

representatives from the other banking institutions in the city,

It was moved by Hugh Allan, Esq., seconded by the Hon Mr. Holton,

That Thomas Paton, Esq., of the Bank of British North America, be requested to take the chair, and Mr Cross to act as Secretary.—Carried.

It was moved by W. Workman, Esq., seconded by George Moffatt, Esq.,

That the meeting is of opinion that efforts should be made, with the view either to resuscitate the bank either by reducing the present stock and obtaining additional capital or by amalgamating with another bank; or by taking any other steps that will enable the bank to resume specie payments; the whole subject to the approval of a majority of the shareholders present in person or by proxy at a meeting specially called for the purpose, and further, that applications be made to the Legislature for such legislation as may be found to be necessary.—Carried.

It was moved by J. G. Mackenzie, Esq., seconded by Robert Anderson, Esq.,

That the meeting request the Special Directors to look further into the position of the bank as it may be affected by the recent suspension, and to be prepared to submit a statement of the position of the assets and liabilities of the bank on the 6th of November to the shareholders, or previously to any other persons or institutions from whom a loan may be possibly obtained with a view to resume specie payments.—Carried.

It was moved by W. Workman, Esq., seconded by the Rev. W. Cordner,

That the thanks of the meeting be tendered to the Hon. Mr. Holton, Hugh Allan, and Alex. Morris, Esqrs., Special Directors, for the very great care and attention bestowed by them in investigating the affairs of the Commercial Bank.—Carried.

Moved by E. Prentice, Esq., seconded by Dr. Campbell,

That the thanks of the meeting be given to Mr. Paton for his able conduct in the chair.

(Signed,) THOS. PATON,
Chairman.

(Signed,) A. CROSS,
Secretary.

THE COMMERCIAL BANK NEGOTIATIONS.

Minutes of, and some particulars connected with the Meeting of Bankers held at the Bank of B. N. America, on Monday, the 21st October, 1867, with a view to devise some means of aiding the Commercial Bank.

The amount asked as necessary to sustain the bank was \$750,000.

It was proposed to raise this amount by a loan or advance from sundry banks equal to six per cent upon their respective capitals.

Mr. King from the first refused to join in this plan, or in any other, of lending direct to the Commercial Bank. He said he would lend the other banks, and they might advance the Commercial, thus keeping between himself and the Commercial the guarantee of the other banks. This proposition the other banks indignantly declined, feeling themselves, as they said, quite willing and able to make their own proportion of the advance out of their own means, and stating that they could see no reason why Mr. King should claim for the Bank of Montreal any privileged position or exemption from the same liability which they the other banks, were willing to assume.

Mr. King then reminded the meeting that the Bank of Montreal had already made an advance of \$300,000 to the Commercial.

To this it was replied that the other banks would consider that as a portion of the loan now required from the Bank of Montreal, and it would be asked for no more until the other banks reached a figure which, in proportion to their capital, would be equal to that sum. Mr. King of course putting the security which he held against this loan into the general fund of securities for all the banks.

This he positively declined. He was then asked if the meeting would consent to allow him to hold the special securities for the three hundred thousand dollars, and to consider it as so much of the loan required now, if he would consent to join the plan proposed, and loan the remainder of what might be required over the three hundred thousand dollars, say sixty thousand dollars, three hundred and sixty thousand being his proportion.

This also he most positively refused to do, adding, "There is no use talking, I have given my ultimatum. Shortly after this he rose to leave the meeting. This was about half-past ten o'clock A.M.

As he was proceeding to go out of the room, Mr. Cartwright, President of the Commercial Bank, arose and went to him at the door, and alluding to some remark Mr. King had made indicating prompt action on his part as to using the telegraph wires, and other indications unfriendly to the Commercial Bank, he (Mr. Cartwright) enjoined on Mr. King to do nothing unfriendly or injurious to the Commercial Bank, or embarrassing to it, before hearing the issue of the meeting then in session, to which request Mr. King assented.

Mr. King kept this agreement in a remarkable way; that is, he went directly over to the Bank of Montreal and then broke it.

The exchanges were not sent in as usual to the other banks, it being more safe to keep the other banks creditors than debtors, as in the former case a check on the Commercial Bank might be convenient to hand them in payment.

