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CONTENTS:

THE TIMES.	THINGS IN GENERAL.
A SCOTTISH STUDENT ON "ARGUS."	POETRY.
MODERN PROGRESS AND THE TRADE QUESTION.	CORRESPONDENCE.
TEACHERS' CONVENTION.	PRIZE QUESTIONS IN CANADIAN HISTORY.
TENDENCIES OF PROTECTION.	TRADE, FINANCE, STATISTICS.
JEWISH REFORMERS.	CHESS.
THE PROMISE TO MARRY.	MUSICAL.
	&c., &c., &c.

THE TIMES.

SIR FRANCIS HINCKS.

Like thunder from a sun-lit sky came the verdict of guilty against Sir Francis Hincks. Phoenix-like rose the "Consolidated" from the merger of the failing fortunes of the City and the Royal Canadian Banks. Its stock surmounted par, and then came a decline in the financial barometer—first gradual, then rapid—and finally the collapse, after an existence of three years of unwonted depression. The bank commenced under, apparently, the most auspicious circumstances, but handicapped with a dead weight of exhausted patrons whose existence depended upon the accommodation the bank could give them. This disadvantage the shareholders vainly endeavoured to overcome by the selection of competent directors—men of unquestioned reputation, and of large business experience. Mr. Renny was selected as General Manager, and was also entrusted with the local management of the Montreal branch. This was the first fatal mistake in the reorganization.

The bank had twenty-two branches, including the Montreal branch. The local managers made the branch returns to the head office, from which the general return to the Government was compiled by the President and Directors. Mr. Renny, it appears, managed—or, rather, mismanaged—the local branch in Montreal, and was guilty of the grave dereliction of crediting his embarrassed customers with "cash" on unsecured "demand notes," which he instructed the officers under his control to hold as "cash," but which he "returned" to the head office as "notes and bills discounted and current." As early as November, 1878, \$221,000 had been advanced to customers on demand notes, which were only submitted for discount to the President and Directors on 21st February, 1879. The Government return of January, bearing the signature of the General Manager, contained those notes under the heading of "notes and bills discounted and current." It is not difficult to see to what source this misrepresentation is traceable, and how easily the President attached credence to the return of a local Manager who assumed a joint responsibility with him in signing the general return.

The other ground of indictment relied on by the prosecution was that loans on time made to relieve the temporary distresses of the bank had been entered in the Government return under the heading of "other deposits payable after notice, or on a fixed day," instead of under the heading "due to other banks." Of these loans Sir Francis had knowledge. The lending banks accepted, for the sums so advanced, "deposit receipts"—similar to those given to other depositors—and all amounts were only payable after the lapse of some months or after notice. The defence contended that they were appropriately entered under the head of deposits on time, instead of being classed as obligations "due" and exigible at the time of making the return. This view received the distinguished sanction of several bankers examined at the trial. Even Mr. Angus, the General Manager of the Bank of Montreal, a man of larger banking experience than any other in this country, thought the sums borrowed might be entered under the head of time deposits, and that the practice of borrowing-banks is to so class them.

Both he and Mr. Ingram, assistant General Manager of the Merchants Bank, agreed that a time loan should not be entered as "due"; and Mr. Ingram especially pointed out that Government returns contain no heading under which the loans could have been more correctly entered. It was clearly proved that the form of Government returns is defective and that for this reason bankers had exercised a discretion in the classification of the liabilities which justified the practice conformed to in the Consolidated and other banks.

The bank, however, had failed; the public had suffered, and a victim was demanded. The private prosecutors seized the opportune moment for the trial. Sir Francis asked not for time to allow the public craze for conviction to disappear; nor yet for change of venue. He encountered his accusers with that undaunted courage which has distinguished him throughout his public and private life. The Crown "stood aside" jurors until the panel was "exhausted," and even then used all their peremptory challenges—but one—before it obtained twelve of its choice.

The evidence that the general return was correctly based on the special returns of branches, and was justified by the usage of other banks was cast aside, and a verdict of guilty returned by the jury. There can be no doubt that there were grave irregularities in the management of the Montreal branch, and that much misery and suffering have resulted to the shareholders from the failure of the bank. It is gravely to be feared that these considerations have at this time unduly persuaded the jury to convict. Whatever the result may be, it is matter of painful regret that a man of Sir Francis' distinguished public services should be exacted as a victim for pursuing a system of banking to which almost every bank director in Montreal has, directly or indirectly, given his assent. Already the sober second judgment of the country is that he should not have been condemned. The price of satisfying the public wrath has been too exorbitant. A mature statesman and financier, a bold and fearless publicist—the Nestor of Canadian men—bearing the honours of two Continents upon his head, and withal an unsullied name—while verging on his four-score years, must expiate the crime of a system, rather than of personal wrong-doing.

In all this painful legal drama, there is one matter for sincere congratulation,—he was personally advantaged in nothing. He acted for his bank, and not for personal gain. His honour remains intact. Were it otherwise, it would have been better that his ashes were commingling with those of his compeers in the front rank of Canadian public life, even before this generation begun,—with Baldwin and Lafontaine; for the name of Sir Francis Hincks is not his own merely,—it is his country's.

STAND ASIDE.

Our criminal law provides that the Sheriff of the district shall summon sixty "good men and true" to try causes between the defendant and "our Sovereign Lady the Queen." When summoned, these sixty compose the "panel" from which the "sworn twelve" in each case are selected. But how are the twelve chosen? Here commences an inquisition into the rights of the Crown and the defence. In the trial of a misdemeanour, for example, both the Crown and the defence may challenge any number of jurors for cause assigned, and if the juror has prejudices that bias his judgment he is excluded by sworn triers. Then, both the defence and the Crown may each challenge four jurors—"peremptorily"—that is, without assigning any cause. Up to this point, there is an equality of privileges, but here the rights of the defence end, whereas the Crown may continue to "stand aside"—which is in effect a peremptory challenge—any number of jurors, until the "panel" has been "gone through," or exhausted, which is not a