

BANK DIRECTORS' LIABILITIES.

11.

The object and tendency of this kind of legislation is to separate the Banking and mercantile interests and exclude traders and manufacturers from bank executives altogether. The *Monetary Times*, in commenting on the suspension of the Bank of California, in its issue of September 13, says, "It is questionable, even, if a Bank President ought to have any business responsibilities." Where will we find men of ability without "business responsibilities."

Certainly not in this country. Even in England the like is not attempted. Mr. Bagehot, in his work on Lombard Street, in describing the Bank of England says, "The mass of the Bank directors are merchants of experience, employing a considerable capital in trades in which they have been brought up, and with which they are well acquainted." * * * Most of them have a good deal of leisure. * * * Hardly any capital is enough to employ the principal partners time, and if such a man is very busy it is a sign of something wrong. Either he is working at detail, which subordinates would do better, and which he had better leave alone, or he is engaged in too many speculations, incurring more liabilities than his capital will bear, and so may be ruined. In consequence, every commenced city abounds in men who have great business ability and experience, who are not fully occupied, who wish to be occupied and who are very glad to become directors of public companies in order to be occupied. The Direction of the Bank of England has, for many generations, been of such men." Leisure is the only plea for such a rule, but as Mr. Bagehot shows a merchant may have a good deal of leisure, without, in the least, neglecting his own affairs.

Exemption from "business responsibilities" will become fashionable if it is ever made a necessary qualification of Bank presidents. It is certain, however, that *The Monetary Times* has stated the opinion of a large class of persons having no direct interest in banks.

I have heard it objected to merchants being Bank presidents on account of the information which they may thus acquire concerning the affairs of other merchants. Granting this to be possible, yet if a merchant is, of all the shareholder in the bank, the fittest person, for president, the interest of the bank, should in such cases, be the main consideration. This, not any outside interest, is the question under consideration. The interest which a president naturally feels in the success of his bank will incline him to treat his competitors with consideration on account of their custom. This is all that can be conceded on their behalf without trenching on interests of equal consequence. The Bank of California affords no illustration of banking in this country. There is nothing like it in Canada. No director or president has or can acquire so great control over a bank here as Ralston had in that case. He appeared to be president, manager, cashier and everything himself. There was a lack of supervision. Ralston had considerable ability but there was too much left to him, he undertook too much without council or help and failed in consequence. It wasn't his liabilities that caused the failure. It is thought his estate will pay all his debts.

Ralston was at one time as successful in speculation as Mr. King. But speculation is a class of business in which fortune is liable to forsake the best intellect. During Mr. King's management some were predicting the fate of the Bank of California for the Bank of Montreal. But Mr. King with all his ability couldn't do as Ralston did. There are different ideas on banking in the two places. This is way a comparison between the Bank of California and Canadian banks does not hold good. Nevertheless, Canada felt some degree of pride in Mr. King. His great ability was willingly conceded by all. In the public estimation brilliancy often bears off the palm from more solid attainments. So, large dividends were welcomed while the mode of attaining them was heartily condemned; just as men admire the soldierly qualities of Lee and Jackson while abhorring the principle and object for which they contended.

Nearly all the great banks everywhere are managed by merchants, but exclude them, on account of business responsibilities and the benefit of their great knowledge and experience will be lost to the banks and the public. As a rule, the manager, cashier, and clerks or a bank need training, though win in these capacities there are some who succeed without it. Genius will, but as few men are largely gifted with this, training as a rule, is necessary.

Good common sense enable a man to dispense with many technicalities. Men sometimes succeed in business without much training while the others fail after the most thorough instruction. Training will not compensate for intellect. Intellect enables a man to take many short cuts in the course of life. It is great for outflanking obstacles. It becomes trained very soon. I would lay it down as a safe rule that a successful merchant will seldom fail to make a good bank director, or president, the elements of success being so much alike in both cases. They do business in pretty much the same way, and on pretty much the same kind of security.

But it isn't at all certain that a good manager of a Loan and Building Society will make a good director or president: the basis of credit in each case being totally different from the other. Each requires a different kind of judgment. Judgment regarding title deeds and mortgages, is of little use to a merchant, in his business, not being the class of security on which he usually

gives credit. On the other hand, judgment regarding character, standing on business prospects is of little use to the manager of a Trust company, in his business, being obliged to obtain absolute security irrespective of these considerations. A merchant's bills are so numerous and for so short dates, that the taking of a mortgage on each occasion, would be far too expensive and troublesome; while a Trust company's loans are for so long dates that any other class of security is utterly inadequate. The practical merchant is a ready trained banker. No amount of special training can make any other person excel him. Commerce is the parent of finance and banking. No other industry in the world could have given rise, to our present monetary system, of cheques, drafts, bills of exchange, coin and paper currency.

