

Government of a sum of money to be relieved of their liability, allowing the estate to be realized under the present Trust, or otherwise, as the Government may see fit; or, thirdly, of suggesting any other course, either as respects the present method of liquidation, or touching the ultimate payment of the debt to the Government. Unless the Government bring the property of the Bank to sale under a writ of extent, and thus anticipate the time which the Trustees are of opinion will be occupied in realizing the estate, five years will elapse before the creditors can enforce by law any contribution from the shareholders under the double liability clause. It is impossible to anticipate what changes in the personnel of the shareholders may take place before that time, whereby their capacity to make good their respective contributions might be affected. Delay increases probability that the loss will ultimately be borne less equally than if an adjustment now took place and that the sources to which the Government might look for payment, will every year be of less worth.

The course which the Government may deem it its duty in the public interests to adopt, whether to await the gradual realization of the assets, or to enforce its remedy at once, will doubtless be influenced by the action of the shareholders, and the proposals they may make to the Government after due consideration of the actual situation and when apprised that the Government deems it fitting that a definite arrangement should now take place.

In conclusion the undersigned would observe that until the shareholders have had an opportunity of electing either to pay off the Government, or to make an offer on some terms to make good the anticipated deficiency, or of suggesting some different course of action from that now followed, it would be premature to consider whether any and what means might be taken to deal with the other creditors, or to prosecute the liquidation of the estate by less expensive means than those now adopted.

#### BANKERS' MEETING.

At a meeting of Representatives of Banks of the Dominion of Canada, held at Ottawa on the first of May, the following were present: The Hon. Mr. Simpson, Mr. Starnes, representing the Ontario Bank; Hon. Mr. McMaster, Bank of Commerce; Hon. Mr. McDonald, Mr. Metcalfe, M. P., Mr. Woodside, Royal Canadian Bank; Hon. Mr. Burnham, Mr. Hague, Bank of Toronto; Hon. Mr. Benson, Niagara District Bank; Mr. Stevenson, Quebec Bank; Mr. Sache, Molsons' Bank; Mr. Lewin, Bank of New Brunswick; Mr. Jack, all the Halifax banks and the Commercial Bank of Windsor.

It was moved, seconded and Resolved:

That Mr. Lewin, of the Bank of New Brunswick take the chair; and that Mr. Jack be the secretary. Mr. Hague, as convener of the meeting stated its objects, and read a letter from the cashier of the Merchants' Bank, Montreal, regretting the inability of the President or himself to be present at the meeting, and expressing their hope that the preservation of the Bank circulation in Canada may be one of its results.

He also read the resolutions adopted by the banks of Halifax, and certain banks in the Provinces of Quebec and Ontario (copies of which are hereto appended).

Whereupon it was moved by Mr. Simpson, seconded by Mr. Stevenson, and resolved,

That this meeting concur generally in the sentiments expressed in the resolutions adopted at meetings of the Bankers of Halifax and of Montreal, Quebec and the Province of Ontario, and is of the opinion that it is desirable by all proper means to secure the continuance of the bank note circulation of the Dominion as it at present exists.

A further resolution was moved by Hon. Mr. Simpson, seconded by Mr. Medcalf, M. P., to the effect—

That safety to creditors of banks may be fully attained without sacrificing those resources, on

which the business of the country depends and without endangering a gold basis by introducing into the charters of the Banks provisions as to the double liability of shareholders, the impairment of capital, reserves, rests, etc. This resolution was carried.

Moved by Hon. Mr. Simpson, seconded by Mr. Sache,

That a deputation, consisting of the five following gentlemen, wait on the Finance Minister, and lay before him the views of the meeting and report to a future meeting at the call of the Chairman: The Chairman; the Secretary; Hon. Mr. Simpson, (or Mr. Gibbs, M. P., in his absence); Mr. Stevenson; Mr. Hague.

The Meeting then adjourned.

#### Resolutions adopted by the Halifax Banks.

HALIFAX, N.S., April 17, 1869.

1. That the banking system in existence in Nova Scotia has been in successful operation for more than thirty years, and has been largely instrumental in aiding the development of the resources of this province and building up its trade and commerce. That there has never been the failure of any bank, nor any suspension of specie payments. That bank notes have always been on a par with gold and convertible into gold on demand, and note holders have never sustained any loss by them. That the public are satisfied with the system, and neither ask nor desire any change.

2. That the banking capital, together with the loanable funds derived from the bank note circulation and the substitution of that of the government, would seriously interfere with and lessen the resources of the banks, cause discounts to be reduced nearly if not quite one fourth, and thereby cripple trade and commerce.

