

and respectability there can be no object for concealment. The names of a President and Cashier whom nobody knows, is not sufficiently explicit to admit its well executed Bank Notes into the respectable company of our "well known and highly esteemed" currency. When and where were its meetings held? Who are its Directors, and where do they reside? Have the terms of the Charter been complied with in respect to their nationality and place of residence? These are matters which we are entitled to know, and of which we are anxious to be informed."

When our article appeared, the managers of the Colonial pointed out to us that their charter contained no clause in reference to the nationality of the directors, and on examining the charters both of the Colonial and International Banks, we found that this important safeguard had not been provided. The original charter of the Colonial Bank, however, contained a clause providing for the investment of ten thousand pounds in Government Securities, before the Bank could commence business; but this important proviso was repealed by the amendment obtained in 1857, and a tenth part of the paid up capital (or \$10,000) was all that was required to be invested in such securities to enable the Bank to go into operation. The death of the late Mr. John Major, who was one of the principal parties originally connected with the Colonial Bank, and the inability of others interested to raise the necessary amount of capital, induced them to dispose of their interest in the charter to the present stockholders, for an amount variously stated, at from six to eight thousand dollars, or rather more than had been spent in securing the charter and engraving the plates. The original stockholders were thus enabled to retire from their position without pecuniary loss. Whether the present stockholders will be equally fortunate remains to be seen.

The International Bank was chartered in 1857, avowedly for the purpose of establishing a bank in the Town of Cayuga, in the County of Haldimand, but evidently with the intention of obtaining by subsequent amendments, the removal of the head office to Toronto, and thus giving the institution the position of a Canadian *City Bank*. As such it would not have been chartered without a larger amount of paid-up capital. The original charter of the International provided for the investment of ten thousand pounds in government securities only on condition of its paid up capital being one hundred thousand pounds, while it was allowed to commence business on a capital of twenty five thousand pounds, but this absurd proviso was repealed by the amendment of 1858, and ten per cent of its paid-up capital required to be invested unconditionally in such securities. With these facts before us, the suspension of these two institutions which took place on the 27th of October need not be matter of surprise, and while it is to be hoped for the sake of the unfortunate bill-holders and depositors, that they will resume business, it is also to be hoped that their future operations will be kept in check and that buying and selling bank charters will not hereafter be encouraged by the Canadian Legislature.

As the failure of a bank is a rare incident in Canadian history, we transfer to our pages for future reference, the following graphic account of the circumstances connected with the recent suspensions, which appeared in the *Toronto Globe*:—