

the National City Bank of that place will serve as a specimen of his plan to extort money: The National City Bank filled out a postal card as requested and sent it to the *Reporter*, whereupon the following appeared in its columns under the head of Cleveland (Ohio) banks:

National City Bank (786).....200,000
W. P. Southworth Pres. J. F. Whitelaw, Cash.
Chatham N. B., N. Y. Merchants' L. & T. Co., Chicago.

A bill was sent to the bank for \$5 for "subscription to weekly, subscription to monthly, and notice \$5." Attached to this bill was a rubber stamp notice, requesting a remittance at once, and saying: "If seeking new business or collections, will offer to publish the title or name of bank in prominent display type at rate of \$5 per annum, including subscription to monthly list and weekly *Reporter*."

Cashier Whitelaw did not pay the bill, having never ordered the insertion of the notice or the sending of the paper, and other bills were sent by the *Reporter*. Finally the paper began sending inquiries of such a character to the bank as would be expected to bring them to terms. In typewriter copy, pinned to the circular of the *Reporter*, asking subscriptions, the National City Bank received such inquiries as this:

"A correspondent writes: 'Is the National City Bank in any way identified with Crumb & Baslington, who have been arrested for practicing questionable business methods? What is the matter with Cleveland bankers and brokers? Are they all speculating?'"

The Cleveland Bank remained dumb to these appeals. Under date of June 14 1884, the bank received the following, with a rubber stamp signature:

"We learn your bank is going into liquidation, and will offer to publish notice of same in our weekly reading columns, as required by law, for two months, for \$5. Will also enter you with a year's subscription, with card in display type, with a reading notice as to your reorganization, for \$5, making \$10 to cover all, and the prominence of such card will well repay the small expense in new business. Your early reply will oblige."

The National City Bank had no idea whatever of going into liquidation.

These leeches did not stop at trying to coerce country banks, well-known banking houses in New York have been objects of its attack, with the plain intention to extort money. It wasn't always smooth sailing for the scoundrels, however, when one of them called on Brown Brothers & Co. he became so insulting that he was promptly ordered out by the manager, with instructions to the watchman to pitch him into the street if he ever showed his face again. The *Reporter* retaliated by publishing an item reflecting on the firm which is one of the solidest institutions of New York.

It is a proper thing, of course, to insist upon payment for a periodical received regularly by the person to whom it is addressed, and the law protects the publisher, in the United States and Canada, in such circumstances. But these fellows would continue to send their paper and make charges for their "cards" even after distinct instructions were sent that they were not wanted.

Mr. Rogers, cashier of the Nassau Bank in New York City, received a circular of the company on March 26, just after the quarterly report of the Nassau Bank had been published. Attached to the circular was a copy of this report, cut from another paper, and above this an advertisement, supposed to have been published in the *Bank Note Reporter*, of two lines, as follows:

Nassau Bank—Nassau, corner Beekman street.....\$500,000
(F. M. Harris, President; W. H. Rogers, Cashier.) Surplus..... 72,500

Over the "surplus \$72,500" in the above, a blue pencil had been drawn. "This fellow," said Mr. Rogers, "seems to work more by innuendo than by making bold propositions. You see he has crossed out our surplus to give us a gentle hint." On the upper margin of the circular was written "\$4 due for sub.," and by the side of this were the words, printed by a rubber stamp, "Please remit." Mr. Rogers wrote in answer to this circular that he had not subscribed to the *Bank Note Reporter*, did not owe the concern \$4, and would not pay it. He enclosed the circular in the letter and sent it back. On April 8 he received the following characteristic letter printed by a typewriter on paper bearing the official head of the *Bank Note and Commercial Reporter*:

DEAR SIR,—Some time ago, when you made a change you were indebted to me for subscription

and services and never evinced a disposition to liquidate. When you made the change you appealed to us to notify the public, that your business might not suffer. We did so, understanding that we would be paid. It was a mere matter of business with us. We have no interest in notifying the public of the change. You are keen enough to know that we cannot transact business without being remunerated.

Mr. Rogers sent one of the clerks of the board to the office of the company, to discover if he could, who the man was that was making this impudent demand. The clerk found a scrobbatic person, wearing spectacles, who said that his name was J. E. Callinan and that he attended to the city business of the concern. Callinan went to the bank with the clerk, and Mr. Rogers placing the letter before him, asked him to sign it. He declined to do this. He told Mr. Rogers, however, that he would have to pay the bill. "Did I order the paper of you?" asked Mr. Rogers. "No," was the answer, "you ordered it of my brother." "Well, bring your brother here and let me see him." "Oh, my brother is dead," was the immediate response. Callinan told Mr. Rogers that the "services rendered" were notices of the safe deposit vaults when the bank was temporarily doing business in the Bennett Building, in 1881. As the bank had no deposit vaults at that time, the falsehood was transparent, but Callinan unblushingly maintained it, and went away threatening that the bill would have to be paid.

