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CANADIAN CURRENCY AND EXCHANGE UNDER FRENCH RULE

II. FIRST PERIOD OF THE CARD MONEY*

THE introduction and continued employment of card money in Canada, though having very important monetary consequences, had no intentional connection with questions of currency. The card money was entirely a financial expedient. Only to a very slight degree and after much entreaty on the

*Chief sources:—

Canadian Archives, Correspondance Générale, Vols. VII.-XLIII.

"Documents relating to the Colonial History of the State of New York," Vol. IX.

"Collection de Manuscrits Contenant Lettres, Mémoires, et Autres Documents Historiques Relatifs à la Nouvelle-France," Vols. I.-III.

"Edits, Ordonnances Royaux, Declarations et Arrets du Conseil D'Etat du Roi, Concernant le Canada."

"Jugements et Délibérations du Conseil Souverain de la Nouvelle-France," Vols. III.-VI.

"Histoire Monétaire des Colonies Francaises, d'apres les Documents Officiels." Par. E. Zay.

part of the Canadian merchants and officials, was it adapted to currency needs, and then only through a financial channel. It is very necessary to keep this in mind, as it will serve to explain many of the anomalous monetary situations which resulted from the use of the card money. To regard its issue from the point of view of a currency expedient would indicate a degree of stupidity on the part of the French officials, with reference to the nature and functions of money, with which they are by no means to be charged.

In order to account for the introduction of the first card money in Canada, and to indicate its function, it is necessary to outline the condition of the colony just before 1685.

The greater part of that portion of the Canadian revenue which was obtained from the colony itself, was derived from the export tax of one-fourth on the beaver and one-tenth on the moose skins, and an import duty of ten per cent. on certain goods, chiefly wine and brandy. But for some time previous to 1685 the beaver trade had been diminishing. This was due to several causes. The largest quantity and best quality of beaver came from the North-West, and the Ottawa tribe of Indians furnished the middlemen who gathered the furs from the western Indians and sold them to the French. The coureurs des bois, however, carried on a large illicit trade in the same direction. As more stringent efforts were made to suppress their trade, they naturally abandoned Canadian markets and carried their furs to the English, whereby they not only avoided the danger of arrest but received better prices for their furs and escaped the tax of one-fourth on the beaver.

The development of the English trade in Hudson's Bay at this time, also drew off an increasing quantity of North-West beaver which usually went to the French. Finally, the growing hostility of the Iroquois, encouraged by the English colonies, manifested itself most actively at first in attacks upon the Indian allies of the French, among them the Ottawas. All these conditions combined, tended to cut in upon the two main sources of revenue from the colony, the export tax on the beaver and the import tax on the goods brought in to exchange for it. The beaver from Canada fell from 95,489 lbs. in 1783 to 23,568 lbs. in 1785.

The Iroquois becoming more threatening, Governor De la Barre requested more troops from France and called out the local forces. With the latter, in 1684, he undertook an expedition to Lake Ontario, which, however, resulted very unfavorably for the colony. The Iroquois were convinced of the weakness of the French power in Canada, the expenses of the colony were greatly increased, and a rupture resulted with the farmers of the revenue who refused, the following year, to contribute the usual amount of funds for the government. In consequence of this combination of circumstances, the Intendant Demeulles found himself running short of funds to meet the increasing expenses, especially for the pay of the troops.

The supplies for Canada, at this time, were provided in France in the early part of each year for that year only, but did not usually reach Canada till late in the summer. The consequence was that when the stores ran out there was nothing at the command of the Intendant with which to meet the expenses of the first six months of the following year. This did not present special difficulties where the chief payments were to be made to merchants or others who could wait a few months for their money. But, with a considerable military force, the pay of the soldiers had to be provided regularly.

Such were the circumstances in which Demeulles found himself in 1685. His supplies were exhausted, he had neither cash on hand nor stores to sell, yet the soldiers were clamoring for their pay and complaining of the conditions under which they were called out.

In the following letter, dated 24th September, 1685, he describes his situation and the device by which he managed to tide over the difficulty.

"I have found myself this year in very great straits with reference to the supplies for the soldiers. You did not, my lord, provide funds beyond the first of January last. I made every effort to support them for the whole eight months till September. I drew from my own purse and from those of my friends all that was possible. But at last, seeing it impossible for them to render me any further service, and not knowing to which saint to make my vows, money being very scarce, having distributed very considerable sums on all sides for the pay of

the troops, it occurred to me to put in circulation in place of coin certain notes made of cards cut in four. I send you, my lord, samples of the three kinds, one being for four franks, another for forty sols, and the third for fifteen sols, because with these three kinds I was able to make the soldiers monthly pay. I issued an ordinance requiring all the inhabitants to accept this money in payments and to give it currency. Having pledged my word to redeem the notes no one refused them, and the issue had so good an effect that by this means the troops have lived as usual. There were some merchants who offered me cash, in money of the country, on condition that I should pay them back in money of France, to which however I would not consent, because, in so doing, the King would have lost one third. That is to say, for 10,000 écus he would have paid 40,000 l. Thus, by means of my credit and management I have saved His Majesty 13,000 l."

There are one or two features in this letter worth noting. First, as already observed, the introduction of the card money was obviously not a currency expedient, but entirely a financial one. Secondly, it was not on account of the general expenses of the colony that it was found necessary to introduce the card money. It was due to the necessity of providing for the monthly payments to the soldiers, which could not be postponed. Again, the proposition of the merchants to lend money to the Intendant, on the terms stated, did not indicate a particularly exorbitant demand improvised for the occasion. It was the custom of the time, brought to Canada from France itself, to make large profits at the expense of the government. It was also a settled custom of the merchants of Canada to make advances to the Indian traders and others on the basis of the money of the country, to be repaid on the basis of the money of France. The proposal made to the Intendant differed from that custom only in being an accommodation in money instead of goods, and for a shorter period of time. Moreover, the device of borrowing money from the merchants and others in the colony, if not already practiced by the authorities, was to become a very common expedient with the colonial government, being adopted immediately after this, as we shall see.

The card money, thus issued, was evidently of a very

temporary, and indeed of a personal character. The Intendant states that he pledged, not the home nor the colonial government, but his own word for the redemption of the cards, and his last word is that he had saved the king money, not on the basis of the King's credit, but on the basis of his own.

In accordance with the promise made, the cards were evidently redeemed on the arrival of the funds for the year. As the King was sending out extra troops and supplies for an expedition against the Iroquois, there was no occasion for Demeulles to repeat his experiment the following year.