3. That the introduction of such a radical change as the withdrawal of the Bank note circulation and the substitution of that of the Government would seriously interfere with and lessen the resources of the Banks, cause discount to be reduced nearly, if not quite, one-fourth and thereby cripple trade and commerce.

4. That the national banking system of the United States, having taken its rise under a suspension of specie payments, is not applicable to the state of the Province. If adopted, the banks will be compelled to loan to the government about one-half of the amount now advanced for mercantile purposes which would almost, if not entirely prostrate and ruin the business of the province.

5. That the adoption of either plan would permanently reduce the resources available for banking purposes. By giving time for withdrawal of the circulation, or the purchase of bonds, this might prevent sudden distress and mitigate the stringency of the money market, but there would be nevertheless a certain gradual reduction of discount which would soon tell most injuriously on trade. Under the circumstances to increase the capital stock, would not make up the deficiency; for the monies available for this purpose are already held by the banks in the shape of deposits, and to take from the deposits and add to the capital stock could not possibly improve the financial position.

6. That if it is thought desirable to give increased security to note holders, this could be done without deranging the present arrangement by making the notes, in case of failure, a first lien on the assets of the bank, and payable as soon as sufficient funds might be collected. There are reasons why note holders should be protected, but none why depositors should be, and this plan would perfectly secure the former without inflicting any injury on business, or diminishing in any way the funds available for banking purposes.

7. That in our opinion the present system, whereby the circulating medium is furnished by the banks, is the best adapted to the circumstances of the country, as it increases the banking funds employed in the encouragement of trade and manufactures, which in a new country are always required; and we would strongly deprecate any

change in the law which would have the effect of overthrowing the present note circulation of the banks, or curtailing their capital by a compulsory loan to the government, by their being compelled to invest a portion of it in government debentures, which are of variable value, and could not be converted into gold during financial panic or pressure in time to prevent suspension of specie payments or greater loss.

#### Resolutions adopted by the Ontario and Quebec Banks.

At a meeting of Bankers held in the Merchants Bank of Canada, on the 17th day of April, 1869.

It was moved by Mr. Jackson Rae, seconded by Mr. William Sache, and carried:

Whereas, the existing system of banking in Canada has been found subservient in a high degree to its commercial interests has been tested by long experience, has proved itself to be well adapted to the requirements of an agricultural community, and has resulted in a high degree of security and stability:

Resolved,—That in any renewal of the charters of banks it is important for the best interests of the public that no change of a fundamental character be made in the system and particularly that the note circulation be preserved.

2nd. That the adoption of a system of the same character as the national banking system of the United States, or founded on the same principle of imposing a rigid limit to the total circulation to be covered by government securities would be highly detrimental to the public interest, by causing a large withdrawal of capital now engaged in furthering its commercial enterprises, consequent scarcity of money, high rates of interest, with greater loss to the lender and general financial distress.

3rd. That a system of note issues made direct by the government would have the same injurious effect upon the commercial and financial affairs of the country, and would in addition have an inevitable tendency to depreciation with all its disastrous consequences to every class of the community.

4th. That holding these views we deem it of importance that they be urged upon the attention of the legislature during the present session in every practicable mode.

#### Insurance.

FIRE RECORD.—St. Catharines, May 7.—House of P. Donohoe, Niagara-street; loss stated at \$400 to \$500, and insurance at \$200.

Carleton, N. B.—Workshop of Levi Long, and adjoining grocery and liquor store of Mrs. O'Leary. The buildings were owned by H. Tooney; insurance \$800.

St. Catharines, May 3.—A fire broke out in the Murray House stables. The stables were consumed and with them most of their contents. Insured in Hartford for \$250. A tavern just below the stables, belonging to J. C. Rykert, Esq., and occupied by Mr. Burtch, was badly damaged on its roof and sides.

Brantford, May 7.—A large flax mill was consumed by fire this morning at one o'clock, near Brantford. It has been unused for some time. Loss about \$5000; fully insured. It is supposed to have been the work of an incendiary. The building was owned by Kerr, Brown & Co., Hamilton, and rented to Mr. Elliott, of Galt.

Peterboro, May 6.—Sutherland's store-house, in Ashburnham, and the adjoining dwelling house, grocery and outbuildings, were all destroyed by fire, and the flames soon spread to two neighboring tenements one occupied by Mr. Thomas Coe, butcher, which was entirely consumed; the other by Mr. George Brown, plasterer; uninsured. Mr. Sutherland's loss on grain is about \$2,000; insured in the Royal for \$1,500; Imperial \$1,000. Mr. Wood's loss on buildings is covered by insurance in the Western to the extent \$1,000 or \$1,250.