

has been carried on for the past thirty years, to the township of Tudor and even beyond, where lead has been discovered and worked, will pass over the tract of the country in which it is exceedingly probable that lead will be found. This has proved to be a fact by the discovery of lead mines at various intermediate points, as in the Township of Lansdowne, Storrington and Loughborough. The vein of mineral in Loughborough, which is owned by five gentlemen of Kingston who have formed themselves into a company for the purpose of developing it, is in the track of this supposed line. A shaft has been sunk to the depth of forty feet, and an adit along the course of the vein is being driven from the outside so as to enter the shaft at a lower depth. The tunnel has already been driven 150 feet. The ore can be "stoped out"; but to practise this mode of mining the more tedious operations of making shafts and tunnels have first to be carried on. Three gangs of men are employed working eight hours at a time, and the underground work goes on night and day. The vein at this part is a very wide one; usually a vein of lead ore is measured by inches, but this is measured by feet, and is no less than twelve feet wide. It has been found to have this width over a length of eight hundred feet. The vein stone is calc spar, very friable, and separates easily from the galena which it contains. The proportion of galena to spar has been variously estimated at from one-ninth to one-fifth of the bulk. Mining operations proper were begun in December last, and in the course of sinking the shaft and forming the adit, a quantity of ore valued at ten thousand dollars has been got out. It is proposed to smelt the ore at the mine, the supply of wood in the neighbourhood being plentiful and cheap, irrespective of the fuel wood growing on the company's lands, which they will be induced to utilize. A smelting hearth on the plan followed at Rossie is about to be erected, and the pigs of lead will either be carted direct to Kingston, or sent by way of Indian lake and the canal to Kingston harbour. It is thought that very much of the lead can be disposed of in Canada, and the remainder, if any, can be shipped to New York, Buffalo, or Cleveland, or elsewhere in the United States as may be demanded. For washing the ores also, there is every convenience on the property.

**NOVA SCOTIAN COAL.**—We hope to chronicle the arrival, in a few days, of the first fruits of a Montreal enterprise, which now promises great success. Several hundred tons of coal from the Drummond colliery (Intercolonial Coal Company) Pictou County, will shortly be placed on the market for trial. It is believed by its promoters to be the best steam coal produced in Nova Scotia. The property was bought by the present company about two years ago. The company is building a railway about seven miles long, connecting the property with Pictou harbor, and there is little doubt but that the road will be finished by the 1st of August next. The seam of coal which is being worked is of great magnitude, being twenty feet thick; and from its nearness to the surface and inclination of about twenty degrees, coal can be raised without the aid of expensive shafts. A pair of stopes have already been driven more than 500 feet into the coal. The Intercolonial company have great faith in the result, and intend spending \$300,000 in completing their works. All the plant is of the most substantial character, and designed for a large production of coal. With the present proposed equipment, an out-put of 1000 tons per day can readily be attained.—*Montl News.*

**GODERICH SALT.**—On Saturday, the 2nd inst., the Huron Well reached the salt brine, and the pure salt rock was penetrated to the depth of 18 feet. The boring was then stopped at the depth of about 1115 feet. This is now the third successful well, no failure to reach the salt having taken place.

—The Halifax *Mining Gazette* says that "the total amount of smelted gold received at the banking establishment of Messrs. Huse & Lowell, of Halifax, for American and Canadian (but chiefly American) account, during the year ended 31st December, 1867, was 18,136 ounces, equal to six-tenths of the aggregate yield for the whole Province."

Financial.

THE LATE FINANCIAL CRISIS.—(Continued.)

Answers by Mr. King, Manager of the Bank of Montreal, to the enquiries of the Senate Committee.—I was absent from the country during the period between the 1st September and 15th October, but I have reason to believe that trade was moderately prosperous. From the middle of October to the middle of November, those branches of trade depending upon bank advances were considerably depressed. The monetary derangement was a consequence of the suspension of the Commercial Bank, and was felt more severely, owing to the season of the year at which it occurred. This monetary derangement was aggravated by a severe run upon several of the banks in Ontario, and was allayed when the public became assured that the Government and its Fiscal Agents would continue to receive their notes. I am not aware that any of the agents of the Bank of Montreal refused to receive the notes of any of the Ontario banks (except those that had suspended) where they were paying specie, or where they had agencies, with the exception of our Kingston manager, who acted under a misapprehension, and was immediately corrected by telegram from the Head Office. Two or three of the agents of the Bank did decline to receive, except on collection, the notes of the Royal Canadian Bank, at places where that bank had no office. These communications sent to the agents of the Bank of Montreal, and which were understood by some of them to accept the notes of the Royal Canadian only on collection) contained the impressions felt from day to day, relative to the strength or weakness of different banks, the probability of their suspension, the assistance they obtained, and the degrees of confidence to be placed in their good or bad management, &c. I may be permitted to say that these communications had reference to the exercise of a discretion, which this bank possesses in common with the whole community, in discriminating between the risks involved in the acceptance of the promises of one bank as compared with another. I trust, therefore, that the committee will not consider it necessary to press for the production of communications between the bank and its own servants of a private and confidential character, respecting the management of the institution, and which I fear might prove to be prejudicial to other interests.