Mr. King kept his word, also, not to do any act embarrassing or unfriendly to the Commercial Bank, by sending down to the Montreal agency immediately, demanding, under threatened protest if refused, the daily balance amounting to thirty-five thousand dollars (\$35,000), which had to be paid to him instantly to avoid protest—and this, too, whilst the meeting to which he had pledged his word was still in session. Comment is needless.

WILLIAM WORKMAN,
Treas. of the City Bank, Montreal.

JAMES G. WORTS,
V. P. Bank of Toronto.

I have read the minutes of the meeting as above taken, and say that they are substantially correct.

J. WOODSIDE,
Cashier Royal Canadian Bank.

October 23rd, 1867.

Statement of facts concerning the recent negotiations between the Commercial and other Banks.

1. In the latter part of September the Commercial Bank obtained assistance from the Bank of Montreal to the extent of \$300,000, at the request of the Government and upon the security of Commercial paper, repayable in November and December, with interest at the rate of six per cent per annum.

2. Upon the 18th October the Commercial Bank again applied to the Bank of Montreal for assistance to the extent of \$500,000, in consequence of the former loan not having proved sufficient to meet the withdrawal of deposits.

3. This advance was declined, for the reason that the Commercial Bank had considerably increased, instead of diminished its discounts during September, when in need of assistance, and also from the Bank of Montreal having learned that some of the largest depositors had already been secured by bills receivable.

4. The Commercial Bank then applied to the Government for assistance, but failed to obtain it.

5. The Commercial Bank renewed its application to the Bank of Montreal, which was again declined, with the suggestion, however, that the other banks in Upper Canada should be applied to, and that if they were disposed to assist, and could not conveniently do so from cash resources, the Bank of Montreal would aid them in the latter.

6. The Bank of Montreal proposed to the Bank of British North America, and it was agreed that if such advances were required they should be made by the two banks to the others in the proportion of two-thirds and one-third.

7. A meeting was held on the 20th October, when the representative of the Ontario Bank, being the only one that had arrived, after a full discussion agreed to do his part, provided the others, who were expected from Upper Canada, would do the same.

8. On Monday morning, 21st October, the following banks were represented at a meeting held at the Bank of British North America, of which Mr. Paton was appointed Chairman.—The Bank of Montreal, the Bank of British North America, the Ontario Bank, the Bank of Toronto, the City Bank of Montreal, the Royal Canadian Bank, and the Directors of the Commercial Bank.

9. The Commercial Bank explained its position, and asked for a loan of \$750,000, one-half at four and the other at six months, upon the security of one million five hundred thousand dollars of Detroit and Milwaukee Railway Bonds, stating that to offer any other available assets would, in the opinion of the Directors, render it very difficult to carry on their current business. The meeting was informed that the Bank of Montreal and the Bank of British North America were ready to advance to the other Banks if they were inclined to assist the Commercial, and did not find it convenient to render such assistance from their cash resources.

10. The last proposal was at once rejected by the Upper Canadian Banks, who declared themselves quite able to furnish any assistance they thought proper to give from their own resources.

11. A desultory discussion ensued, in which it was contended by the banks from Upper Canada and the City Bank, that the measure of assistance to be rendered should be in proportion to capital, and not in proportion to immediate liabilities in the shape of Deposits and Note-circulation, which it was urged by the Bank of Montreal and the Bank of British North America formed the criterion of danger, in case the suspension of the Commercial led to a general withdrawal of confidence in the banks.

12. It was then suggested by the Bank of Toronto that the Bank of Montreal should surrender the securities obtained for the loan made in September, and accept Detroit and Milwaukee bonds in common with the other banks, and that each contribution should be in proportion to capital.

13. The Bank of Montreal rejected this proposal, and stated that having already assisted the Commercial, and its offer to advance to other banks in support of the Commercial having been declined, it withdrew from the meeting for the purpose of allowing the other banks to decide amongst themselves how far they would go in advancing to the Commercial before the Bank of Montreal would take any further part in the discussion.

14. The Bank of Montreal was requested and agreed not to discredit the Commercial in the meantime, upon condition that the result of the meeting should be communicated without delay.

