown by the losses at Agencies; that the influence of Mr. Smith caused the Cobourg agent, Mr. Wallace, [whose appointment he, Mr. McDonald remonstrated against] to be reinstated, after suspension by the Cashier, and thereby caused the total loss of the amounts the Agent had improvidently advanced; that when the accounts of the Seaforth Agency, under Mr. Russell, (whose dismissal he, Mr. McDonald, proposed) became unsatisfactory, Mr. Smith interfered to give time to Mr. Russell to close his accounts, which extension enabled him to go on with the irregularities which led to his absconding; that the losses of the Kingston Agency occurred on credits of which the Board had not been informed; that Agents were allowed, on their own responsibility, to make advances to persons of doubtful credit, and to engage in transactions which proper supervision would have rendered impossible; that the Bank itself has made advances, without exacting adequate security; the President alone being the judge; that the monthly returns to Government, which are prepared under the direction of the President, have been so manipulated as to conceal losses and debts known to be bad have been included among available assets. He concludes that although the position of the Bank is such as to enable it to meet all obligations, to keep the public safe, to provide amply for all claims, yet the Shareholders have need to act promptly to protect their interests.

Mr. A. M. Smith, in reply, asserts that Mr. McDonald was advised and knew of Browne's transactions and arrangements with the Bank, as well as of other transactions of which he claims to be ignorant, and this can be attested on oath by an officer of the Bank; that the books showing the daily discounts, and past due bills, were at all times open to inspection of the Board, and lay on the table at the weekly meetings; that Mr. McDonald never remonstrated, as he alleges, against the appointment of Mr. Wallace; that Mr. W's suspension was at Mr. Smith's instance, and his dismissal would have followed had it not been for the fear of jeopardizing large amounts; that the general management and correspondence with the Agencies was conducted by the Cashier, and seldom came under Mr. Smith's notice; that the statements and insinuations respecting Mr. Smith's connection with the Seaforth Agency, and his action at the Board with reference thereto are pure fabrications; that Mr. Smith had no more connection with the affairs of the Kingston Agency than Mr. McDonald had; that, as is well known, Mr. McDonald is anxious to occupy the position of President, and the first cause of his discontent was that he was not elected last July, on which occasion he received his own vote only. Mr. Smith says:

"It is no doubt known to many of the stockholders, but perhaps not to all, that Mr. McDonald is at times engaged in speculations not only hazardous, but which require manipulating in a rather questionable way, as the following fact will show: he applied on the 29th January last, to the President and Cashier for a loan of one hundred thousand dollars (say nearly one-tenth) of the paid up capital of the Bank, saying, how-

ever, that he wished it kept from the knowledge of Mr. Smith; and actually proposed to another member of the Board to assist him in holding a meeting with the President, to be called specially for the purpose of granting the loan of the above sum with the cognizance of the other members of the Board. When they refused, he made a formal application in writing for that amount, which came before the Board at its next sitting, at which there were present the President, Mr. McDonald, and another besides himself, four in all; he there pressed the loan, and I was forced to have recourse to a clause in the by-laws, which prohibits the discount of a note, if objected to by one member of the Board present; he, Mr. McD. insisting all the time that the clause in the by-laws, referring to the discount of a note, did not apply to a foreign credit, which was what he wanted. When this ruse failed him, a special meeting of the Board, called for the purpose, finally disposed of the matter by unanimously refusing the credit, which he wanted for the purpose of investing in one of the most dangerous enterprises in the United States which has already ruined some four or five contractors. Let Mr. McDonald contradict the above if he dare—let him show the stockholders that he could have met the loss had his contract failed, and then convince them that I would have been justified in permitting the investment of the funds of the Bank in such a mad speculation in a foreign country. Since then it has come to my knowledge that this Mr. McDonald has been endeavouring to intimidate the President, Cashier and other members of the Board, by threats of sending a circular to the stockholders, unless they would comply with an improper demand, which he said in presence of the Board, that unless he got what he wanted, he would issue the circular when he went to Ottawa, as he could then save the postage by franking them."

As regards the Brown affair, Mr. Smith says: "It is true that during the absence of the Cashier from the city, I authorized a credit not to exceed \$25,000 to Mr. Brown, after satisfying myself by an examination of his books, and a special report obtained from the Commercial Agency, of his standing and responsibility for that amount; which arrangement continued for more than a year with satisfaction and profit to the Bank. Finding then that Mr. Brown was endeavoring to overstep his understood limits, I suspended the arrangement until he gave Mr. Chewett's note for \$25,000, which fully covered his indebtedness at the time; and he having thus placed the account in a position which was considered safe and satisfactory, I never again interfered with it while President. By a reference to a report of Mr. Chewett's examination in bankruptcy, you will see that the gold transactions referred to by Mr. McDonald, which resulted so disastrously to that firm, were not engaged in till after I had ceased to be President."

The following Directors, Messrs. Metcalfe, Barber, Harman, Manning, Crombie and Smith, have also replied jointly to Mr. McDonald. They allege that a short time since he made a proposal to the Board, which they felt bound unanimously to decline, and from that time a change was observed in Mr. McDonald's conduct; that he next endeavored, "under threat of issuing a circular of some kind, such as he has issued, to gain a personal advantage, coupled with a promise that if his offer was accepted his lips would be sealed;" that the endeavor was not successful, and hence the circular; that the appointment of Mr. Wallace was not made against Mr. McDonald's remonstrance, as he was not present at the meeting at which Mr. Wallace was appointed, nor at any of the ten preceding meetings, and he did not enter his protest against the appointment; that Mr. McDonald did not propose the dismissal of Mr. Russell, and what was done was done by the unanimous vote of the Board; that the Cashier was the first to direct attention to the irregularities at the Kingston agency; that the Board was not divided, with a majority against the measures