

**THE CITIZENS' INSURANCE COMPANY
OF CANADA.)**

Authorized Capital.....\$2,000,000
Subscribed Capital.....1,000,000

HEAD OFFICE—MONTREAL.

DIRECTORS—

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C. J. BRYDGES,	EDWIN ATWATER,
GEORGE STEPHEN,	HENRY LYMAN,
ADOLPHE ROY,	N. B. CORSE.

Life and Guarantee Department.

THIS Company—formed by the association of nearly 100 of the wealthiest citizens of Montreal—is prepared to transact every description of LIFE ASSURANCE; also, to grant Bonds of FIDELITY GUARANTEE, for Employees holding positions of trust. Applications can be made through any of the Company's Agents, or direct to

EDWARD RAWLINGS, Manager.
Agent for Toronto: W. T. MASON.
Agent for Hamilton: R. BENNER.

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The Canadian Monetary Times.

THURSDAY, MAY 13, 1869.

THE BANK OF UPPER CANADA.

On the 18th of September, 1866, this Bank suspended, and, on the 12th November, following, assigned to certain trustees. An Act of Parliament (31 Vic. c. 17) was obtained confirming that assignment, and creating a new body corporate under the name of "The Trustees of the Bank of Upper Canada." The Act provided for the nomination and appointment of three trustees to carry out the deed of assignment, one to represent the shareholders, and the other two, "the interests of the creditors of the said bank." One was elected by the shareholders, and two were appointed by the government. The Act further provided that the trustees should meet at least once in every two weeks and be entitled to receive for their own remuneration the sum of four thousand dollars per annum, to be divided among them.

The present state of affairs appears to be this: The Bank owes the Government, exclusive of interest, \$1,122,639, and is liable to others,

exclusive of Glyn & Co., who hold security, for about \$460,000; the assets will be insufficient to meet what is owed by about \$600,000; and the assets "cannot be realized in a shorter period than five years." The subscribed capital of the Bank was originally about \$3,100,000 divided into shares of \$50 each; but it has since been reduced, and is now only \$1,930,000, divided into shares of \$30 each, and held by upwards of 1,000 persons. Estimating the deficiency at \$600,000, a contribution of about \$9.33 per share would be required.

The shareholders are classified under the following heads:—

Executors, guardians, minors.....	\$129,360
Trustees.....	337,500
Municipalities.....	12,800
Females living abroad.....	585,165
Residents in Canada, not known to Trustees.....	172,220
Residents in Canada, believed to be bad.....	139,900
Residents in Canada (including females), believed to be good.....	562,890

The cost of winding up is \$14,000 per annum. Of this amount, \$4,000 are divided among the Trustees and \$4,000 go to the Solicitor. \$350 are paid out by way of "travelling expenses." A secretary receives \$2,000, the manager of the land department \$1,200, a clerk \$600 and a messenger \$200.

What naturally strikes one in reading over this list is the formidable character of the defunct institution, with its three Trustees, its Solicitor, its Secretary, its clerks, and its messenger; its estimated deficiency of \$600,000 and its \$14,000 per annum working expenses. Why the largest Building Society in the country, with a million of dollars of cash receipts in one year, does not pay out in working expenses more than \$16,300 per annum! Its President and seven Directors received, last year, just \$2,330, while the three Trustees of an institution in liquidation drew \$4,000 as "remuneration." These three gentlemen receive \$1,333.33 a-piece. If they met twice a month, and were paid by the sitting, at the rate of \$4,000 per annum, each sitting would have yielded them about \$56, each; if they met once a week, about \$26 a sitting, for each. Now, from \$3 to \$5 a meeting is considered good pay for the Directors of even the most flourishing Corporations; so that the unfortunate shareholders of the Bank of Upper Canada have the exquisite pleasure of witnessing the accumulation of liability, and paying for the sight the highest possible price. These three Trustees are excellent men, and we cannot blame them for drawing the pay secured to them by the Act. But in the name of all that is reasonable, what occasion is there for three Trustees at all? why should they be

paid such an extravagant sum? They are not responsible, except for loss attendant upon wilful neglect, misconduct or default, each for his own acts; while in the case of Directors of Corporations, generally, there is a large amount of responsibility. They are highly respectable men, but they do not bring to the task of winding up any unusual or extraordinary qualifications. It is no disparagement of their abilities to say that they could never have executed their trust without the assistance of those who knew something about the affairs of the Bank, and we venture the assertion that even now, if left to their own devices, they would make sad work. The fact is they are useless luxuries. If three Trustees must be retained, and paid \$4,000 a year, the three gentlemen now in possession are, we suppose, just as capable and useful as any who could be named. But what business man can look with approbation on the paraphernalia with which that decayed hulk is surrounded! What shareholder can view with equanimity an extravagant expenditure which is widening his liability slowly but surely! No wonder dissatisfaction is displayed at semi-annual meetings. The only wonder is that there is so little irritation manifested, so little indignation expressed. By reference to the proceedings at the late meeting it will be seen that the absurd position of affairs is fully recognized. Mr. McCord pointed out how expeditiously and cheaply Corporations are wound up in England. Mr. Hime's resolution hit the nail on the head. It affords the only sensible solution of the Bank problem that has as yet been offered to the consideration of the shareholders. Do away with the Trustees altogether, or at least two of them, place some competent man in charge, as liquidator, with such assistance in the way of clerks as may be necessary, and have the accounts audited, and the proceedings supervised by an officer of the Finance Department. Hon. Mr. Rose in his communication to the Trustees asked for suggestions respecting the liquidation. No more sensible suggestion has been made than the one offered by Mr. Hime, and it would be well for all concerned if it were given due consideration. Under the present method of liquidation the concern is eating itself up.

Since the above was written we have been informed that the Trustees have dismissed a clerk, and have given the messenger notice to leave. Such laudable economy is worthy of recognition, but we are disposed to think that they are beginning at the wrong end. The grievous items in their accounts are \$4,000 to the Trustees and \$4,000 to the Solicitor. The Solicitor will certainly not accept a judgeship while he can feast on such a rich case.