In October, 1686, Champigny arrived to succeed Demeulles as Intendant. He, too, had no occasion, the first year, to resort to any such devices to meet the necessary outlay of the government. In his first report on the financial condition of the colony, in 1687, Champigny, while showing that he still has some of last year's appropriation on hand, points out that the extraordinary expenses of the war are sure to require, before the arrival of the vessels the following year, more funds than he has on hand. Evidently wishing to avoid the difficulties of Demeulles, he concludes thus: "In consequence of these considerations, the Marquis de Denonville and myself have found ourselves obliged to order the agent of M. de Lubert (treasurer of the department of Marine) to borrow here the sum of 105,000 l. and to draw letters of exchange on the said Sr. de Lubert, not payable however till the month of May, in order that it may not embarrass him."

By "borrowing" the money before the departure of the vessels, he was able to obtain ready advances in return for bills of exchange payable six months after, because the bills enabled the merchants to purchase, in France, their goods for the coming season. His method was perfectly sound, and had the war not seriously interfered with the trade of the country, it might have been continued indefinitely, the letters of exchange being promptly paid.

But the trade of the colony depended almost entirely upon the western furs, and the fur trade was nearly annihilated by the war with the Iroquois and their other allies of the Five Nations. Thus the country was largely reduced to living on what the King

expended in it to carry on the war. Everything depended upon the prompt and adequate supply of funds from the French treasury.

In 1690 part of the supplies sent to Canada were lost in transit, and Champigny, finding himself in the same position as Demeulles, availed himself of the same expedient. But, since the colony was now so completely dependent on France, nothing that would not command supplies from France was of any avail. To pay the soldiers in card money was simply to increase the demand for goods without giving the merchants the means of purchasing them. The natural result was a rise in prices, and a special price for card money.

In 1691 the same difficulty occurred, and a new issue of card money was made, the issue of 1690 being paid off. In his report to the minister, dated 10th May 1691, Champigny thus describes the situation:

"Though Count de Frontenac and I have drawn, through M. de Lubert's clerk, last November, bills of exchange on France for 87,377 l., in order to have funds in this country, we could not meanwhile avoid making this year a new issue of the card money in order to meet all the expenses, as a portion of our funds, which consisted of ammunition, did not arrive last year, and we have redeemed the paper money issued in 1690. It is highly necessary, my lord, to adopt some other expedient, in order to have funds every year in this country to meet the expenses of the first five or six months of the one succeeding. If you will authorize the payment in France of bills of exchange to be drawn here when the last vessels sail, at two or three months sight, by M. de Lubert's clerk, means will be found to borrow to the amount of 50,000 écus in ready money. We pray you to consider it, my Lord, and to think of the wrong done the troops who purchase for much higher rates for paper money than for specie, and who experience, in addition, considerable difficulty in procuring necessaries."

Here we observe that the depreciation of the card money was plainly not due to any lack of faith in its redemption, for the only two issues yet made had been promptly and fully redeemed. The depreciation was due simply to the card money increasing, for the time, the amount of currency without corresponding increase in the goods to be purchased. Hence, as he

states, the soldiers not only have to pay more for their necessaries, but even find a difficulty in obtaining them. By selling exchanges, however, the currency of the colony was not increased, while means were at once given for the purchase of further supplies.

About midsummer a large addition was made to the military forces in the country by the arrival of further troops from France, giving much joy to the colonists, but adding correspondingly to the expenditure. Writing in October of the same year, Champigny, after giving an account of the increased outlay required, and the inadequacy of the funds sent out, says that Frontenac and he are very anxious not to be obliged to issue card money for the payment of the troops and for the other expenses of the country from the beginning of each year till the arrival of the vessels. To avoid this for the coming year, they had commanded the clerk of M. de Lubert to obtain from the merchants and traders of Canada, to the extent of 200,000 l. in cash, in return for letters of exchange on M. de Lubert, payable, in the month of May following, out of the funds set aside that year for the colony. He then explains that this will be a great convenience to the Canadian merchants who have now some difficulty in making their payments in France, as there has been but little beaver received this year, and the merchants are loath to trust their money on the sea, a risk which threatens also the King's funds in coming out to Canada. He therefore asks the minister to authorize the payment of these letters of exchange in order that they may be able to adopt similar methods for the future.

From this we gather that the payment of so many troops and other outlay requiring ready money, had necessitated the King sending much specie to Canada every year. On the other hand the falling off in the beaver, which used to be the staple of export against which letters of exchange were drawn, had made it necessary for the merchants to send much specie back to France in default of other means of paying for imports. Hence it naturally occurred to Champigny that it would be much more safe and convenient, both for the merchants and the King, to have them turn their money over to him instead of sending it

back to France, receiving in return letters of exchange which would be paid in France with the money which would otherwise have been sent to Canada.

His proposal was thoroughly correct as a system of exchange, and as the great naval powers of Europe were at war with France at this time, the risk of sending treasure across the Atlantic was very great. Subject to the influences of a stereotyped bureaucracy, the French ministry was at first slow to grasp the situation, seeing, too, only one side of the exchange process. In the end, however, Champigny's clear presentation of the facts and the increasing risks convinced them, and he was authorized to draw bills as requested.

In considering the financial, exchange and monetary condition of Canada from this time on, constant reference must be made to the situation of France itself in these respects. The Canadian experience in these lines, though very instructive, was not the result of gratuitous experiment, but mostly the inevitable outcome of the condition of affairs in the mother country. We are now at the period when France began to feel the terrible drain on her resources from the long wars in which she was engaged in Europe and her colonies, broken only by the short peace between the Treaty of Ryswick in 1697 and the opening of the war of the Spanish Succession in 1701. The increasing embarrassment, distress and partial bankruptcy of the Canadian colony, due to its financial and exchange difficulties, simply express the necessary colonial parallel of that even more terrible distress and misery amidst which the greatness and glory of the reign of Louis XIV. expired, and which laid the foundations of the financial disorder and social derangement which culminated in the French Revolution.

