

vinces, and said that when the short line was completed, this trade might be developed, and the people of St. John would do all they could to facilitate it. Mr. Skinner, another delegate, said that "all they asked was that if St. John could do business as cheaply as the ports of the United States, they should have the preference;" a very reasonable condition, and the only one on which the business can be done. It was stated that the Forwarding and Trade Promoting company of St. John had for its object to open up trade relations with the West Indies and the Argentine Republic; in which enterprise the delegates desired the assistance of Montreal. Mr. Drummond, for the Council of the Montreal Board of Trade, said the only condition on which Montreal could be expected to sanction the subsidizing of such a line would be that Montreal should be made their summer port, a condition which the delegates were willing to accept. Persons interested in steam connection between Halifax and the West Indies point out one important fact, namely, that, in one large item of traffic, fish, Halifax supplies several times as many tons as St. John, for shipment to the West Indies. A question for the manufacturers and shippers of the upper provinces, who are expected to send goods to the Antilles, will be: which line can offer the best terms, one leaving St. John or one leaving Halifax. One of the N. B. delegates said he had reason to expect government aid in establishing direct communication between St. John and Europe. We understand that a syndicate in Halifax, represented by Mr. Jos. Wood, has already arranged with the Post Office Department, to carry the Cuban mail from December, 1887, to May, 1888, by steamer from Halifax. Such a steamer will probably be placed on passage to Bermuda and Cuba in a few weeks. In such case, of course, through rates to the West Indies will be given to Ontario shippers.

#### SUSPENSION OF THE CENTRAL BANK.

On Wednesday afternoon, the Central Bank of Canada suspended payment. For some days there had been whispers that trouble was brewing; but to the general public the suspension was wholly unexpected. The bank had a small capital—\$500,000—with deposits four times that amount, and it had six branches in Ontario outside Toronto. A new bank with a small capital labors under several difficulties. Large accounts, even if it could get them, it cannot safely take; and it is lucky if it has not to put up with an inferior class of customers. The Central was not specially unlucky, in this particular; rather the reverse. But the directors were evidently anxious to go on faster than their small capital would warrant, and they took at least two accounts which were out of proportion to the means of the bank. It advanced \$100,000 to the Niagara Central Railway Company, and a large amount to the Ontario Lumber Company. Of these accounts, the first is said, to have been taken over, on Wednesday of this week, by private parties; and the second is said to be well secured.

Whatever may be the fate of the lumber account, it is scarcely possible that the losses of the bank, which has been in existence only three years last March, have been very serious. But, in one form and another, there is too much capital locked up. The shareholders will lose, but how much it is at present impossible to say; depositors and bill-holders will be put to inconvenience, but it is not probable that either class of creditors will suffer. The bill holders need give themselves no further concern than that which arises from the inconvenience of deferred payment; their claim is a first charge on the assets, which include the double liability of the shareholders. The depositors have not the same security; they rank with the general creditors of the bank, after bill holders. But the impression of good judges is that the depositors will suffer no ultimate loss.

Of course, in such cases, there is always an element of uncertainty. Much depends upon the solvency of a bank's customers, and the rate at which collections can be made. The usual practice, on the stoppage of a bank, is for the officials to put forward the most hopeful statements, and sometimes they are not made in the most perfect good faith. On the present occasion there are no grounds to suspect gross exaggeration or bad faith.

It is clear that the authorities of the bank were too sanguine. They did not look far enough ahead, and were imprudent in doing more business than their means warranted. And when they got into deep water they showed a lack of resource in extricating themselves. If timely application had been made to other banks, assistance would have been forthcoming. But the directors tried to keep the bank afloat without such assistance, and as the means resorted to showed that a last move was being made, the credit of the bank suffered. When application was finally made to the other banks for aid, it was too late: there was not time to ascertain fully the condition of the embarrassed bank, and the catastrophe was at hand, hastened by a knowledge of the attempts made to sustain the bank without an appeal to the quarter where alone it could have been successful.

A question has incidentally arisen out of this suspension. An extra amount of Central Bank notes was deposited in other banks, on the day of the suspension. Some of these were only accepted at the express risk of depositors; others, early in the day, were accepted in the ordinary way, and credit for them given. Can the reception of these notes be cancelled, and the notes be returned to the depositors? Bills of suspending banks must often have been taken before, under like circumstances. What has been the practice regarding them? Has it been usual to return them? If not, are they returnable? This last question has arisen out of Tuesday's suspension.

The new mill at Holland, bonussed by the municipality, will, says a letter to the *Free Press*, "be a great boon in this part of the country, and will be the only grist mill on the Manitoba Southwestern R. R."

#### BANKING RETURN.

The figures of the Canadian bank statement for October last will be found in condensed form below, and are compared with those of the previous month. The statement bears date, Ottawa, 15th November.

##### CANADIAN BANK STATEMENT.

LIABILITIES.		Oct., 1887.	Sept., 1887.
Capital authorized..	\$	77,079,999	\$77,079,999
Capital paid up....		60,845,789	60,843,276
Reserve Funds....		17,678,814	17,728,814
Notes in Circulation		37,012,343	33,765,610
Dominion and Provincial Government deposits....		5,406,814	6,611,048
Deposits held to secure Government contracts & for Insurance Companies.....		525,744	490,292
Public deposits on demand.....		51,800,311	50,701,237
Public deposits after notice.....		57,061,918	57,152,103
Bank loans or deposits from other banks secured...		.....	.....
Bank loans or deposits from other banks unsecured.		1,833,319	1,324,230
Due other banks in Canada .....		1,100,912	634,127
Due other banks in Foreign Countries		79,381	126,100
Due other banks in Great Britain...		2,128,930	1,829,916
Other liabilities....		261,102	131,266
Total liabilities..		\$157,210,744	\$152,765,840
ASSETS.			
Specie .....	\$	5,533,350	\$ 5,497,433
Dominion notes....		8,724,720	8,966,860
Notes and cheques of other banks..		7,611,472	5,675,385
Due from other banks in Canada.		3,798,799	3,244,633
Due from other banks in foreign countries .....		11,805,676	11,790,952
Due from other banks in Great Britain.....		3,287,227	4,084,309
Immediately available assets.....	\$	40,761,244	\$39,259,572
Dominion Government debentures or stock.....		2,683,449	2,996,650
Public securities other than Canadian.....		3,808,571	3,824,548
Loans to Dominion & Prov. Gov....		2,863,689	2,544,176
Loans on stocks, bonds or debentures...		11,106,647	11,581,395
Loans to municipal corporations ....		3,739,355	3,592,966
Loans to other corporations .....		16,806,918	15,613,024
Loans to or deposits made in other banks secured....		277,897	258,805
Loans to or deposits made in other banks unsecured..		799,432	460,134
Discounts current..		142,912,504	140,877,002
Overdue paper unsecured .....		1,310,624	1,312,116
Other overdue debts unsecured.....		50,772	49,814
Notes and debts overdue secured...		1,708,506	1,782,502
Real estate.....		1,259,228	1,234,854
Mortgages on real estate sold .....		772,396	783,937
Bank premises....		3,611,846	3,604,877
Other assets.....		3,700,560	3,576,641
Total assets.....		\$238,173,637	\$233,352,748
Average amount of specie held during the month .....		5,466,576	5,620,853
Av. Dom. notes do..		8,732,461	9,090,856
Loans to Directors or their firms....		8,579,844	8,355,435