15. The Hon. Mr. Galt, who had been requested to attend the meeting of banks, when no prospect of agreement seemed probable, proceeded to the Bank of Montreal with the President of the Commercial Bank, after the close of the meeting, to announce that the banks had agreed to contribute as follows, to support the Commercial, subject, however, so far as the Upper Canada banks were concerned, to confirmation by telegram from their head offices, viz:—

British Bank.....	\$100,000
Bank of Toronto.....	60,000
City Bank.....	72,000
Royal Canadian.....	60,000
Ontario Bank.....	120,000

Total.....\$412,000

And it was expected by the meeting that the following Banks would not refuse to contribute when the circumstances were explained, viz:—

Gore Bank.....	\$60,000
Merchants' Bank.....	72,000
Quebec Bank.....	60,000

Total.....\$192,000

Making \$604,000 in all.

16. The Bank of Montreal, on hearing of this result, agreed to await the confirmation expected from Upper Canada, and also, if the proposed arrangement was carried out, to extend the time for re-payment of its loan of \$300,000 to the same period as the loans from the other Banks.

17. The Bank of British North America advanced \$100,000 to the Commercial, for the day, on commercial paper, to enable settlement with other banks to be made.

18. After considerable delay, telegrams were received from the head offices of the banks in Upper Canada, declining to sanction the advances that had been agreed upon by their representatives in Montreal.

19. The Commercial Bank, at a late hour in the evening, made a final application, desiring to know if there were any terms upon which it could be sustained by the Bank of Montreal, the reply being that it was hopeless to expect that the latter could undertake such a serious responsibility at that time.

20. All efforts to obtain assistance having failed, the Directors of the Commercial Bank resolved to suspend specie payments, as already announced.

Statement furnished by Mr. Paton, Chairman of the meeting of the 21st.

"Mr. King, on the part of the Bank of Montreal, was extremely anxious to support the Commercial Bank, and he proposed to the Bank of B. N. America that the two Banks should join in supplying the requisite funds (in the proportion of two-thirds and one-third), on the guarantee of the Upper Canadian Banks, each Bank guaranteeing a certain amount, and being secured by the Commercial Bank. This proposition, when submitted, was declined by the Upper Canada Banks.

"The Bank of Montreal having already advanced \$300,000, Mr. King declined to become a party to any other arrangement, his own not having been entertained; he therefore left the meeting.

"Another proposition was then suggested, that each Bank should contribute in proportion to its capital to make up the amount required by the Commercial Bank, obtaining collateral security. This proposition, after some discussion, was approved by the remaining representatives, but it was not confirmed by the Presidents of the Banks in Upper Canada, who were telegraphed to for their assent—the securities being objected to."

THE GENERAL DEPRESSION.

At a recent meeting of the Liverpool Chamber of Commerce a communication from the Rouen Chamber of Commerce was read, asking the opinion of the Liverpool Chamber upon the state of commercial and industrial affairs in England and France. Not only is the circumstance an indication of the gravity of the commercial situation, but the correspondence presents points of considerable interest. The reply of the Liverpool Chamber gives a statement of the principal causes producing the present commercial prostration of England and France, which, from its relation to our own affairs, we produce. The letter says:—

"Without a doubt the commerce and industry of England are suffering like those of France, the suffering of the one reacting upon the other, and, to a certain extent, the same causes being common to both. These causes may be found—

"1. In the American war, which for four years painfully straitened the supply of cotton, one of the most valuable of European imports, and considerably enhanced its price, thus reducing large populations dependent on its manufacture to the greatest distress.

"2. In the high duties which, under the delusive ideas of protection and of independence of other nations, have been imposed by the United States tariff on manufactured articles, the greater portion of which had been imported from Europe. On this point it may be observed that there is but little consolation in the fact that, while the tariff of the United States is highly injurious to other countries, a far deeper injury falls upon herself.

"3. In the continued disorganization of industry in the Southern States of the American Union.

"4. In the unsettled state of Europe, and the apprehension so widely entertained of the imminence of war, an apprehension materially strengthened by the enormous military preparations everywhere made, notwithstanding the pacific assurances of governments. The apprehension of war is fraught with evil only second to that of its actual existence. Much of the capital which should be employed in ordinary and re-productive industry is diverted into unusual and exhaustive channels. The labor which not only sup-