During this period many changes were made in the French national currency, which were necessarily reflected in Canada, though, for various reasons, the results were not always the same as in France. Thus in 1686 the French government raised the value of the louis d'or from 10 l. to 11 l. 10s., and other gold coins in proportion. The funds which were sent to Canada in 1687 were therefore all valued at this increased rate. On July 28th, 1867, the Procureur General drew attention to this fact in the Council at Quebec. He pointed out that the louis d'or and

pistolle were now rated at 11 l. 10s., the écu d'or at 119 s., or 5 l. 19s, and the demy louis, demy pistolle and demy écu at the half of these sums. The Council therefore ordains that these coins shall be raised to the same value as in France, which will make them, in money of Canada, louis d'or and pistolles 15 l. 6s. 8d., the écus 7 l. 17s. 8d., and their halves in proportion. Again in 1689 the value of both gold and silver coins was raised, the louis d'or being now placed at 11 l. 12s., and the louis d'argent at 3 l. 2s., which valuation was also adopted in Canada. But a re-coinage was undertaken in the same year, when, though the weight and standard were not altered, the value was raised. The louis d'or was issued at 12 l. 10s. and the louis d'argent at 3 l. 6s. The value being raised, the old money was easily recalled in France, but not so from Canada. In his dispatch of October 12th, 1691, Champigny asks the minister to inform him on what basis the old money may be permitted to circulate in the colony. The new money, he says, is current on the same basis as in France, with, of course, the usual addition of one-third its value. The minister notes on the margin of the letter that an ordinance is necessary to decry the old money in order to force it to return to the mint in France. Such an ordinance was evidently sent but it was not enforced, for, as the Governor and Intendant explained, they thought it unwise to enforce the law when to do so would be to compel the people to send almost all their money out of the country in the two vessels which were about to sail and which might be lost, as were others at that time. Besides, if they once sent their money away it was more than doubtful whether they should ever see it again. The only money which comes to the country is what the King sends, and the colony, deprived of its currency, would collapse altogether, as its present trade is in a very precarious position.

Canada thus continued to retain in circulation a large proportion of a coinage which had been recalled in the mother country. This situation and the natural tendency, under the circumstances, for money to leave the country, revived the proposal, which had never quite died out, for the striking of a special coinage for Canada. In 1695, Frontenac proposed the scheme, suggesting the issue of 100,000 fr. or 40,000 écus to be current

in Canada alone. If this is not done he fears that all the money will be drained out of the country in a short time. But when people have little to sell and pressing needs to meet, if they have any money that is sure to go, for it at least is salable. Obviously no special coinage would afford relief under such circumstances.

In 1693 a large quantity of beaver arrived in Canada from the west, giving much joy to the merchants and temporarily relieving the commercial distress. The following year, however, but little came and trade languished.

While the liberty to draw bills of exchange in autumn, to be paid out of the appropriation for the following year, relieved the Canadian authorities from the necessity of issuing card money to meet the expenses of the first half of that year, yet it did not enable them to enlarge the appropriation itself. Hence when, for one reason or another, the outlay of the year exceeded its revenue, the authorities were once more in perplexity to meet the deficit. This situation occurred in 1690-91, and again in 1692 and 1697, involving the further issue of card money on each occasion. In 1696, Champigny asked for a special appropriation to pay off the cards which represented this floating debt up to that time.

Much of the Canadian funds continued to be invested in goods in France and sent out to be disposed of on the king's account. In 1695, Frontenac, who had always a very lofty sense of the dignity of the Canadian administration, attempted to have this system abolished, and specie sent instead. He urges that the goods are troublesome to dispose of; besides such trucking is beneath the king's dignity, and it is greatly to the disadvantage of the local merchants that the King should have a store six times as large as any of theirs. Neither does he believe that the profit made on the goods is so great that it would materially increase the king's outlay if money were sent instead of goods. Champigny also points out, in partial explanation of his deficits, that the funds sent in the shape of goods to be sold were not immediately available but only as they were disposed of or otherwise used. However, no change seems to have been made at that time.

After several annual requests for funds to pay off the floating debt represented by card money, certain funds were appropriated for this purpose in 1700. Champigny gratefully

acknowledges the concession which, he says, will enable him to pay off the deficit due to losses incurred in 1690-91-92. It would appear that the deficit of 1697 still remained unprovided for, and though he declares that the issue of card money has ceased, in accordance with the orders of the minister, yet, when he was succeeded by Beauharnois in 1702 it was found that he had left a considerable amount of card money outstanding. Whether all of this was due to the issue of 1702, or included the remainder of former issues, is uncertain.

Meanwhile the financial condition of France itself was going from bad to worse, and in 1700 the King warns the Canadian authorities that they cannot expect much more assistance from him, as his affairs have fallen into a disastrous condition, and he foresees additional troubles in Europe; nor was his foresight defective.

Various schemes were considered for imposing additional taxes in Canada. In 1702 Beauharnois gives us a glimpse of how the finances were being manipulated in order to make both ends meet. The revenue obtained from Canada between the first of January and the middle of October in 1705 amounted to 29,444 l. An ordinance of the Intendant was issued Sept. 17th of that year, requiring that the import duties on wine and brandy should be paid henceforth in money of France. Card money became a regular means of meeting all deficiencies.

Though the Canadian beaver trade had now resumed its regular course, yet the European market for furs—a kind of luxury—was greatly reduced by the devastating wars which had been going on there. Vaudreuil and Raudot, writing in November, 1708, tell of the sad condition of the colony, owing to the low value of furs, and the recent losses by sea. They have tried every possible remedy, but nothing will answer save a rise in the price of beaver, which they think might be forced on the new company farming the revenue. The merchants of Canada had undertaken to manage the whole beaver trade from 1700. But their attempt fell upon evil days, and they were glad to be rid of it again to a company in 1707. The Governor and Intendant had to acknowledge that while the colony was suffering from the declining value of the card

money, owing to inadequate redemption, the letters of exchange drawn on the farmers of the revenue for the beaver sent to France were promptly paid in cash.

Matters becoming rapidly worse with the French treasury, there was an almost complete suspension of appropriations for Canada from 1708 till after the treaty of Utrecht in 1713. Though the expenses of the colony had been considerably reduced, yet the Intendant, having very little local revenue to depend on, had no other resource than the continued issue of card money. The quantity of card money outstanding at the close of 1713 amounted to about 1,600,000 l. The trade of the country was completely demoralized, the merchants claiming that they were ruined.

It being impossible to carry on the government upon card money alone, Begon, the Intendant at that time, having persuaded the people to accept half the face value of their cards, proposed this to the French Court in 1713. The proposal was discussed and adopted by arret in 1714. The amount of card money outstanding being taken at 1,600,000 l., 800,000 l. were to be paid in five yearly instalments of 160,000 l. each, begining in March, 1715.

In accordance with this arrangement, bills to the amount of 160,000 l. arrived in France in January, 1715. They were presented to the treasurer and promptly accepted, but when they fell due could not be paid. The importunity of the French merchants holding the bills, being great, the treasurer put them off till June and July with what were practically exchequer bills. But when these were due they could be cashed only at a discount of 60 per cent. They then went to the minister, who referred them to the King's secretary, but there, too, there was nothing to be had. Finally they obtained orders on the treasurer of the extraordinary war funds, and from him they managed to extract 33,000 l. out of 160,000 l.

