McInnes Bros. & Co.
HAMILTON,
OPEN ALL THE NUMBERS IN THE
CORNWALL
COTTON
BAGS
at Greatly Reduced Prices. Send for Circular. Our Stock in all Departments is very complete, was never better in value, or more attractive in assortment than it is this Season, and buyers will find us to excel in all
BRITISH
CANADIAN
AMERICAN
FRENCH
& GERMAN
DRY GOODS.

THE MONETARY TIMES,
AND TRADE REVIEW.

TORONTO, CAN., FRIDAY SEPT. 15, 1876

SPECIAL GENERAL MEETINGS OF BANKS.

We insert to-day, with pleasure, the letter of Sir Francis Hincks, which gives the grounds on which he and his fellow-requisitionists acted in calling a special general meeting of the shareholders of the Maritime Bank. And as our own position is referred to therein, and it is sought to detract from the importance which we have said belongs to such a course of action, we will endeavour to bring the merits of the question before our readers.

In commenting on the action of Sir Francis and his friends we observed that the power to call a special meeting was only granted by the Legislature to be used on extraordinary occasions, a statement which is not denied, and cannot be denied without imputing great want of consideration to the Parliament that passed the Banking Act. The clause conferring this power is No. 29, and reads as follows :

29. Any number not less than twenty-five of the shareholders of the bank, who together may be proprietors of at least one-tenth of the paid-up capital stock of the bank, by themselves or by their proxies, or the directors of the bank or any four of them, shall have power at any time to call a special general meeting of the shareholders of the bank, to be held at their usual place of meeting, upon giving six weeks previous public notice, specifying in such notice the object or objects of such meeting; and if the object of any such special general meeting be to consider of the proposed removal of the president or vice-president, or of a director or directors of the said bank, for maladministration or other specified and apparently just cause, then if a majority of the votes of the shareholders of such meeting be given for such removal, a director or directors to replace him or them shall be elected or appointed in the manner provided in the by-laws of the bank, or if there be no by-laws providing therefor, then by the shareholders at such meeting; and if it be the president or vice-president who shall be removed, his office shall be filled up by the directors (in the manner provided in case of a vacancy occurring in the office of president or vice-president), who shall choose or elect a director to serve as such president.

This clause speaks for itself. The power it confers is very great indeed. It is a power to produce disturbance in the public mind and agitation amongst stockholders. It is a power to create want of confidence on the part of depositors, and a consequent withholding or withdrawing of funds. It is a power to do that which may, in a time of difficulty, precipitate a run and bring about a stoppage of payment. No one who is acquainted with the working of financial affairs can doubt that all these results might follow, and that some of them would be sure to follow the appearance of an advertisement calling for a special general meeting. When the Banking Act was introduced and carried through Parliament by Sir Francis Hincks as Finance Minister, he had the responsibility of the working of the Act upon him, and took care that powers like these should only be exercised under great limitations. First, such a meeting could only be called on the requisition of at least twenty-five stockholders, thus placing it out of the power of a few dissatisfied persons to do the bank mischief. Then these twenty-five persons must be the proprietors of at least one-tenth of the paid-up stock of the bank, thus securing that they shall have a large and substantial interest in the concern. The weighty interests supposed to be involved in such action are at once indicated by the fact that the removal of a President or Vice President is named as one of the things that may be sought. In fact this is the only object specifically named. Nothing can more clearly express the gravity of the supposed occasion. Extraordinary circumstances are indicated in every line of the clause. It is intended as a powerful check on the maladministration of directors. Stockholders may sometimes be in the right, and yet be entirely outvoted at an ordinary meeting, and they may have done everything possible in the way of private remonstrance and have found it unavailing. But if twenty-five of them, owning ten per cent. of the stock, can agree to act together, the Legislature places this powerful weapon in their hands and allows them publicly to advertise the calling of this special meeting. Of course they do so under heavy responsibility. Their action will be sure to lessen the value of their property, a consideration which is sufficient to restrain imprudence. But this may be the least of two evils. The course of the directors may appear to the parties so manifestly bad and injurious that they are willing to risk all consequences in order to bring it to a stop.

It appears to us that this is a fair and reasonable putting of the case of the origin and supposed operation of this clause, and, on reviewing the whole circumstances, we cannot but think that sufficient consideration was not given in the case that has originated the discussion. Before such a serious step was taken, explanations should have been sought in private. If the same deputation that went down to attend the meeting had gone down for the purpose of conferring with the directors, it is impossible to suppose that the errand would have been fruitless. The directors of the Maritime Bank are men of standing and respectability. They certainly could not have turned a deaf ear to remonstrances presented by such men as Sir Francis Hincks and Senator Ryan, and had the matter been thus dealt with we are confident that a reasonable and amicable course of action would have been decided on. The country affected by the operation of the bank would then have been saved an unseemly amount of excitement. And, what is more important, in view of the large interests involved in the action of bank directors, the first attempt to put into operation a most important safeguard against maladministration would not have entirely broken down.

In writing as we do, we must by no means be supposed to endorse the action of the directors of the Maritime Bank. We think it was unwarranted and unreasonable. That there was cause for complaint and remonstrance is beyond doubt. The bank was evidently not well governed. But it was a case for private action in the first instance. Then, after hearing full explanations, if the stockholders from the Western Provinces were still convinced that the policy of the Board was inimical to the best interests of the bank, and that it was hopeless to look for a change, a special meeting might have been called. And had it been called under these circumstances, public opinion would have been wholly with the requisition.

LIABILITY OF MARRIED WOMEN.

Under the old English common law the rights of a married woman with regard to property were few and unimportant. But