THE CONSOLIDATED BANK.

We lately took a glance in these columns at the position of the Bank of Montreal as shown to the shareholders and the public at its last annual general meeting. Our readers probably agreed with the tenor of our observations that whilst the prevailing commercial depression was mirrored with an unpleasant truthfulness in the statement of that institution, as evidenced by the fact of the "Rest" having been drawn upon to provide for anticipated losses, still the issues were upon the whole squarely faced, a discerning and clearheaded management was apparent, and that bank has not gone down one iota in the esteem and confidence of the public.

We cannot to-day speak so favourably of the affairs of the Consolidated Bank of Canada; for whilst the annual general meeting held last month exposed to the full the havoc made in its books by the inevitable and all-pervading action of the "hard times," the evil in this case by no means stops with a patient application of the adage, "What can't be cured must be endured." For bad management in the affairs of a bank should be unendurable by those whose pockets suffer. So long as reform is attainable, every means should be used in order to effect such a desirable object. And when confusion is worse confounded by meaningless circumlocution, by obscure and hidden "explanations," or, still worse, a glaring suppression of details which a shareholder has a right to know, there must be something radically wrong—a rotten plank in the ship's timbers, which must be brought to the surface and condemned, to ensure the future safety of the vessel. The sooner the better. Desperate diseases require desperate remedies, and we cannot help thinking that the simplest and least revolutionary course to adopt with a view to ameliorating the standing of the Consolidated Bank would be a change in the government of that institution.

A previously issued report had its natural effect in elongating the faces of the assembled audience, who were unfortunately well prepared for Sir Francis Hincks's statement, showing as it did that the known losses had actually exceeded the entire "Rest," and that no means existed for the payment of a dividend.

Without entering into any detail of the bank's assets and liabilities, we may venture an opinion, that although the value of the real estate and mortgages has been reduced, there is still a considerable over-estimate of assets. The somewhat heated remarks of Mr. Henry Yates, who is evidently no respecter of persons, as to the disposition to keep back information from the shareholders, were a healthy ebullition of feeling in the right direction. As to the Ontario agencies, some of which have been suppressed, no wonder, with the rumours which appear to have been afloat, that shareholders should expect a detailed statement of their respective losses. There is a tendency just now amongst the men who handle the money of the public, to make the bad times the scapegoat of their own financial errors; and Mr. J. H. Joseph aptly remarked that no curtailment of agencies could affect the ratio of profits, though it would the volume of business.

Probably the best lesson to be drawn from the reports of this meeting as given in the papers is, that it is a weak and false policy to bewilder the public mind with general groanings over the fearful condition of commercial affairs. Here, for instance, in the Consolidated Bank, some new departure is urgently needed; some remedy, if any can be found, has to be applied. That is the question on which the individual shareholders might not unprofitably have expended a little of their superfluous eloquence. The uncompromising reticence of the Chairman effectually stopped the current of searching inquiry, and his subsequent professed willingness to concede shareholders' rights in this respect was only visible when the laudable efforts of a few had frittered themselves away in empty wind.

We cannot refrain from contrasting Mr. John Crawford's mild acquiescence in the statement of the Consolidated Bank with the hostile attitude assumed by the same gentleman at a previous bank meeting, where, with far less cause for anger, he attempted to turn the world upside down. They say a man sometimes gets out of bed on the wrong side, and we know that an injudicious repast may produce remarkable mental, as well as physical effects. One or other of these causes may or may not have operated in Mr. Crawford's case, but he has certainly assumed contradictory positions in his attendance on bank meetings.

It appears to rest pretty fully with the Government of the Bank to make such changes in the *personnel* of the Directorate as shall give the shareholders complete confidence that the best which vigilant oversight can do is being done. Already Mr. Renny has resigned his position as Manager—a position which has been rendered difficult by the hardness of the times, and the powers he has had to please. The appointment of Mr. A. Saunders to investigate the affairs of the bank, and to permanently coöperate with the Manager, is eminently satisfactory, for he has just the ability needed to do such work. The result of his investigation should be fairly and fully stated to the shareholders, and it would be better if the President would adopt a less reticent policy in his dealings with the shareholders and the public. The utmost care should be taken to avoid lopping off any agency which has already been and is still paying. We merely mention this, as from the Chairman's statement, it would seem that very sweeping changes in this respect were intended. One thing is certain, the difficulties and complications with which the Consolidated Bank of Canada is surrounded will only increase, instead of diminishing, by the perpetuation of a policy which tends to gloss over the true condition of affairs and avoids straightforward enquiry when made by those who have a right to make it.