Bills for 1716 had also been drawn at the same time. But when the fate of those presented in 1715 became known in Canada the people preferred to keep their cards, which were even yet of some value at home, consequently very few were offered for the instalment of 1717.

The letters of exchange drawn on the Company for the beaver exported, having been faithfully paid up to this time, the

colony was saved from complete ruin, although a panic was caused by the reported financial embarrassment and dissolution of the Company.

Finally the whole subject of the card money was referred to the Council of Marine for examination and recommendation. The Council reported April 12th, 1717, recommending the calling in and abolishing of the card money. The redemption should take place on the basis of one-half its face value, as already proposed, that being also the valuation at which it was circulating in the colony. As their plan could not be put in operation that year, it was agreed to allow the cards to be issued as usual, but for the last time. The details of their plan of redemption were too elaborate and theoretical to be worked, and a simpler one was adopted. It was also pointed out by the council that, inasmuch as the card money was required by law to be taken at its face value, instead of actually passing for one-half its face value, the price of everything was doubled. But all debts, salaries and fixed charges were paid in cards at their face value, which was manifestly unjust; hence it was recommended that the cards be reduced by law to one-half their face value. They also advised the complete abolition of the distinction between "money of France" and "money of the country," all money to have the same value in Canada as in France.

The King accepted the advice of the council in principle. The final plan for the winding up of the card money system is given in the "Declaration of the King" dated July 5th, 1717, the leading items of which are as follows. To meet the requirements of the last six months of 1716, and the first six months of 1717, the last issue of card money will be made. All the card money, old and new, is to pass for one-half its face value; thus a card for 4 l. will pass for 2 l. money of the country, or 1 l. 10s. money of France. All the card money must be presented to the agent of Sr. Gaudion, treasurer-general of the Marine. That presented before the departure of the vessels this year will be redeemed in letters of exchange, payable one-third on the first of March, 1718, one-third on the first of March, 1719, and the other third on the first of March, 1720. Letters of exchange will not be given for less than 100 l. The smaller sums were apparently

to be paid off in cash. The remainder of the cards were to be presented in 1718 to be redeemed in 1719 and 1720. After the departure of the vessels in 1718 all money not presented will have neither value nor currency. From the publication of this edict the distinction between money of the country and money of France shall cease, all further contracts and transactions to be undertaken on the basis of the money of France, which shall also be the money of Canada. All debts and contracts made previously to this time shall be payable in French money, with a deduction of one-fourth, which is the difference between the Canadian and French money. This latter clause may be illustrated by the statement that 15 l. money of France, being increased by one-third, became 20 l. money of Canada, which, being reduced by one-fourth, became once more 15 l. money of France.

In accordance with this edict, the greater part of the card money was brought in and letters of exchange issued. A complete statement was sent to France giving the name of each person to whom the exchanges were payable—586 in all—with the amounts due to each in 1718-19-20. The total sum drawn in letters of exchange was 359,696 l. 2s., redeeming cards to the face value of 959,189 l. 12s. in money of the country.

On the 21st of March the King ordained that those who had contracted debts since 1714, when the value of the card money fell to one half-in consequence of being redeemed at one-half its face value, should be permitted to pay their debts, on the basis of one-half their value, in letters of exchange on the treasurer, M. Gaudion.

The vessels from France were anxiously awaited in Canada in 1718, as those interested in the card money were eager to know whether the exchanges due that year had been paid, or whether the promises of the court were broken again. On October 4th the Governor and Intendant write to say that they have not yet received word of the payment, and the merchants are in great suspense. They have assured them, however, that the bills were paid when due. By the 24th of October they are beginning to despair of the arrival of the ships, which were to bring them the money and stores for the next year, and take back the exchanges for the last card money. They say that

most of the specie which came out the year before has returned to France, and the colony is so nearly without money that trade is at a standstill. If the vessels do not appear before the end of the month they will have to suspend the law with reference to the card money and resort to it again. The vessels not arriving, the Governor and Intendant passed an ordinance suspending the law. In the meantime the King had issued an ordinance, on July 12th, extending the time for receiving the card money until the departure of the vessels in 1719.

This seems to have been the last hitch in the operations. All local circulation of the cards ceased in 1719, and in the dispatches of 1721 we hear the last of the Canadian card money of the first period.

From the facts which have been related with reference to this first experience with the card money, it is quite obvious that it was precisely of the same nature as the army bills issued in Canada by the British Government during the war of 1812-15. Had the exchanges drawn for the cards been promptly paid, as in the case of the army bills, they could not have affected disastrously the currency of the country, for only a temporary overissue would have been possible. An increase in the amount issued would have meant an increase in the expenditure of the government, which in turn would have meant an increased demand for goods and labor, and this would have involved a corresponding increase in the import of French goods, which would draw off, in return for letters of exchange, the greater part of the extra issue of card money. As the trade of the colony might be enlarged in this way, an increasing quantity of the cards would have remained in circulation to act as a medium of exchange.

It was not the quantity of cards issued in proportion to the population and trade of the colony that led to their depreciation, but simply the inability of the government to redeem the surplus not required as a circulating medium. Had the amount of card money issued not exceeded the needs of the country for a currency, they would not have fallen in value, whether the home government could have redeemed them or not. The need for them as currency would have prevented a call for their redemption.

Thus the card money, like the army bills, though issued simply as a means of enabling the authorities to carry on the

affairs of the country, yet, once issued, discharged two totally different functions: first, as a currency or local medium of exchange; secondly, as orders on France for supplies. The first, however, was simply incidental. Further, as the cards were issued only when the government was in straits, owing to the failure of the recognized methods of supply, the real currency function of the cards never had an opportunity to be recognized during this first period. In the beginning of the second period, however, this feature was strongly brought out, as will appear from the facts to be related in the next paper.

Other aspects of the card money as they appeared to the philosophic observer of that time, are admirably stated in a memoir on the subject, bearing date 1711. It contains a shrewd apology for the card money, written from the imperial point of view.

It is stated that nothing but card money is to be found in Canada. This the writer regards as very fortunate for France, which would otherwise have to supply the colony with about 100,000 écus yearly, which would be a very serious matter for the French treasury at the time. Of course much of it would return to France in payment for goods, but a great part would also go to the New England colonies, whereas card money could not be sent there. This was very true, and it was equally true that little Spanish coin was now coming to Canada from the New England colonies, as they too were deep in the mysteries of paper money at the same time. Among the other virtues of the card money, according to the memoir, was that it avoided the risk of loss by transport, and the loss of money, as the writer feelingly remarks, is the worst of losses.