Being on a bank executive is an object of ambition to merchants of the best administrative abilities; but if unwise legislation makes the position disagreeable or disadvantageous it will cease to be an object of this kind, and ceasing to be so the management of banks will become less efficient, and the public worse served in the end. The blow will recoil on those who strike.

To find good officials, offices must be objects of ambition to those best qualified to fill them. This gives the widest scope for competition for the office of a hangman as a judge. Annexing disagreeable conditions to an office does not increase its efficiency. If every judge was obliged also to officiate as hangman it would not add to the usefulness of our courts of law. Exalting a hangman is no benefit while lowering the judiciary is an evil. The information called "Directors' Liabilities" is no benefit but it causes any fit person to decline the office it is an evil.

Legislation may obstruct justice. For example, a judge, if obliged to act as hangman would be tempted to acquit criminals to escape the disagreeable duty.

I come now to the aspect in which the question concerns the public. It is well for the public to have men in bank executives who are themselves borrowers. They are a sort of safety valves; there being no doubt that in their capacity as borrowers they lower the rate of interest to the public. They act as thermometers showing the rate which legitimate trade can afford to pay. Interest would be higher if banks were managed entirely by capitalists living only on the interest of their money. Traders on bank executives are interested in low rates both on their own behalf and on behalf of their customers; knowing that excessive rates undermine commercial property. The question of fair rates comes home to them much more forcibly than to capitalists. They are interested in fair rates capitalists only in high rates. If a director ever gets a note discounted for himself, at less than the regular rate it tends to lower the rate for somebody else. Were there no one in a bank executive needing money there would be no one to produce this tendency to lower interest. Such men are interested in low rates as well as large dividends.

Merchants have motives for becoming bankers not generally understood by the public. Probably, most persons believe it is to obtain a freer use of money. This is true only in a limited sense. For those who need no money it requires a different explanation. It is this. They want to make two profits instead of one. They wish to add the profits of bankers to those of merchants. It is their wish that the very interest paid a bank for borrowed money may return again to them in the form of half-yearly dividends.

Commerce is the parent of banking, and new banks are constantly springing from it as sprouts and branches grow out of a tree.

It may be that directors themselves did not object to this part of the Act when it was before Parliament. Even so, this would not make it right or wrong. They were not the proper persons to do so. Being interested, their objections would have little weight. Besides, there are probably very few bank directors in Parliament, and the Government is in the habit of rushing measures through before the public has had much intimation of them.

W. DEWART.

THE BURIAL OF GUIBORD.

On Tuesday, 16th inst. Joseph Guibord was buried, and the Royal Mandate fully carried out, without the slightest attempt at disturbance. We present in this week's issue a number of sketches illustrative of the memorable event. Early in the morning, the militia entered at the drill shed, and each man was served with twenty rounds of ball cartridge. They were then inspected on the Champ de Mars. There were present the Battery of four guns, commanded by Colonel Allan A. Stevenson; Montreal No. 1 Troop of Cavalry, Lieut. McArthur commanding; the Montreal Garrison Artillery, under command of Lieut.-Col. McKay, Major Fraser, Captains Hamilton, Hill, Gordon, Adjutant Currie, &c.; the Company of Engineers, under command of Captain Devine and Lieut. Barrie; the Prince of Wales Battalion, under command of Lieut.-Colonel Bond, Major Bond etc.; the 6th Highlanders—four companies—under command of Lieut.-Col. Martin, Major Gardiner, Major Watson, Capt. Dupont, Seath and Atkinson; and the Victorias—six companies—under command of Lieut.-Colonel Bethune, Major Handyside, Captain Crawford, &c. The muster comprised 950 men, who merit the fullest compliment for their soldierly appearance. In this order the