BRITISH CONNECTION AND CANADIAN POLICY.

A statement has been made that a visitor to Canada, could he pass from public assemblies to private life and induce our leaders to speak their real sentiments, would find annexation to the United States a foregone conclusion with the great majority. Further, that many, if not most of our public men, find it necessary to have two sets of opinions—one for public and the other for private life—and that already it is being asked: "If the N. P. should fail, what then?" The Editor of the CANADIAN SPECTATOR thus, in substance, reaffirms these statements, and says:—

> "My correspondent [the present writer] has fallen into the error of crediting me with sentiments which I simply quoted as being the opinions of our political leaders when they talk of the future of Canada in the confidence of private life. Whatever those of us who in public and private life are British and loyal to Britain may say to the contrary, annexation *is* a popular and foregone conclusion. I hope the N. P. will succeed, and that the 'what then' will not have to be discussed; but the desperation which drove the electors to vote N. P. *en masse* last September will break out again in another direction, and to try another expedient if that N. P. should fail."

I do not attempt to prove the negative in a question of fact, nor will I hazard the foolish assertion that such utterances as those above indicated have *not* been made in private conversation. The public will, of course, take the Editor's word for the fact; and, so far from disputing it, I will say that I consider it highly probable that just such opinions have been freely enough expressed in private. But a further probability is that these remarks upon annexation as an impending crisis for Canada have come, not from the friends of the National Policy, but from its enemies. We can scarcely conceive any prominent citizen of the Dominion, who, either in or out of Parliament, or in both ways, has for months or years past zealously fought for a National Policy, now suddenly turning round, ere the thing is four months' old, and saying that the consequences are to be—first, its failure, and next, annexation. Even opponents of the measure might fairly be asked to wait until it has had a fair trial ere pronouncing that its first fruit is to be so grave and so deplorable an event as the separation of Britain's greatest colony from the Empire. Much more, surely, should we expect to see promoters of the N. P. standing by what they have helped to create, and promising good instead of evil from its operation. It may be said, however, that there are those who support the N. P. precisely *because* they think it will lead to annexation, which they regard, not as an evil to be dreaded, but a good to be desired. But it is evident that in any case no true friend of National Policy can have given utterance to the opinions in question, which on the face of the matter are to this effect—that annexation will be sought as a remedy for the evils which it is to bring upon the country.

Now I believe, on the contrary, that the National Policy, so far from being a step towards annexation, is a decided step away from it; nay, such a bar to that much-talked-of contingency as will ere long place it visibly, before the eyes of the world, high up among the improbabilities. Let us look back a little over Canadian history for the last half century or so, and inquire what have been the two or three most important events on the record. We should answer: The Rebellion of forty years ago, with the concession of Responsible Government to the Provinces as the result; Confederation; and the National Policy of 1879. The importance of the former two events will not be disputed; and those with whom I am here specially at issue must admit that on their own showing the latter would certainly prove a *great* event, however much to be regretted or the reverse, should it have the result they profess to foresee. Perhaps a little reflection on the purposes served or expected to be served by the first and second of the events named may help us to an understanding of what the drift of the third is likely to be. We may note, then, this characteristic of all these changes—that they were designed to remove dissatisfaction existing because of the want in Canada of something which the people of the United States possessed, and which was considered desirable here. Forty or fifty years ago Canadians saw their Republican neighbours in the full enjoyment of popular parliamentary government and religious equality before the law, with much material prosperity as a consequence, or partly a consequence, and desired to have these blessings for themselves. They held it monstrous that an Englishman, Irishman or Scotchman should by emigration to Canada forfeit those rights which as a British subject he had enjoyed at home; and they demanded Responsible Government for the colony as well as for the mother country. There were those, to be sure, who held that the blessings referred to were not such at all, but the reverse, for Canada, and that self-government for a colony was an attack upon the British constitution. The popular view prevailed, however, not only in Canada but with the Imperial authorities, and Responsible Government was conceded, principally because it was seen that either that or the loss of these colonies was the alternative. This truth came home to the mind of Lord Durham, and through him to the magnates of Downing Street,—that Canadians must see nothing to envy in the condition of