Again, it is good policy on the part of the King to render his subjects submissive, and to attach them to his person. This the card money does by making all its value depend on the pleasure of the King as to its redemption. This idea, in a very similar form, was recognized in the case of the Bank of England then recently established.

Further, the card money enables the mother country to completely monopolize all benefit to be derived from the Canadian colony, and this is the height of good policy.

As to its drawbacks : The first is the danger of counterfeiting, both in Canada and from France. The remedy proposed

is to call in the money each year to be redeemed in letters of exchange, and then issue new cards with different stamps after the departure of the last vessels. These suggestions were afterwards partially adopted, though the stamps were not changed every year. The writer admits that at present and for some time past, the letters of exchange drawn for the cards have not been very well redeemed; but it is only proper that the colony should suffer something for the mother country from which it derives all its benefits.

Throughout, the memoir is thoroughly characteristic of the mercantile and colonial policy of the time.

The next paper will deal with the conditions leading up to the second issue of the card money, and the course which it ran.

ADAM SHORTT

QUEEN'S UNIVERSITY, Kingston

OBITUARY

MR. R. R. GRINDLEY

MR. R. R. GRINDLEY, late General Manager of the Bank of British North America, who recently died in New York, commenced his banking training at an early age in one of the English provincial banks. After a few years he entered the service of the Bank of British North America, and was sent as a clerk to the London, Canada West, Branch, in 1854. From 1858 to 1862 he was secretary to the late Thomas Paton, the then General Manager, and in 1862 received the appointment of Manager at St. John, N.B. In 1870 he was removed to Montreal as Manager, and in 1877, on the retirement of Mr. C. McNab, he was appointed General Manager, retaining the appointment until his retirement in 1894.

Owing to the conditions which prevailed at the time of his assumption of this responsible position his task was an anxious and difficult one. The country had been going through a period of extreme depression, succeeding some years of inflated credit and excessive imports. Failures were numerous, and, in many cases, serious, entailing large losses. The depression in the lumber trade in the Ottawa Valley and New Brunswick resulted in failures and heavy shrinkage in values of securities. Matters were not very much better in the United States, where specie payments had not yet been resumed.

Such were the conditions facing Mr. Grindley at the commencement of his charge, and he felt to the full the responsibility of his task, the nature of which will be appreciated by the initiated who have seen bad harvests, accompanied by shrinkage in values, reduction in the volume of general business, falling rates and collateral profits, and such matters as tend to bring down the margin of a bank's profit and leave but little surplus for that necessary insurance against bad debts—specially needed during such a period.

Mr. Grindley quietly faced the responsibility and went on with the task which devolved upon him. He was a man who adhered strongly to the principles in which he had been trained, and required in others an equal rectitude of conduct, looking with great disfavor on any attempt at deception. Retiring by nature, he yet took a keen interest in public affairs, and lent his help, especially in civic matters, to the cause of good government, but always shrank from any public assertion of himself personally, or anything that savored of advertisement. He read constantly on financial matters, and being able, by reason of his judicial mind, to consider questions from an independent point of view, the opinions he formed were found to be very generally correct and justified by the course of events, as was sometimes acknowledged by those who at first held other views.

It is within the knowledge of the writer that one of the able Governors-General whom we have been fortunate in having in Canada, hearing of Mr. Grindley's unbiased knowledge, had some lengthy interviews with him in order to get the benefit of opinion untinged with prejudice to assist him in learning the prevailing conditions of the country over whose destinies he was called on to preside.

It is not in the nature of things that in the career of a man of Mr. Grindley's quiet temperament there should be any startling or sensational incidents to relate, and there were none. During the period of his careful superintendence the affairs of the Bank quietly prospered, as a glance at the public returns will show; and in that the simple story is told. He retired taking with him the high esteem of his associates and subordinates, in which none shared to a greater degree than the writer, who is glad to offer a tribute of respect to his memory.

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MR. ALEXANDER ROBERTSON

There passed away at Brantford on Monday the 6th of June, 1898, one who was exceptionally well known and highly esteemed in Western Ontario. From the time of his arrival in

Canada in 1853 until the day of his death, Mr. Alexander Robertson, for thirty years the manager of the Bank of British North America, was a resident of Brantford, where he served the bank continuously as clerk, teller, accountant and manager, until he retired from active service in 1894.

He carried with him into his retirement the good will and affection of a large circle of friends, whom he drew to himself from all classes of the community. A long and busy life passed in the same district, coupled with a strong and attractive personality, caused him to be known very widely, and, with his qualities, to be widely known meant to be widely trusted and respected.

Altogether Mr. Robertson's career was one of which in Canada we rarely see the like, and he leaves a name behind him which the most fortunate among us might envy.

THE BANKING "MONEY POWER" IN CANADA

THAT the cry raised against the "Money Power" in the last Presidential election in the United States should in the end have come to be directed in an especial manner against the banking institutions of the country does not afford ground for surprise. The character of the issue upon which the contest was fought, and the fact that the bankers and financiers were arrayed almost to a unit on the opposite side, would have rendered it natural enough that the silver party should vigorously attack the banking interests—even had it not been the case that such a choice of an object for special attack gave point to the epithets "gold bugs," "gold trust," "Wall Street money changers," "money power," etc.

No doubt there is a "money power" whose influence is exerted to attain ends inimical to the general welfare, but nothing could be farther from the truth than the supposition that the influence of the banking interests is so exerted. That such a supposition should prevail, even to a limited extent, ought not perhaps to be a matter of indifference to the banks. In the United States the organized cry against the banks roused strong prejudices, of whose mischievous effects we shall doubtless have testimony for a long time to come, notwithstanding the fact that since the election is over the term "money power" has again come to be used in its wider sense. In Canada the conditions surrounding the banking and currency system have for years been such as to render the bank hater innocuous; nevertheless the same prejudices against banks are to be encountered—strengthened possibly in some slight measure as a consequence of the theories promulgated by the silver party in the United States.

It may therefore serve a useful purpose to consider: (1) The composition of the banking interests; (2) the nature of

the misconceptions as to the functions and operations of banks, upon which the prejudices against these institutions are mainly founded; and (3) what the profits of banking really are.

For the purpose of such an investigation Canada presents a favorable field, first, because official statistics are readily accessible on the main points we have to consider; and, second, and of most importance, because, being a country of few and comparatively large banks, if odium justly attaches to the organization of "money changers" it should be true here in a peculiar degree.

THE COMPOSITION OF THE "MONEY POWER"

The Dominion Blue Book on Chartered Banks shows that on the 31st December, 1896, there were approximately 23,000 names in the lists of shareholders of the chartered banks in Canada.

