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Attention is directed to their

CIRCULAR,

NOW OUT, FOR PARTICULARS OF

DRIVES AND SPECIAL CHEAP LOTS,

Which will now be offered.

McInnes Bros. & Co.

**THE MONETARY TIMES,
AND TRADE REVIEW.**

TORONTO, CAN., FRIDAY MAR. 24, 1876

THE DOUBLE LIABILITY OF BANKS

This is a matter of interest to every person in the country that ever handles money beyond the very smallest amount. The monetary currency of the country is wholly issued by the chartered banks with the exception of the small amount represented by the one and two dollar bills of the Government. These bank notes circulate as freely in Canada as the notes of the Bank of England do in England, for, although not a legal tender, they are universally received, and no one would ever think of refusing them when offered. The whole community then become involuntary creditors of the banks. Depositors can choose whether to deposit or not, whether to put money in the Government Savings Bank, in a Building Society, or in a particular bank. But note-holders practically have no option.

It is then undesirable in the highest degree to weaken any security which the public holds for the payment of a bank's issue. And for this reason we regret very much to learn that a movement has been talked of in Ottawa since Parliament assembled, having in view the abolishing of this great safeguard of double liability of stockholders. Against such a course we must record our emphatic protest at the very outset. We should regard it as a violation of what was practically a solemn compact entered into between the banks and the country when

the charters were last renewed. It will be recollected a strenuous attempt was made to assimilate the currency system of Canada, so far as the security for bank notes was concerned, to that of the United States, and that most of the banks resisted this on the ground that the interests of a country like Canada would be better served by continuing the circulation as it stood, with some restrictions, which they were willing to adopt. They were ready to consent to limit their issues to the amount of the paid-up capital. They suggested that the formation of a reserve fund should be secured by legislation. But one point on which they laid great stress so far as security was concerned, was the double liability of the stockholders to the creditors of the banks. The law as it formerly stood was defective on this point, and they recommended that clauses be inserted in the act about to be passed with a view to making this liability operative.

Negotiations were carried on for some time between a committee of bankers and Sir Francis Hincks, then Minister of Finance, and the present Banking Act was finally introduced as a Government measure. Having passed the ordeal of readings in the two Houses, and being very thoroughly discussed clause by clause, and almost line by line, it received the Royal assent and became law. Few more pieces of legislation have been effected since the Act of Confederation was passed, and on this basis all the banking operations of the country, the issue of notes included, have rested for seven years back.

It would, therefore, be unfair to the public to take away this large element of security which they now enjoy for the issues of banks. And to do them justice, we believe that the agitation for such a change will not receive any countenance from them. It has originated, we fancy, in a quarter where the object in view is to pave the way for getting up new banks. It is desired to make the responsibility of shareholders as light as possible so as to enable new stock to be more easily obtained. But it is not the interest of the public to diminish the responsibility of bank stockholders. And it is not the interest of the banks themselves. In these days of keen competition for deposits, one of the most important elements in favor of the banks is that their creditors shall be undoubtedly safe. The stronger they can make that appear the more will the public be inclined to trust them. Then their circulation is a most important element of profit. Nothing could be more undesirable for the banks

than that there should be uneasiness or mistrust on the part of those amongst whom their notes circulate. The interest of the banks clearly is that both depositors and not holders should have implicit confidence. Anything that would weaken security would undoubtedly weaken confidence. It is therefore, clearly the interest of the banks to preserve all the safeguards that already exist, and to resist all efforts to tamper with them.

IMMIGRATION AND EXPENDITURE.

We are enabled from the Report of the Department of Agriculture presented to Parliament to make our annual review of immigration to Canada for the year 1875 and of the expenditure therefor. In the first place we will give the total number of all arrivals of immigrants in the Dominion from 1868, the first year after Confederation, to 1875 inclusive, distinguishing those who arrived at the port of Quebec for the same period:

Years.	Total Arrivals.	Via St. Lawrence
1868	71,448	34,300
1869	74,365	43,114
1870	69,019	44,475
1871	65,772	37,020
1872	89,186	34,743
1873	99,109	36,901
1874	80,022	23,893
1875	43,458	16,038

These figures show a continued and steady decline of the immigrant arrivals by the St. Lawrence from 1870, and especially is the decline marked for the year 1875, both in the arrivals by the St. Lawrence and the total arrivals.

We may specially notice the arrivals of immigrants from the United States, which have been obtained from the custom-houses along the frontier, in connection with the entries of settlers' goods. They are as follows for the last three years:

Years.	Arrivals.
1873	8,991
1874	14,110
1875	8,139

The value of personal effects entered by these settlers in 1875 was \$435,054. It is ascertained that these settlers are, for the most part, returned Canadians, who probably felt the hard times in the United States which commenced with the crisis of 1873.

We now come to another feature in the figures, and that is, after all, the most important for Canadians. It is known that the immigrants who come to this country are of two classes: one, simple immigrant passengers who choose the St. Lawrence route, or that by the Suspension Bridge, to proceed to the United States, and these are not, properly speaking, immigrants to Can-