

PROSPECTUS OF THE **BANK OF THE COUNTY OF ELGIN.**

The want of Banking Capital throughout Canada is a fact universally admitted, and is felt more particularly in the County of Elgin, where there is only one Bank Agency, (that of the Bank of Montreal) quite insufficient to meet the wants of the community. In order to supply this deficiency it has been determined to form a Joint Stock Association under the Free Banking Law, 13 & 14, Vic. cap 21, to be called the Bank of the County of Elgin, with a capital of not less than £50,000 to be divided into 2000 shares of £25 each.

Before commencing business the Shareholders will have to pay £25,000 for Debentures to be deposited with the Government to form the Safety Fund. This appears to be a large sum to raise at once, but when the wealth of the County is considered, and the number of Shareholders who may be associated, the practicability of establishing such a Bank cannot be doubted. The assessed value of the property of this County in round numbers is £1,500,000, and the real value cannot be short of £2,000,000. From such an amount as this, there ought to be no difficulty about raising the required Capital.

The facilities which Banking Capital affords to trade and commerce are essential to the welfare and prosperity of every civilized Country. Banking Capital is almost universally created by the formation of Joint Stock Banks, chartered or otherwise, and the great advantage of such institutions is, that they promote and support an extensive system of credit for the purposes of trade and commerce, on the basis of real property. In England, with rare exceptions, the operations of Joint Stock Banks have been eminently successful; and in the United States, although from want of proper safeguards the public have suffered losses from time to time, such Institutions cannot be dispensed with—money is power, and if that power is vested in few hands such as the chartered Bank of Canada, we cannot avoid the inconveniences which great monopolies invariably create, and the difficulties which arise from overtrading and those gigantic speculations on insufficient capital, frequently occurring in those cities where our Chartered Banks are established.

By the Free Banking Law the public is amply protected against loss, while the Stockholders of the Bank cannot fail to obtain a handsome profit with safety for their investments, if they pay the least regard to their own interests. Under ordinary management the profit to Shareholders cannot well be less than 9 per cent. per annum; the Debentures yielding 6 per cent. and the circulation and other transactions of the Bank calculated at 3 per cent. clear of expenses, while with the exercise of proper exertions and prudence, after one or two years, as the Institution grows in public confidence, it would be fair to estimate the profit at 10 to 12 per cent.

In addition to the interest which Shareholders may reckon upon receiving for their money, will be the advantage of having the whole profits of the Institution divided and spent among themselves, instead of their being drawn off to enrich distant proprietors, and those who require loans, or other Banking facilities will obtain them more readily than at present.

In order to enlist the co-operation of all parts of the County and to identify the interests of the Bank with the interests of the inhabitants generally, it is proposed to open Books for subscriptions for Shares at all the principal places in the County. It is also proposed to have a subscribed Capital sufficiently large to avoid the necessity of calling in the instalments faster than may suit the convenience of Shareholders generally. Thus if the Subscribed Capital be £50,000 one half of the Stock or Shares would have to be paid up within twelve months, but should the Capital be extended to £100,000 one-fourth only need be called in within the same period. This amount of Capital would be by no means excessive for so rich and productive a County, daily growing in wealth and population.

Until the instrument of co-partnership can be drawn and duly executed by the subscribers for Stock it may be necessary to elect a Provisional Board of Directors