In order to fully appreciate the meaning of these figures, regard must be had to the fact that the class from among which bank shareholders are drawn, is necessarily a limited one. Of those of the population having a surplus of a few hundred dollars and upwards, the large majority have their means either represented by the ownership of farms or other real estate, or employed in the various mercantile pursuits. Of the minority whose capital is not employed in business or represented by the ownership of real property, much the greater number* are impelled by caution to deposit their moneys in the different savings institutions, from which they may be readily had again, in preference to venturing them in investments promising better returns but of which their knowledge is limited. Making allowance for these elements it will be readily seen that the class among which investors in stocks are to be found is a comparatively small one. And when we consider that for these latter there are besides bank stocks, marketable stocks and bonds of innumerable other undertakings, such as Land Mortgage Companies, Fire and Life Assurance Associations, Railways, Lighting Com-

* The total number of depositors in the chartered banks, saving banks, post office and government saving banks, loan companies and other savings institutions in Canada is variously estimated at 800,000 to 1,000,000.

panies, Telegraph Companies, Mining and Industrial Corporations, etc., the significance of the figures quoted for the number of bank stockholders becomes clear.

Nor is the actual distribution of the different bank stocks less striking than the figures of the number of holders. No one who peruses the Blue Book can fail to be impressed by the moderate amounts which as a rule are held by individual shareholders, and with the representative character of the shareholders' lists in every instance. A complete analysis of all the lists is scarcely feasible, but in the statistics given in the succeeding page, embracing all the banks with a capital of two million dollars and upwards save two possessing Imperial charters, will be found ample illustration for our purpose.

If it were possible to present in concise form the facts as to the conditions in life of the holders of bank stocks, they would be found instructive. A perusal of the lists reveals the fact that holdings of moderate amount in great numbers stand in the names of executors and trustees, and these only partially indicate the extent to which the business of the banking corporations is conducted for the benefit of widows and orphans. There is no means of ascertaining the extent to which the other holdings represent the owners' entire means, the dividends on which constitute an important proportion of small incomes, but it is impossible for anyone to examine these lists of shareholders without realizing to what a great extent the 62 millions of banking capital of the Dominion of Canada is composed of the savings and inheritances of persons in very ordinary circumstances.

No doubt it would be sought to distinguish between the proprietary and the directorate and executive, for the popular prejudice is not deliberately directed against such a proprietary as that whose composition we have analyzed. But we cannot logically distinguish between those actively directing the operations of an institution and those for whose benefit it is operated, especially where, as in the case of a banking corporation, the former are in the strictest sense representative of the latter. The directors are chosen by the shareholders purely on the grounds of fitness, and are almost invariably men who have been eminently successful in their own business or profession,

	Bank of Montreal	Merchants Bank of Canada	Canadian Bank of Commerce	Quebec Bank	Bank of Toronto	Molsons Bank	Imperial Bank of Canada
Total number of shareholders..	2,180	1,632	1,975	984	390	526	518
Number of shareholders owning stock to the amount of							
$ 2,000 or less.....	1,225	1,110	1,333	686	223	364	332
2,000 to $ 5,000.....	505	261	432	196	86	101	109
5,000 " 10,000.....	223	151	126	65	43	30	46
10,000 " 25,000.....	168	87	57	31	26	23	21
25,000 " 50,000.....	33	11	19	4	8	4	4
50,000 " 100,000.....	17	7	5	2	3	3	5
100,000 and upwards....	9	5	3	0	1	1	1
Paid-up capital.....	$12,000,000	6,000,000	6,000,000	2,500,000	2,000,000	2,000,000	1,963,600
Amount owned by holders of $100,000 and upwards.....	1,735,400	841,000	760,000	Nil	208,200	365,000	126,300
Or.....	14.45%	14.02%	12.66%		10.41%	18.25%	6.41%

and possess the confidence and esteem of the business community. They hold office for one year only unless re-elected, and their remuneration is—except perhaps in the case of the president—but a nominal one and of course voted by the shareholders. It is a noteworthy fact also that the stockholdings of the directors of Canadian banks are, with a few exceptions, very moderate indeed, usually representing but a small proportion of their private means. This will be clearly seen from the following figures from the official lists:

INDIVIDUAL STOCKHOLDINGS OF DIRECTORS

BANK OF MONTREAL

3 directors holding $20,000 or less each
1 director holding 80,000
1 director holding 100,000
1 director holding 150,000
1 director holding 201,000
1 director holding 410,000

MERCHANTS BANK OF CANADA

5 directors holding $20,000 or less each
1 director holding 90,000
1 director holding 96,000
1 director holding 138,000

CANADIAN BANK OF COMMERCE

5 directors holding $30,000 or less each
1 director holding 62,000
1 director holding 164,000

QUEBEC BANK

6 directors holding $30,000 or less each
1 director holding 85,000

BANK OF TORONTO

6 directors holding $30,000 or less each
1 director holding 208,000

MOLSONS BANK

6 directors holding $25,000 or less each
1 director holding 60,000

IMPERIAL BANK OF CANADA

5 directors holding $30,000 or less each
1 director holding 66,700
1 director holding 72,000

The Government Bank Statement of December 31, 1897, shows that with total loans and investments of $276,764,000 the banks had loans of $7,689,000 to directors and to firms of which directors were partners, clearly a sum well within what we might expect to be legitimate when it is borne in mind that among the directors of the banks are to be found numbers of men who are partners in some of the most important business houses of the Dominion, whose operations involve bank loans of a most desirable kind.

The only benefits which the directors of banks can derive from their respective institutions are such as are shared in common by all the other stockholders. It is manifest therefore that in framing their policies they can have no other end in view than to keep the funds at the disposal of the banks continually diffused in the channels of trade in such a manner as to earn the current rates of interest without unduly risking the funds entrusted to them. In this way only can they advance the interests of their shareholders, and clearly no odium can attach to them as "money changers" that does not attach to the shareholders in general.

So much for the composition of the "money changers." But in speaking of the money power we must not overlook the fact that in reality it is not complete without the inclusion of the multitude of depositors. The proprietors' capital is a large sum—$62,289,000 plus reserve funds aggregating $27,516,000—but this is only one-fourth of the moneys in the custody of the chartered banks. The sum of $221,000,000 is held on deposit, and the depositors number about 400,000.*

Of the composition of this latter body it is scarcely necessary to speak—it includes many thousand farmers, many thousand wage earners, and, save to a very small extent, the deposits represent the savings of people of small means. The administration of this large sum is in the nature of a trust, a consideration which is overlooked by that species of demagogue whose letters to the press against the "money power" are prompted by his inability to induce a bank to lend to him the savings of others on inadequate security.

*This information was obtained from the Dominion Statistician.