To the request to state the amount of discounts and deposits of the Bank of Montreal in Ontario on the 15th and 31st Oct., and 15th Nov. last Mr. King replies:—"The information I do not feel at liberty to give unless required in the manner provided by the charter, viz., to the Governor in Council in confidence. I submit, however, a statement showing the increase or decrease of the bank's deposits and discounts in Ontario upon the dates named, which will enable the committee to judge of the effect of the suspension of the Commercial Bank upon this institution, for which purpose it is presumed the information is desired.

	Discounts.	Deposits.
15th Oct., 1867, increase...	\$312,015	\$133,501
31st " " " " " " " "	373,487	482,323
15th Nov., " " " " " " " "	14,371	158,496

The amount of specie held by the Bank of Montreal on the 1st of January and 1st July in each of the last five years, and the proportion these bore to the circulation and deposits of the bank at the same periods were—

	Specie and Provincial Notes.	Deposits and Circulation.
30th June, 1863.....	\$1,831,051	\$ 8,600,222
31st Dec., " " " " " " " "	2,042,781	9,556,991
30th June, 1864.....	1,613,038	11,557,600
31st Dec., " " " " " " " "	2,025,643	11,300,978
30th June, 1865.....	2,410,020	12,480,127
31st Dec., " " " " " " " "	2,275,529	15,256,674
30th June, 1866.....	2,051,385	13,596,645
31st Dec., " " " " " " " "	2,403,330	11,068,778
30th June, 1867.....	1,568,389	10,068,529
31st Dec., " " " " " " " "	2,385,848	12,588,556
	\$20,303,614	\$117,344,160

Average.....\$2,036,361 \$11,734,416  
The above will be more complete by adding

another item of available assets, viz., balances due by other banks (after deducting balances due to other banks), the average amount of which was \$1,304,882; this, added to the average amount of specie and Provincial notes, will make the statement stand as follows:—Average amount of specie, Provincial notes and balances due by other banks, \$3,341,243; average amount of deposits and circulation, \$11,734,416 — or equal to an average reserve of 28½ per cent. upon the immediate liabilities during the five years named. The settlement generally between the banks at branches and agencies is by draft upon their Montreal office or their head office, where the ultimate settlement is made in gold or legal tenders. The effect of the Provincial Note Act, so far, upon the banking circulation of the country has been little more than to replace the notes of the Bank of Montreal with those of the Government. The effect upon the general interests of the country has been to transfer from the Bank of Montreal to the general public a portion of the floating indebtedness of the Government. I think it is quite beyond the reach of legislation to prevent the recurrence of monetary derangements caused by imprudent management, or excessive competition in banking. The Legislature may mitigate the effects of such monetary derangement by an improvement in the banking system, and by providing greater security for the note issue permitted in the country.

By Mr. Hayne, of the Toronto Bank.—The condition of trade in Ontario at the time named was sound and satisfactory on the whole, though some depression existed in the lumber and timber trades, in consequence of over-production. Money was very plentiful. The crop of 1867 was being rapidly moved to market. Little or no speculation prevailed in any branch of business. Credits for some time back had been carefully guarded, and there was every appearance of continued prosperity. This was the condition of business up to the 23rd October. For about ten days succeeding that date, business in certain districts was almost paralyzed. Produce fell considerably in value, and, for a time, money could not be obtained to buy it on any terms. After it became apparent that no further monetary disturbance was probable, there was a gradual recovery of confidence. The failure of the Commercial Bank was the proximate cause of the disturbance. Following upon this was the run upon several of the banks of Ontario, which commenced on Thursday, the 24th Oct., increased on Friday, the 25th, and was continued on Saturday, the 26th, with decided symptoms of abatement, so far as the public was concerned, on the afternoon of that day. On the same afternoon reports became prevalent of the discrediting of the bills of one bank at the counter of the fiscal agent of the Province, and at several custom-houses and post-offices. This revived and intensified the apprehensions which were felt, and the uneasiness increased until the announcement was made that the Government would receive the bills of all chartered banks, except the Commercial and Upper Canada. On this becoming known, the alarm rapidly subsided. The effect on the policy of the banks, having their head offices in Ontario, up to the present time, can best be ascertained from their statements, as published in the *Canada Gazette*. Taking the returns of the Gore Bank, the Ontario, the Bank of Toronto, the Royal Canadian, the Bank of Commerce, and the Niagara District, for the month of the disturbance, for the month preceding, and for two months succeeding, we find the following results in the leading items of their operations:

	Circulation	Deposits	Discounts	Special and Provincial Notes.
1867.				
30th Sept	\$3,482,000	\$6,492,600	\$12,659,000	\$2,192,000
31st Oct.	3,200,000	6,533,000	13,534,000	2,394,000
30th Nov.	4,591,000	6,590,000	12,861,000	2,720,000
31st Dec.	4,375,000	6,780,000	12,342,000	3,238,000

Of the first item, circulation, the redemption amounted in November to \$720,000. This is probably \$300,000 in excess of what would have taken place had there been no monetary disturbance. Deposits, taking the six banks as a whole, remained unaffected.

(To be continued.)