In the case of Canadian banks the mode adopted was similar. A circular would be sent accusing a certain bank of subscribing to an incorrect list of banks, or bankers, instead of to a complete one—i.e. Thompson's. If the bank replied that it subscribed for none at all, back would come the warning, printed with a typewriter, and, as usual, minus a signature other than that made by a rubber stamp. "So much the more do you need our list, no bank can afford to be without this publication; remit at once, for what we send you, or we will see what your directors have to say about such a careless cashier." One bank in Toronto, received from the *Reporter*, at the time, some weeks ago, when things looked darkest for the Federal bank, the following enquiry: "How will the troubles of the Federal Bank affect the Central?" an enquiry which was followed by some insinuating remarks, and a demand for payment of an account for which no order had been given. It is agreeable to find that the Central refused to be black-mailed. It is well to have the claws of such knaves clipped, as we trust they speedily will be by the American authorities.

—Another proof has been given of the inefficiency of the Toronto fire alarm system, and the city has had another escape from what might have been a conflagration. A policeman went to a fire alarm box on the evening of one day last week, and on pulling the lever no bell rang. It is a petty business, out of all proportion to the interests involved, that the present inadequate system should be tinkered at to the extent of so many repaired boxes, and so many yards of "key-right wire," as we saw it spelled by some sapient person the other day in a printed reference to the subject. The order has been passed by the Council for a new circuit—why is it not procured? Does the electrician know what risks he runs in employing old material and antiquated methods, where the very latest and most scientific are none too good for the object in view? While the authorities are engaged in cheese-paring to save a few hundred dollars, a fire may gain such control as to sweep away ten times the cost of the whole apparatus. It is the system of electric alarm in Toronto that needs to be changed, for no amount of tinkering can make the present one perfect. Property is not safe in this city until the fire alarm is made efficient.

—A half yearly dividend of three per cent. has been declared by the Union Bank of Halifax.

TO CORRESPONDENTS.

"ONE WHO HOPES." It is not within our power to answer your question, nor need we indulge in any surmises as to the future. Respecting the condition of the Federal Bank, the fullest information we can give, pending the report expected from the authorities of the bank, is that of the Government returns for May and June, wherein its liabilities and assets for these months are compared below:—

| | LIABILITIES. | |
|---|-----------------|------------------|
| | 31st May, 1884. | 30th June, 1884. |
| Circulation | \$1,237,204 | \$1,486,529 |
| Dominion Government Deposits on Demand.. | 14,302 | 17,915 |
| Deposits held as Security for Govt. Contracts.... | 98,520 | 98,520 |
| Provincial Government Deposits on Demand.. | 37,249 | 15,060 |
| do. after Notice..... | 50,000 | 50,000 |
| Public Deposits on Demand..... | 2,405,613 | 1,545,678 |
| do. At Notice..... | 3,116,296 | 2,530,406 |
| Loans from Other Banks | | |
| do. Secured..... | | 262,007 |
| do. Unsecured..... | 444,278 | 205,837 |
| Due Banks in Canada.. | 68,470 | 210,348 |
| " " U. S..... | 12,780 | |
| " " U. K..... | 500,945 | 469,781 |
| Total Liabilities..... | \$7,980,610 | \$6,887,074 |

| | ASSETS. | |
|-------------------------------------|-----------------|------------------|
| | 31st May, 1884. | 30th June, 1884. |
| Specie..... | \$ 449,004 | \$ 193,092 |
| Dominion Notes..... | 688,684 | 147,135 |
| Notes and Cheques, other Banks..... | 404,743 | 436,544 |
| Due from other Banks... | 49,937 | 37,402 |
| " " United States | 184,957 | 3,177 |
| " " United K'dm. | 2,645 | |
| Loans on Stocks or Bonds..... | 556,630 | 467,538 |
| do. to Municipalities.. | 79,039 | 34,500 |
| do. other Corporations | 601,023 | 622,131 |
| Current Discounts..... | 9,432,257 | 9,120,119 |
| Overdue Bills Unsecured | 61,861 | 158,424 |
| " " Secured... | 983 | 401 |
| Real Estate..... | 86,345 | 36,206 |
| Bank Premises..... | 143,856 | 143,856 |
| Total Assets..... | \$12,642,103 | \$11,400,529 |

M. B.; DENISON, Texas—Have been unable to procure all the documents referred to. Some of them will go forward this week: have asked the Ontario Treasury Department to send you copy of the Act required.

SHAREHOLDERS' LIABILITY.

The judgment of the Supreme Court of Canada recently delivered in the case of *Page vs. Austin*, is worthy of at least passing notice. Dispute arose over the affairs of the Ontario Wood Pavement Company, which was incorporated under 27 & 28 Vic. Cap. 23, with power to increase by by-laws the capital stock of the company "after the whole capital stock of the company shall have been allotted and paid in, but not sooner." It appears that the company assumed to increase the capital without the original capital having been fully paid in. This was done by a by-law increasing the capital stock from \$180,000 to \$250,000. Certain execution creditors of the company who were unable to realize the amount of their claims from the company instituted proceedings by the way of *scire facias* against the defendant as a holder of shares not fully paid up. On examination of the company's books it was shown that the shares in respect of which these proceedings were taken were shares of the increased capital, and not of that originally authorized.

Under these circumstances the Court, Mr. Justice Gwynne dissenting, confirmed the judgment of the Ontario Court of Appeal to the effect that as the directors had no power at the time to increase the capital stock of the company the