Probed to the bottom, we find that the much suspected money power is composed of those persons—considerably in the majority, happily—who through industry and abstinence have been enabled to save from a few dollars to a few thousand dollars, and that the men of large fortunes—the pure "capitalists"—have not as a rule a large interest in the money power as represented by the banks. Indeed the stockholders and depositors of the chartered banks together constitute such an important proportion of the entire community that the banks might in a certain sense be called "People's Banks."

MISCONCEPTIONS AS TO THE FUNCTIONS AND OPERATIONS OF BANKS, ON WHICH THE PREJUDICES AGAINST THEM ARE MAINLY FOUNDED

Speaking broadly, the antagonism to banking institutions grows out of misconceptions which have their origin, mainly, in the belief that the banks are the owners of hoards of gold, that the business of banking consists in accumulating "money," and that when money is scarce the scarcity is the result of these operations.* During the recent presidential campaign it was charged that the banks were engaged in a constant conspiracy to enhance the value of gold, and that this enhancement and the corresponding fall in prices of commodities, operated to enrich the bankers while impoverishing the toilers and producers. If we add to this the charge, always couched in vague terms, that the banks are fortified in their oppressions by corruption, we have a sufficiently accurate notion of the supposed wielding of the "money power."

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*The following sentence is quoted from the annual address of the President of the English Institute of Bankers, delivered in December last:

"I will digress for a moment to utter a protest against the tone which Professor Foxwell has thought fit publicly to adopt towards us. In a letter which he penned to be read before a bimetallic meeting in Manchester on October 12th, he thought fit to accuse the London Bankers (whom he describes as 'a small group of middlemen') in their opposition to the recently proposed policy with regard to the Bank's reserve, of raising 'a noisy and irrational, but evidently concerted clamor.' He goes on to say that our chief concern has been to make the commodity we deal in artificially scarce. He terms us 'Monopolists' and says that our only thread of consistency, now as in former times, 'is to aggrandise the creditor by increasing the real value of the money in which the debt is expressed.'"

With reference to the last point mentioned, it may be said in passing, that in Canada—as is probably the case in most countries—such a thing as a subscription by a bank to the funds of a political party is altogether unknown. The banking institutions have been independent of both parties and have received favors from neither. They have many times had to defend themselves against hostile legislation of a more or less vicious nature, and on such occasions they have used no weapon but that of argument and reason. On the other hand the Ministers of Finance who have held office in late years would doubtless testify that whenever reasonably conceived measures have been brought forward to amend the banking laws in the interest of the public, the banks have lent every possible aid in the framing of effective legislation.

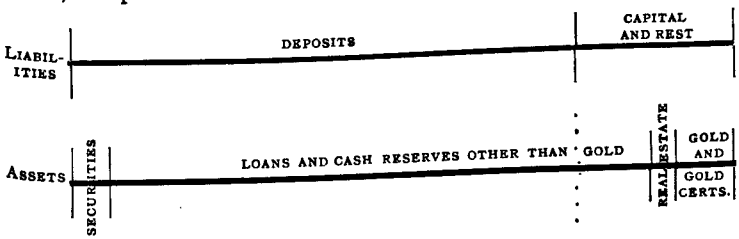
But with regard to the nature of banking operations. The proposition that the banks are engaged in a conspiracy to enhance the purchasing power of money, is one which bankers find it difficult to regard as propounded in good faith.

It is what capital will earn when lent to those engaged in production and manufacture, that constantly concerns the banker, and complex considerations surrounding the question of the appreciation or depreciation of gold have no place in his calculations, nor indeed would the gain or loss from this cause from year to year, if accurately ascertainable, be found of any moment in his account of profit and loss. In years when normal conditions prevail in the money market the average rates obtainable for mercantile loans by the banks in the United States range from 6 to 8 per cent. per annum, and in Canada the average rate of late years has been about 6.5 per cent.; whereas the appreciation of gold due solely to change in the relation between the demand and the supply of that metal as distinguished from its altered value by reason of the reduced cost of producing and transporting other commodities, has been a small fraction of 1 per cent. per annum—if indeed there has been any appreciation of gold in this sense.

It is not inconsistent with the contention that banks have no peculiar interest in seeing the value of gold enhanced, that the American banks should have been deeply concerned as to the outcome of the presidential election. The effects of slight

and gradual fluctuations in the value of gold are altogether different from those which would have followed the enactment of the policy advocated by the silver party, which as we know meant the cutting in half of all debts not expressly payable in gold. The banks undoubtedly had a good deal at stake in the result of the election, but as to the nature and extent of this the misconception is almost general. And since distrust of the motives which prompt the attitude of the banks on the question of the standard of value is an important element in the antagonism evinced by the public towards these corporations, it will be of advantage to show just what the position of the American banks would have been, had the United States plunged to a silver basis.

The aggregate deposits of the national banks of the United States in November, 1896, were approximately three times the amount of their capital and rest accounts. If we represent their assets and liabilities by parallel lines drawn to a scale, the position of the national banks is thus shown:



It will be observed that if all the loans and "securities" were payable in currency, the loss to the banks in the event of a change to a silver basis, would have been limited to that portion of their assets represented by the distance between the horizontal dotted line and the line indicating the extent of their gold reserve and holdings of real estate, the loss on the assets represented to the left of the dotted line being counterbalanced by the gain on the deposits. The proportion of the capital and rest thus appearing as unprotected is five-ninths. Allowance would have to be made, however, for that portion of the "securities" (municipal and corporation bonds, etc.) by their terms payable in gold. If only fifty per cent. of them were payable in gold, the proportion of the capital and rest

unprotected would be nine-twentieths instead of five-ninths. On this basis the apparent loss to the banks' shareholders—taking the ratio of value between a gold dollar and a silver dollar as 1 to 2—would have been nine-twentieths of 50 per cent., or 22.5 per cent., as against the full 50 per cent. lost to depositors and all others of the community having debts due to them in "currency." Besides, many banks had a portion of their loans repayable in gold, having taken the precaution in connection with transactions entered into during a period prior to the election to stipulate that the borrowers should repay in value equivalent to that in which the loans were made. And it will be seen that with only eighteen to twenty per cent. of their loans payable in gold they would have been fully protected. As a matter of fact some banks had such a proportion of their loans and investments on a gold basis, that had silver carried the day they would have been gainers were it a mere question of a balance of accounts.

It was not indeed upon the banks that the first blow of the silver dollar would have fallen. The purchasing power of a "dollar" after the election would have given the banks little concern, and fluctuations in the value of silver, tending downwards, would not then have entered into the calculations of bankers any more than do fluctuations in the value of gold at present.

