

terest can the fishermen of Newfoundland and the farmers and lumbermen of Quebec, the sailors and miners of Nova Scotia and New Brunswick, or even the farmers of Ontario have, in the development of the vast interior of the American continent that does not wholly spring out of their character as British subjects, and should not be equally shared by you?" His question was put to the representatives of the British commercial interests. The development of our North-western territory has no doubt an interest for the commerce of the world; but the interest which Canadians have in that development is different from the interest of the stay-at-home Englishman. Newfoundland, being no part of Canada, should not have been included in the question; though her fish may one day penetrate to the far west. The inhabitants of Quebec have a totally different interest in the North-west from that which the Englishman can have. It is their own country; French Canadians were among the first white men that set foot in the Western prairies; from the union of French Canadians and Indians a race of half-breeds has come into existence there; the North-west is the region to which the emigrating class among the French Canadians are moving in search of a new home. Many Ontario farmers and the sons of Ontario farmers too, are already moving to our Western prairies. The interest of our people in that region is the interest of Canadians; while the interest of the inhabitants of Great Britain in it is the interest which they usually feel in a colony: the interest of trade and that which arises from the necessity for an outlet for surplus labor.

The new policy foreshadowed is an attempt to put the clock of time back to the period before the present generation was born; and it must fail. The last link of the commercial connection was severed with the repeal of the foreign timber duties, the corn laws having gone before. The chain can never be forged anew to serve any practical purpose. The road of progress lies before, not behind, and blind must be he who misses its direction.

#### THE CONSOLIDATED BANK.

The proceedings at the special meeting of the Consolidated Bank held in Montreal last week must give rise to very grave reflections. No such exposure of incompetence and misdoing has ever before been made in Canada. In the worst days of the Bank of Upper Canada no such things transpired as those which have recently been brought to light. We cannot wonder that

the revelations made gave rise to excited feeling and deep indignation. Feelings of this kind are naturally called for by such extraordinary events, and the indignation is very justly placed. The loss of more than three millions of money, subscribed for the purpose of carrying on the banking business of the country, and confided to the care of men of standing in the community, is one of those facts of which the gravity can only be appreciated after reflection.

The losses of the Consolidated Bank have not been in the ordinary course of business. Every bank has made losses; indeed, considerable losses during the last years. The striking off of large sums from the reserve funds of all our banking institutions has been necessary. And some of the losses suffered by the Consolidated Bank have been of a similar kind to those which have afflicted its neighbours. It is not these, however, which have provoked indignation, it is the recklessness with which enormous sums have been squandered in loans to men of little or no capital, to irresponsible schemers and desperate speculators, which has aroused those feelings of resentment which found such expression during the protracted meetings of last week. It has not been made clear even yet how so small a firm as Ascher & Co. could roll up such portentous masses of indebtedness as appear on the Bank books against them. Many reflecting persons shrewdly suspect that fraud has had not a little to do with this. No losses made by the firm could possibly account for such a deficiency as has arisen. It will be expected of the new directors to fathom this matter to the very bottom, and ascertain what has become of the immense sums of money which have been lent to this firm. The Insolvent Act gives ample powers of examination. It contains also some provision for punishment. Fraudulent debtors before now have been made to feel the weight of the penal clauses and the shareholders anxiously looking for the most to be made out of the wreck of their property will expect a very rigid overhauling of this debt. The connection of Mr. Saunders with it, and especially the transaction by which he seems to have shifted a bad debt to the Bank will call for rigid scrutiny. We trust there will be no delicacy in taking action, if by such action, money can be recovered. It is no time for delicacy, for this is not the only one of the kind. It will be incumbent on the Board to overhaul very rigidly the accounts of other irresponsible schemers who dipped deeply into the Bank's resources. No mere mercantile losses could have brought them into the position in which they are. It will be for the new

directors to see that these people have not made their fortunes at the Bank's expense.

There is another obvious duty, viz. that of calling the late officers of the bank to account. The most painful developments of the case have been those connected with the servants of the institution. The General Manager was once highly respected and trusted. There is now the grave imputation resting upon him of a concealment falling little short of fraud. That there was on his part a clear breach of all the laws of honor, and commercial morality appears indisputable. There are no doubt what may be called venial errors on the part of a General Manager. If he is too sanguine about the value of certain accounts, and errs in judgment as to the amount of loss they may involve, that may sometimes be pardoned. There are times when the wisest men fail to exercise sound judgment. But the deliberate concealment of bad advances from the Board of Directors to whom he is immediately responsible, is not an error of judgment. It is a piece of gross wrong-doing. It is a criminal offence. The deliberate statement that the Bank held at certain times so much actual cash, when he knew or ought to have known that the amount was some hundreds of thousands of dollars short of this, was not an error of judgment, it is an offense of greater magnitude still. For if such false returns of cash form part of those statements which banks make to the Government then a deception was practiced on the Government and on the country.

It is no doubt possible for managers and officers of distant branches to pursue such a course as leads to losses even when a vigorous oversight is exercised from head-quarters. But the troubles of the Consolidated Bank have not arisen, for the most part, in distant dependencies. They have nearly all transpired at that very head-quarters where the General Manager exercises immediate authority. The blame therefore comes directly home, and this matter is one which the directors ought not to allow to rest.

There are subordinates of the Bank also whose conduct demands close investigation. One of them especially seems to have taken upon himself extraordinary powers, and to have dispensed the funds of the Bank in a manner very unusual to one occupying a subordinate position. It is said that this officer, on a very small salary, contrived to keep several horses, and to live in a dashing style, which would consume five times as much as the Bank allowed him. This ought to have been observed. The Directors surely might have known what was going on. In their experience they must have heard of similar instances, and of the revelations