

THE LESSONS OF A FUNK.

"A sound economy is a sound understanding brought into action. It is calculation realized. It is the doctrine of proportion reduced to practice. It is foreseeing contingencies and providing against them. It is expecting contingencies and being prepared for them."

The suspension of two banks has spread distress and consternation among a class of depositors deserving of all the sympathy and help their fellow-citizens can give. Those who have bestowed any attention on the state of the labouring poor have seldom known an instance of one who had saved money coming to the parish for assistance. A large employer of labour in England, in writing of workmen whose habits of thoughtfulness and frugality enable them to make provision for the proverbial rainy days, once said: "those individuals who save money are better workmen; if they do not the work better, they behave better and are more respectable; and I would sooner have in my trade a hundred men who save money than two hundred who would spend every shilling they get. In proportion as individuals save a little money, their morals are much better; they husband that little, and there is a superior tone given to their morals, and they behave better for knowing that they have a little stake in society."

To such a class belong the depositors of the recently suspended Ville Marie Bank, and every holder of a so-called savings department book of the institution that sought the custody of the accumulation of his provident habits has a far stronger claim upon our sympathy than those who have imperiled his savings by failure to exercise that sober, cautious and rigid economy, that unceasing care and watchfulness of the funds confided to them, which, as a rule, marks the conduct of our bank managers and directors. It is hardly possible seriously to consider the collapse of this bank, during a period of great prosperity, without perceiving something peculiar and rather portentous and gloomy in the outlook for its depositors. The condition of the suspended bank's affairs as revealed by the reasons assigned for suspending payment seems clearly to indicate that the wise, steady and conservative policy which ought always to distinguish the management of banks chartered by the Government of Canada to receive the deposits of provident labourers has not been adhered to by the suspended institution.

We may be told it is easy to point out the disorder, but where are the means of cure? This is certainly an inquiry which calls for no ordinary degree of penetrative thought and skill. Without going into it, every one must admit that to maintain the confidence of our people in the many sound and well-managed banks of the Dominion now suffering from temporary derangement of their business, owing to what De Quincey calls "*the horrid panic or funk*," a

senseless but natural scare, the Government ought to unite with the managers of these banks in devising some means of more speedily terminating the career of any institution the existence of which is a menace to hard-earned savings, and also calculated to lead to rash and ruinous uncausiness and unnecessary fear gaining an alarming ascendancy in the minds of those having deposits in the many sound chartered banks of the Dominion. The men who framed our excellent Bank Act are best fitted to grapple with this important question. But the poor depositors at Point St. Charles and elsewhere assuredly may not be blamed if they question the sufficiency of a demand by the Department of Finance for special returns from such institutions as exhibit weakness. It becomes a matter of the most serious nature if the excellent banking system of Canada affords no protection for the savings of the thrifty and deserving labouring man, and the sooner the Government and the leading bank managers come to the rescue the better it will be for all concerned. We should be sorry to see any unwise suggestions acted upon, but we think something is due in the way of action from the Government in regard to recent revelations. We do not know if, in past years, when a certain bank failure occupied public attention, and spread distress and gloom among the class whose cause we plead, the Government was placed in possession of the necessary evidence to proceed against those who maintained by statements rendered monthly to the country the solvency of an utterly rotten and bankrupt institution. But we do know that, if the ministers should ever condone criminal mismanagement and fraudulent misrepresentation in connection with any of the banks holding Government charters, they would be making robbery of the poor a science, and converting the present system of supervision of the banks into a farce.

We know that so-called Government inspection of our financial institutions would be cumbersome, expensive and absolutely useless. But a minute examination of the present monthly returns of the banks is possible, and also absolutely necessary, and the common sense of the banking fraternity, jealous as they are of their honour and reputation, can surely be relied upon to assist the Government in removing these occasional blots on the splendid banking system of the Dominion of Canada.

NEW SILVER CERTIFICATES.—According to a recent statement given out by the Treasury Department, new designs are being prepared for the \$2 and \$5 silver certificates. They will leave as much of the paper white as possible, in order to show the silk threads, which have been found an important safeguard against counterfeiting, and the square hollow figures of the present notes will give way to plain black numerals—a change certainly in the way of promoting convenience and appearances. If the now frequent changes in our paper money designs are dictated solely by counterfeiting it must be a growing evil.—The "Daily States."