

men have accomplished remarkable enter-
their day, and if the reports should be any
imately prove true, the events themselves
the vague distance, no one will perhaps ex-
great surprise. It is difficult to pick out
men who have figured so prominently in
history, albeit sustaining totally different
who so well deserve what would certainly
in a welcome respite from their arduous

THE

Scotia evidently desires to enter the
campaign. The Press Association of the
is endeavoring to interest the Provincial
in a scheme, the establishment of a
Publicity, Industry, and Immigration. It
and that the proposed department collect and
and figures concerning Nova Scotia lands
ries. It has also been hinted that the London
Province might be made more aggressive
in exhibition of Nova Scotia minerals could
with great advantage in New York. There
exist a general opinion throughout this
Province that further publicity of Nova
any good things is desirable in order to at-
interest and the financial support of in-
om the Old and the New Worlds. The
Times has recently received several commu-
this subject, the latest from a bank manager
who writes, "Congratulations on the in-
and excellent character of your journal, and
es for the New Year. When are you going
Nova Scotia in your Expansion Series?"
ears ago since this province recorded such
growth and prosperity as during the year
mers and fishermen received the highest
record; the coal industry closed the year
d output of more than five and a half mil-
the lumber industry had a year of un-
activity; and there was a big demand from
States for Nova Scotia lumber of all kinds,
shipping more to that market than for many
has estimated the total output from all in-
as one hundred million dollars, or one thou-
ars for every family in the Province.
nsion numbers of this journal bid fair
a far greater power in this and other coun-
they have already proved. It is recognized
are accomplishing excellent missionary work
tracting foreign capital to Canada. Van-
to be the subject of the third number of this
ch will appear in three weeks' time. And
a? Well, perhaps, it is just a little too early
future plans.

BANKING REFORMS.

(Contributed).

not difficult to guess the nature of the dis-
at will take place in Parliament whenever
of regulation of banks next comes up. In
talment of his valuable History of Canadian
which has been running in the journal of
an Bankers' Association, Professor Shortt
e now nearly forgotten movement of over
rs ago for agricultural banks, which was
vigorously by certain members of Parlia-
receive some support and recognition from
ment of the day. Every banker with any
of his business, indeed, almost every in-
business man, had little difficulty in dis-
n the banking plans proposed by those
lements which had been proved by history
eddingly dangerous, and likely to upset
d commercial tranquility.
otwithstanding the unsoundness and the un-
ature of the proposals, the bankers had con-

siderable trouble before the agitation was laid. They
were obliged to make some important concessions to
the popular demands at the next expiration of their
charters. Since that time the Bankers' Association
has been formed. There is less danger of mischievous
legislation because the entire weight of the country's
banking interests can now be brought to bear con-
centratedly and almost instantaneously upon anything
that is proposed. Also the Government has adopted
the practice, which could not lightly be broken, of
conferring in advance with the representatives of the
banks when any measures affecting their business are
to be introduced or supported. Naturally the banks
have been anxious to retain and conserve, of their
privileges, as many as possible. But in their dealings
with the Government, through the medium of their
Association, at each successive revision of the Bank
Act, they have taken the broad and statesmanlike
rather than the narrow and selfish view. Judged by
their record, their policy has been to meet every
reasonable claim of the public, and to do whatever
they could to remove real grievances.

Following out this policy some very considerable
concessions have been made; considerable responsi-
bilities shouldered, and many facilities provided.
Very few people realize, for example, the extent of
the responsibility lying on the individual banks
through their common guarantee of the bank note
circulation. That was undertaken by them to remove
the discontent that arose because of loss and incon-
venience suffered by holders of notes of failed banks.
Their action was not altogether voluntary—their note
issuing privileges were in some danger of curtailment;
which danger they averted by agreeing to the
guarantee. The Bank Circulation Redemption Fund,
in the hands of the Receiver-General, is made up from
the deposit by each bank of 5 per cent. of its average
circulation. The payments by the banks into this
fund are not contributions—merely deposits. The
Fund is a liability of the Government's, and the bal-
ances at the credit of the respective banks always ap-
pear among the items of their assets. The Fund was
established to ensure the speedy redemption of the
notes of failed banks.

If the curator's announcement of redemption of
notes is delayed, the Receiver-General can proceed to
pay them out of the Redemption Fund. But the
liability of the other banks is not limited by the
amount of their deposits in the Fund. The Act says
the Treasury officials can call on the banks to restore
their balances when they are depleted through the
payment of failed banks' notes. The risk run, through
this guarantee, might become very real and very great
if a bank charter fell into the hands of unprincipled
scoundrels. It could never be fully obviated by the
powers of inspection of circulation books possessed
by the Bankers' Association, though that affords a
large measure of protection.