troops under the command of Lieut.-Colonel Fletcher, Deputy Adjutant General, Lieut.-Col. Bacon acting as Brigade Major, and Lieut.-Col. Lovelace, Cavalry Drill Instructor, left the Champ de Mars, followed by several carriages, and took the route leading to the Mount Royal Cemetery. St. Lawrence street was lined with citizens, who either leisurely inspected the volunteers or followed them as far as Mile End, numbers rapidly thinning as the distance from the city grew greater. The windows of houses facing the street were filled by women and children. Nothing passed worthy of the slightest comment, however, until the troops reached Prendergast's hotel, where they halted and were gratified with luncheon. The hearse, escorted in front, on the sides and in rear by the armed police, under command of Chief Penton, proceeded onward to the cemetery, and here the duties of the military escort terminated, as their services were no longer required. The gates of the cemetery were open as usual and the cortege passed through, wound up the hill, on which stands the monument erected to the French-Canadians who fell in the skirmishes in 1837, and without the slightest interruption wended its to the grave.

It was noticed that near by were placed several barrels of Portland cement: the lower portion of the grave was already covered with this material, and a large box was filled with the mixture, ready for instant use. The policemen formed around in a circle, into which few persons were admitted; these few included the police, the press, also Mr. Boisseau, Secretary of the *Institut Canadien*, who was the only well-known member of this body present. The coffin being lowered, several English-speaking laborers, who had been waiting, shovel in hand, began filling the grave with cement, stones, and scraps of iron and tin: with an occasional opening of a fresh barrel of cement to furnish new material. The work continued until the grave was filled within a few inches of the surface of the ground; earth formed the final layer, and the last shovelful being thrown, the interment of Guibord, in accordance with the terms of the decree of the Privy Council in the consecrated portion of the Cemetery was accomplished. Rev. Mr. Rousselot, curé of Notre-Dame, came upon the scene to be a witness of the fact that the coffin was placed in the grave, in order that the proper registry might be made, as exigency requires. He asked of Mr. Boisseau if he had identified the coffin containing the remains of Joseph Guibord; a reply being given in the affirmative, he asked if the grave had been dug to a depth of four feet, as the rule of the Fabrique requires; a similar reply was made, and the curé turned away. The grave filled, the police returned to the city, arriving at the Central Station early in the afternoon. The volunteers left the Champ de Mars at 9.45; the cortege arrived at the Cemetery at 11.30 o'clock, and the grave was filled at 12.30 o'clock.

His Worship the Mayor, who had the exclusive supervision of the entire proceedings, managed matters in their every detail in a most admirable manner; he rode to the Champ de Mars at 9 o'clock, and going from thence to the Cemetery in company with Judge Coursol, both on horseback, superintended the removal of the remains; they preceded the cortege to the Côte des Neiges Cemetery, and finding that there was no likelihood whatever of being obliged to have recourse to the active protection of the volunteers, they rode back, and His Worship directed the halt; a short time subsequently the volunteers marched home to the city, passing by the gates of the Cemetery.

Mayor Hingston approached Mr. Edwards, the Mayor of Outremont, through Mr. D. L. McDougall, and Mr. Lecompte, Mayor of Côte des Neiges municipality, through Mr. Marchal, obtaining the delegation of their authority in their respective districts, and thus giving him full power to act as he might deem proper. The details were arranged with such nicety that the hearse left the Mount Royal Cemetery at the moment the volunteers arrived at Mile End. Shortly after noon he received the following note from Mr. Boisseau:

CÔTE DES NEIGES CEMETERY,

Half-past twelve.

To His Worship the Mayor:

Thankful to your Worship for the protection so far granted for the burial of Guibord, I would now ask you to extend it further by ordering a squad of police to remain on the spot all night if possible, or otherwise it is most certain that the body will be snatched. The *Institut Canadien* will cheerfully stand all expenses.

Yours most respectfully,

A. BOISSEAU,

Superintendent of the *Institut Canadien*.

His Worship at once granted the request; and Sergeant Burke with five policemen was detailed to perform this duty. It may also be mentioned that the cemetery authorities previously intimated to His Worship that such a guard would be advisable. As to the opinion given by Messrs. Ritchie, Kerr, Roy and Devlin to the Mayor, with regard to the line of conduct he should pursue under the delicate circumstances by which he was surrounded, it may simply be stated that they held he had no jurisdiction, as Mayor, beyond the city limits. On receiving this formal information, he opened communication with the Mayors of the municipalities of Outremont and Côte des Neiges, with the result to which reference has been made. Judge Coursol on Monday signed the order calling out the volunteers.

