

# CANADIAN MERCHANTS' MAGAZINE

AND

## COMMERCIAL REVIEW.

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### THE "WINDING UP."

The readers of the Canadian Merchant's Magazine will remember that we have uniformly condemned the laxity with which Bank Charters have lately been granted by the Canadian Parliament, and pointed out the inevitable consequences of granting banking privileges to irresponsible men. In our May number and immediately after the Colonial Bank went into operation, we thus wrote:—

"The last three Sessions of Parliament have not been marked by the usual caution in the distribution of banking privileges. Charters have been granted in almost every instance in which they have been applied for, and men who could scarcely pay their tailor's bills have figured as the applicants for Bank Charters with capital ranging from one to two millions of dollars."

"As the natural result of this laxity on the part of the Legislature, there is generally on hand some two or three Bank Charters to be disposed of to the highest bidder; and as the Banking Laws of the principal States of the American Union prevent the enterprising citizens of that country from doing a large banking business with little capital, and as, moreover, Canadian Bank Notes pass current in the neighbouring States, the customers for this description of *merchandize* have generally come from the other side of the Lines."

"Of the Charters still in the market, one has evidently found a customer within the past few months. The Colonial Bank, after lying dormant for several years, is at last resuscitated, and although the fact has not been publicly announced, its office is now open, and its bills are being put into circulation. In view of these facts it is high time the public knew something of its managers. If they were men of wealth