

**European Assurance Society,**

Established ..... A. D. 1849.  
Incorporated ..... A. D. 1854.

**EMPOWERED** by British and Canadian Parliaments for

**LIFE ASSURANCE,**

Annuities, Endowments,  
and

**FIDELITY GUARANTEE.**

Capital ..... £1,000,000 ..... Sterling.  
Annual Income, over £330,000 Sterling.

**THE ROYAL NAVAL AND MILITARY LIFE**

Department is under the Special Patronage of

Her Most Gracious Majesty

**THE QUEEN.**

The EUROPEAN is one of the largest LIFE ASSURANCE Societies, (independent of its Guarantee Branch,) in Great Britain. It has paid over Two Millions Sterling, in Claims and Bonuses, to representatives of Policy Holders.

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71 GREAT ST. JAMES STREET, MONTREAL.

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(All of whom are fully qualified Shareholders.)

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**Berkshire Life Insurance Co. OF MASSACHUSETTS.**

MONTREAL OFFICE :

6 GREAT ST. JAMES STREET.

INCORPORATED 1851.—SECURED BY LAW.

AMOUNT INSURED ..... \$7,000,000.  
CASH ASSETS .. ONE MILLION DOLLARS.

\$100,000 deposited with the Receiver General for the protection of Policy holders.

ANNUAL INCOME ..... \$500,000.

\$100,000 divided this year in cash amongst its Policy holders.

*Montreal Board of Referees:*—Hon. Geo. E. Cartier, Minister of Militia; Wm. Workman, Esq., President City Bank; Hon. J. O. Bureau, M.C.S.; E. Hudson, Esq., Merchant; John Torrance, Esq., Merchant; James Ferrier, Jr., Esq., Merchant; Edward Carter, Esq., Q.C., M.L.A.; C. D. Proctor, Esq., Merchant.

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For a sufficient test of merit we beg to state since the commencement of this old and reliable company in Canada, we have had the pleasure of insuring members of Parliament, some of the leading legal talent, and amongst numerous others, several of the leading merchants in this city.

This Company was the Pioneer Company of the non-forfeiture principle, and still takes the lead for every Policy it issues is non-forfeitable after one payment. The Company is now erecting a new stone building, five stories in height, at the cost of \$100,000, similar to the Molson's Bank of this city, but of much larger capacity, having 75 feet front, and 16 feet depth, containing three Banks, some Express Offices, and the Post-Office, yielding about \$800,000 income, annually, all of which is the accumulating property of every Policy-holder.

The Company has issued nearly 2,000 Policies since the 1st January, 1867, which is the largest number, in comparison to the expenses, of any Company in Europe or America.

*Such are the Results of the Cash System.*

Full particulars, history of the Company, Rates, &c., can be obtained at the Managing Office for the Canadas.

EDW. R. TAYLOR & Co.,  
20 Great St. James St. (over Pickup's News Office).

*The Canadian Monetary Times may be had at any of the News Depots of the Dominion at 5 cents per copy. Orders for quantities to be addressed to A. S. Irving, Book-seller, Toronto.*

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**The Canadian Monetary Times.**

THURSDAY, APRIL 23, 1868.

**THE LATE FINANCIAL CRISIS.**

A gratifying quietness of tone pervades the answer of the Bankers to the inquiries of the Senate committee respecting the monetary derangement in October, 1867. These answers include the opinions of the leading Bankers on the important question of the currency, a subject with which they are of course supposed to be peculiarly familiar. If the labors of the committee have no farther practical result than evolving the views now placed upon record they have done the state some service by drawing attention to the unsatisfactory state of the currency, and the need of a speedy and thorough alteration in the present laws.

The Province of Ontario was on the eve of a crisis at the period referred to. The Bankers seem to be all agreed upon that point, and the majority of them are also of one mind as to the causes of that state of things. The only important variation in the views expressed is in the answers given by Mr. Paton, General Manager of the Bank of British North America, and from the high position occupied by the Bank which that gentleman represents, as well as from the authority which attaches to his long experience, it becomes necessary to ascertain whether or not his opinions really do differ from the others on any material points.

In reading the evidence, we are struck by the difference between Mr. Paton and the others as to the causes of the derangement. Mr. Paton says the causes were the failure of the Commercial Bank with the concomitant results of such a disaster on the customers of that institution, and he adds that—

"These causes were aggravated by the failure of several commercial firms, by the fall in the price of breadstuffs in England, and more especially by the temporary excitement produced by the suspension of the Commercial Bank, resulting in a run on some of the banks in Ontario, whose liabilities were disproportioned to their available resources, and who, in self-defence, and as a measure of precaution, required to curtail their discounts and increase their assets. The excitement was allayed by the banks meeting the run upon them, and also by the action of the Government in publicly announcing that the notes of all the banks in the Province, with the exception of those of the Bank of Upper Canada and the Commercial Bank, would be received in payment of duties."

This is either an insufficient, or a disingenuous, answer. It is to be remembered that the question refers specially to the period embraced within the dates from the 15th of October to the middle of November, 1867. Will Mr. Paton give the names of the several commercial firms whose failure during that month had an appreciable effect on the state of public feeling respecting the banks? So far as our memory serves us, there were only one or two failures in Hamilton, and these certainly did not lead any persons in Ontario to doubt the solvency of their public institutions. Did the price of breadstuffs fall so very materially during that thirty days in England as Mr. Paton would have us believe, or was it not merely in Canada that the great fall took place? Were the liabilities of the Western banks disproportioned to their available resources, considering the state of trade and the prospects of the country? We think not. A reference to any of the published statements will show that the banks held perfectly sufficient reserves, and it will be seen that Mr. Paton himself admits that the excitement caused by the failure of the Commercial Bank was allayed by the other banks meeting the run upon them. Will Mr. Paton then explain why action by the Government became necessary at all? The inference which he would have us draw would of course be, that it was solely in consequence of the causes he himself enumerates; but when we ponder the answers given by every other banker of authority, we are driven to the conclusion that Mr. Paton but trifles with the facts and tampers with that straightforward honesty of expression which alone can give his argument due weight. All attribute the disturbance in financial affairs to the failure of the Commercial Bank, but those who have added anything to this primary cause, almost unanimously express other opinions than those recorded by Mr. Paton, as to the manner in which the natural effects of that failure were intensified by other causes.

Mr. Fisher says:—

"Its effects were greatly aggravated by the injudicious instructions issued by the Bank of Montreal to its Manager and Agents throughout the country."

Mr. Hagne says:—

"On the same afternoon reports became prevalent of the discrediting of the bills of one bank at the counter of the fiscal Agent of the Province, and at several Custom Houses and Post Offices. This revived and intensified the apprehensions which were felt, and the uneasiness increased until the announcement was made that the Government would receive the bills of all chartered banks except the Commercial and Upper Canada."

Mr. Woodside says:—

"The suspension of the Commercial had the effect, also, of somewhat shaking the confidence of the public in all paper money, and this feeling was increased by the action of the Bank of Montreal in telegraphing to their Agents at various points what they term a 'confidential caution.' This confidential caution was in effect, if not in words, an order to refuse the bills of certain banks."