JOSEPH GUIBORD was a printer of long standing in Montreal. He was a man of irreproachable morals, of the steadiest habits, of rigid honesty, and altogether a model workman. His only fault in ecclesiastical eyes was that he belonged to the *Institut Canadien*. This institution was in his day, and is still, under the ban of the Church, and those who die in its membership are liable to be refused sepulture in consecrated earth. Guibord was aware of this penalty, and it affected his spirit at times, but having been suddenly cut off by apoplexy, he had no opportunity, even if so disposed, to make the necessary retraction. What happened is well known.

Reverend Mr. Rousselot is Curé or Rector of the Church of Notre-Dame, Montreal, and in that capacity is the official custodian of the Côte des Neiges Cemetery. He represented the Bishop throughout all the phases of this lamentable controversy. He may be regarded as the defendant in the trial of the *Institut Canadien* against the *Fabrique* of Notre-Dame. Mr. Rousselot is a Frenchman by birth.

MR. JOSEPH DOUTRE, Q. C., has been a notable champion of advanced Liberalism in Lower Canada for many years. He is a lawyer of standing and good practice in this city. He espoused the cause of Guibord from the beginning, pleaded it in the three trials which have taken place, and won it before Privy Council. He deserves the highest credit for the energy and perseverance with which he labored that the Decree of the Privy Council should be fully carried, according to its spirit and letter.

THE GLEANER.

THE Great Eastern is being refurnished at an expense of \$100,000 for centennial trips.

VICTOR EMMANUEL set Tokay wine 115 years old before his royal guest, the Emperor William.

It is said there are more lies told in the sentence, "I am glad to see you," than in any other six words in the English language.

AN historic flag, the one borne by the Confederate steamer Shenandoah during the war, is now on exhibition in Richmond.

VICTOR EMMANUEL is opposed to wearing flannel shirts. He says no sturdy huntsman like himself has anything to fear from rheumatism.

"CARRYING coals to Newcastle" was once considered a most astounding performance; but carrying prints to Manchester is now a paying business for American manufacturers, and British importers acknowledge the goods to be of better quality and appearance than their own.

THE English explorations of Palestine are going on satisfactorily. Surveyors are triangulating the country at large expense, and the "Palestine Fund" publishes a quarterly statement containing papers of great interest to Biblical students. The last volume has a valuable paper on the scene of David's duel with Goliath.

THE great astronomer of Paris, Leverrier, who discovered the planet Neptune, which could eat this little earth of ours and not suffer from indigestion in consequence, has made a prediction which is noteworthy. It is that the winter of 1875-76 will be uncommonly severe. Enormous quantities of snow are to fall in December and January.

Be careful how you manipulate autumn leaves for preservation. A lady in Worcester, Mass., pressed a number of leaves of the silver maple species with a hot iron, and shortly afterward her hands and wrists broke out with an eruption of scalding humor, somewhat similar to acute erysipelas. She is likely to be laid up for some time, if no worse results ensue.

THE Russian Ministry of Justice has given instructions to its sub-departments that henceforth corporal punishment shall be discontinued in its application of females sentenced to deportation. Hitherto women have been punished the same as men with knouts and rods. Henceforth ten days of isolated confinement are to count as the equivalent of a lash with the knout, and two days, a lash with the rod.

CASTS of spirit hands are the latest novelty in Spiritualism. A dish of melted wax is put under a table, and contained in from view. The medium and others sit with their hands on the table. After awhile the curtains are removed and a mould of wax is found, as though a hand had been pressed into the soft wax. Plaster is then poured into the mould, thus making a cast. Believers expect that spirit faces may thus be modelled.

AN artist fond of subjects for still-life pictures could find all he wanted in the case of William Sharpe, who, according to the *Dorchester Gazette* went to bed in 1807, and never got up till he died there in 1856—a still life of forty-nine years passed in a chamber nine feet square, the window of which had not been raised for thirty-eight years. When he was 30 he went one fine morning to church to be married, but his affianced came not, her father having an invincible repugnance to Mr. William Sharpe as a son-in-law. The mortified bridegroom went home, undressed, got into bed, pulled the blankets over his head, and for forty-nine years obstinately refused to get up and clothe himself, or to do any work, passing the time uninterruptedly in bed. He was never seriously ill during this time. His body was perfectly sound in spite of its great age and great abuse, and he was only sick one week before his death.