

and wishing to know where he might do so. It did not happen to be convenient to me to visit Montreal next day. So I replied, that I wished him to come to Sherbrooke, which he did by the first train. He then informed me that the business on which he desired to see me related to the Commercial Bank, which, owing to a partial but continuous withdrawal of deposits was, in the opinion of the Directors, getting into a position of serious danger—and that he was desirous of submitting the case to me, that I might, if I thought proper, bring the matter before the Government, and obtain a deposit of public moneys, in order to give the Bank an additional reserve, as a security for their meeting their engagements. At the request of my honorable friend, I accompanied him the following day to Montreal. At the same time, Mr. Holton telegraphed to the officers of the Bank at Kingston, requesting that, if possible, the presence of Sir John A. Macdonald, one of the Directors of the Bank, should be obtained at Montreal. It was found impossible, however, as the elections were proceeding, for Sir John A. Macdonald to attend the meeting which took place at Montreal. It was there submitted to me by the Directors, that the position of the Bank was such, that they were apprehensive it might be brought into a condition which would require it to suspend payments, unless assistance could be obtained for it from the Government. I informed these gentlemen that there were, in my opinion, serious difficulties in the way of the Government rendering such assistance: That, in the first place, the Government did not possess, in a formal way, the approval of Parliament—that they had no authority—and that they would be obliged, if they gave assistance, to seek indemnity for their course from Parliament—and that to obtain that indemnity would require such a disclosure of the affairs of the Bank, as might possibly do them more harm, than the momentary assistance would do them good. I also said that I thought there were objections on the ground of its constituting a precedent—that it was difficult for the Government to come to the assistance of any one Bank, unless they were prepared to come to the assistance of all—and that it appeared to me that it was only in circumstances where a great public disaster might be impending, that the Government could be justified in interfering. But I informed them at the same time that I would take the opportunity of consulting my honorable friend, Mr. Cartier, who was then in Montreal, as I had

not the advantage of seeing Sir John A. Macdonald. I accordingly saw Mr. Cartier, and found that his views on the points I have referred to, were, if anything, stronger than my own. However, at the desire of the Directors of the Bank, and particularly of its President, Mr. Cartwright, I consented to accompany them to Kingston, for the purpose of myself submitting the case to Sir John A. Macdonald, and ascertaining whether his views would differ in any material respect from those which had been expressed by Mr. Cartier and myself. I went to Kingston, and, having met Sir John, found that he shared the same opinion—that the Government, under the circumstances, would not be justified in interfering on behalf of the Bank. At the same time, we both agreed that the Government might possibly express such a desire to the Bank of Montreal, as would induce them to give the assistance that might be required, on such securities as the Commercial Bank had in its power to hand over to that institution. I then had an interview with a deputation of the Directors at Kingston, and conveyed to them the decision at which we had arrived. I may here remark that it was impossible to obtain a meeting of the Privy Council at that time, as the members were necessarily distributed over the whole Dominion, engaged more or less in attending to the various elections that were going on, and it would have been very difficult to have assembled more than a nominal quorum at Ottawa. I intimated, as I have said, to those gentlemen, the decision at which we had arrived, and expressed my belief that the Bank of Montreal would, on their satisfying them as to the security, be prepared to give them assistance to the amount that would be necessary—that amount, it was supposed, being somewhere between \$300,000 and \$500,000. I then went down to Montreal, accompanied by Mr. Cartwright, the President of the Commercial Bank, and the other gentlemen who were then acting on behalf of that institution. I saw Mr. Angus, the Manager of the Bank of Montreal—Mr. King being then in England—and expressed to him the hope and the desire of the Government that that Bank would—so far as was consistent with its own safety, and on the deposit of satisfactory securities—extend such assistance to the Commercial Bank as would meet the exigencies of the case. Mr. Angus met the desire I expressed, in the most friendly way, and stated that, when the gentlemen representing the Commercial Bank made their application, he

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