There is scarcely any reason to doubt that the
Government will make representations to the bankers
about instituting reforms calculated to strengthen the
weak points revealed in the Ontario Bank affair. And
no reason to doubt that the Bankers' Association will
endeavor to provide a workable plan that will restore
the published statements of the banks to the place they
had in the public estimation before the falsifications of
the Yarmouth Bank, and of the Ontario Bank became
known. The generally expressed opinion, as reflected
in press comments, seems to be that either Govern-
ment inspection, or audit by independent outside ex-
aminers or accountants, would provide the necessary
remedy. In one place it was suggested that the Bank-
ers' Association assume the responsibility for the cor-
rectness of the bank statements.

The objections to Government inspection are as
strong now as ever they were. It would need a whole
army of inspectors to cover the operations of the banks

at all their branches, and it is not likely that the work
would be done as well as it is now. It is pretty certain
that the banks would not themselves rely on the in-
specting done by the Government officers, and that
they would, as heretofore, continue to inspect them-
selves. So there would be an unnecessary duplication
of work and of expense.

So far as the work of inspecting is concerned it
is doubtful if any method could be devised more
thorough than that which now obtains. The branches
are thoroughly examined. So, presumably, are the
head-offices. The bank executives probably are well
satisfied that they know the real condition of their
various institutions. What is wanted is some author-
ity to check up the general managers and directors,
some one with authority enough and prestige enough
to conduct such an examination into the doings of the
executives that his certificate of health would be un-
questionably accepted by the people.

It would seem that any new system or improve-
ment should seek to utilize what is estimable in the
present practice; it should seek to build, on the present
system, a superstructure which would do the neces-
sary work. As a result of the responsibility lying on
the banks through their guarantee of the note circula-
tion, the Bankers' Association does its level best to
ensure that the note issues of the several banks are con-
ducted properly and safely. If the Association could
be induced to assume the responsibility for the cor-
rectness of the bank statements, there is no doubt that
it would in self-protection, evolve an efficient system of
extra examination.

UNRAVELLING ONTARIO BANK TANGLE

The commission enquiring into the failure of the On-
tario Bank has been taking the evidence in New York this
week of Messrs. Spader & Marshall and other brokers of
that city.

It will be recollected that large sums of money appear
in the bank books as loans to New York brokers and in the
Government returns as current loans outside of Canada,
and in this connection brokers all deny the statements that
they borrowed money.

When the commission returns to Toronto their story
will probably be that New York brokers did not borrow
money from the Ontario Bank at Toronto, and that Mr.
Charles McGill, the former general manager, had payments
made to him by New York financial men with whom he had
stockbroking transactions. The commission have compiled
a statement of Mr. McGill's accounts, and one of these
covers something like sixty pages of foolscap. The
accounts will form part of the evidence at his trial.

During the evidence before the commission it trans-
pired that Messrs. Marshall, Spader & Company paid to
Mr. McGill either personally or by draft or to the Fourth
National Bank in New York on the account of the Ontario
Bank for the account of Chas. McGill a sum aggregating
\$30,000. There were also sums transferred to accounts of
V. C. McGill and M. S. McGill and charged to C. McGill.
The accounts with the former bank manager were closed
by a final payment to the Fourth National Bank at New
York of \$3,000 on October 15th last. The accounts in the
name of V. C. McGill and M. S. McGill were closed out
before the final settlement.

An examination of the books of the firm of Donald,
Gordon & Co. showed that 600 shares of Amalgamated
Copper were bought on margin in May and June, 1901, on
an upward market, at prices ranging from 115 1/4 to 124 1/4.
The stock was held for a rise in price till October, but the
market steadily declined and the securities were closed out
at 85, or a total loss of nearly \$23,000. The Bank of Mont-
real realized \$1,334.18 from the account on December 1st
last. Two cheques of \$8,000 each came through the Fourth
National Bank and two others for \$5,000 and \$2,850 from
Mr. McGill to the broker.

The commission on Thursday obtained proof that On-
tario Bank money has been paid out to the accounts of New
York brokers at the request of Mr. Charles McGill. The
dealings of four firms alone run up to a million dollars,
and these are not all.

The transactions appearing in Mr. McGill's grain ac-
count with New York brokers during the year totalled \$30,
000. The commission returned to Toronto yesterday.

The Sovereign Co-operative Investment Company, Ltd.,
will apply for the surrender and cancellation of their charter.