What did deeply concern the banks as to the outcome of the election was the possibility of the ruin of some of their borrowers in the catastrophe inevitably to follow a silver triumph, entailing marginal losses to themselves. The interests of the banks were endangered as a rule only by reason of the danger which threatened the mercantile community, and not at all in the manner and special degree which the public generally supposed.

The truth is that money is for the most part a tool in the hands of the banks just as it is in the hands of individuals—a tool in banks' hands with which to effect the circulation of movable wealth. As to the policy pursued by the banks with respect to their operations in gold and holdings thereof, it may be said that their constant endeavor is to maintain their entire cash reserves at the smallest figure that prudence will permit, and to

find prompt employment for any surplus in the channels of commerce. As the profits in banking nowadays are derived almost wholly from interest on capital lent, every dollar of money lying idle in the strong boxes of banks means an actual loss, and self-interest renders it their supreme object to keep the last dollar of lendable capital in circulation. But it scarcely needs demonstration that a condition where the banks could be charged with perversely withholding money from circulation, and so rendering it scarce, or with having any power whatever to make money plentiful or scarce at will, while at the same time promoting their own interests, is one whose existence it is impossible to imagine.

There is yet another aspect from which the matter must be viewed in order to fully demonstrate how ill-founded and unjust is the suspicion and antagonism directed against this "money power." Very few of the public, even among those of the mercantile public who have cause to do so, realize how much the prosperity of a country is dependent upon the character of its banking system, and upon a wise and economically sound administration of the institutions of which it is composed. It is the part of banking not merely to lend money on good security, but to take care that loans obtained by the mercantile community are used for legitimate purposes, and that the moneys are repaid whenever in the natural course of events those purposes ought to be fulfilled. They should strive to curb commercial speculations and tendencies to inflation, and to prevent the floating capital of a community from being invested in enterprises which—whether or not the banks' loans would in any case be safe—have in them the possibility of a locking-up or destruction of capital. The safety of the whole fabric of credit upon which the commerce of a country rests is largely dependent upon the manner in which the banks are organized and their affairs administered. As to how the banks in Canada have fulfilled their obligations to the public little need be said. We have had periods of depression, more however as to the result of conditions existing in other lands than as the penalty of our own economic sins. But for many years there has been no collapse of credit, no crisis nor any suspicion of a panic;

and our immunity therefrom can be largely attributed to the fact that in the policies which have governed the conduct of business by our banking institutions were to be found forces at work to hold the course of trade and commerce on sound economic lines.

THE PROFITS OF BANKING

With regard to the profits of banking—the remuneration which is exacted for services so admirably performed—there prevails widespread misconception, traceable for the most part to the apparently large dividends paid by many of the banks. The public take no account of the fact that in every case a portion of the dividend represents interest on the "Rest." The rest of a bank is composed of an accumulation of many years' savings, savings which had they been added to the yearly dividends would not have increased the rate percentage of dividend in any year beyond what in that year would have been a fair interest return. Having, however, elected to abstain from withdrawing a portion of the yearly earnings in order that a fund should be created which would serve as a protection for depositors not less than for themselves, the sums so accumulated are none the less proprietary capital and none the less are the shareholders entitled to be paid whatever interest the bank can obtain from the investment of the same. From the standpoint of the shareholder there is no difference whatever between the capital and the rest of a bank : the former represents capital originally invested and the latter as a rule represents a portion of the profits saved and reinvested in the business of the bank ; both are equally capital belonging to the shareholders. The rates of dividend paid by the Canadian banks, which in two instances are as high as 12 per cent. per annum, create the impression in the minds of the public that the profits of banking are very large, sight being lost of the fact that the dividend on the face amount of the capital stock must stand also for the shareholders' return on the proportion of the rest pertaining to his shares of stock. Calculated on the full amount of capital which the shareholders have invested the interest return is very much

smaller than the rate of dividend would indicate. On this basis the results in the cases of the banks already named are as follows:

	Capital Stock	Reserve Fund	Dividend paid on capital	Rate of dividend calculated on combined capital and rest
			Per cent	Per cent.
Bank of Montreal.....	$12,000,000	$6,000,000	10	6.66
Merchants Bank of Canada	6,000,000	3,000,000	8	5.44
Canadian Bk.of Commerce	6,000,000	1,000,000	7	6
Quebec Bank.....	2,500,000	600,000	6	4.84
Bank of Toronto.....	2,000,000	1,800,000	10	5.27
Molsons Bank	2,000,000	1,500,000	9†	5.14
Imperial Bank of Canada.	2,000,000*	1,200,000	9†	5.63

One bank (the Dominion) having a capital of $1,500,000, and rest of $1,500,000, and another (Bank of New Brunswick) with a capital of $500,000 and rest of $600,000, pay dividends at the rate of 12 per cent. on capital, equivalent to 6 per cent. and 5.55 per cent. respectively, on capital and rest taken together.

In prosperous years when the banks are able to add to their rests, the amount of such additions would be equivalent to a further 1 to 2 per cent. on the combined capital and rest, but taking good and bad years together the earnings in excess of the dividends paid would be appreciably less than this 1 to 2 per cent. It could be demonstrated from actual figures in the cases of all banks whose entire earnings in the earlier years were derived from business confined to Canada, that had the net earnings of each year been withdrawn to the last dollar in dividends the average yearly interest would in no case have been in excess of that obtainable from other forms of investment, many of which are less hazardous than bank stocks.

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The ownership of the banks, as we have shown, is vested in a large number of persons, whose shares with few exceptions are individually moderate or quite small, large capitalists rarely having any considerable portion of their wealth invested in bank stocks.

*Increased from $1,963,600 since December, 1896.
†Including a bonus of 1%.

The amounts which the directors themselves have invested in their respective institutions are, as a rule, only a small part of their means, and no policy of administration which they might adopt could result in their deriving greater benefits than those which would accrue to every shareholder possessing an equal amount of stock. It manifestly follows that there is no warrant for the supposition that in framing their policy the directors of a bank could be animated by any other motive than the desire to advance the interests of the general body of shareholders.

From the very nature of banking and of the facilities which it is the purpose of banks to afford to trade and commerce, their successful administration involves results in the highest degree beneficial to the community. As we have indicated, the energies of banks are mainly directed to finding the fullest possible employment for their available resources in mercantile loans. The more successful they are in this, and in judging as to what enterprises they ought or ought not to assist, the larger their own profits and the greater the benefit to the community from their operations. In dealing with the loanable funds at their disposal it is scarcely possible for the banks to pursue a policy inimical to the proper interests of the public, and at the same time advantageous to themselves.

Adding to these considerations the facts we have adduced as to the profits of banks, nothing further is wanting to show the fallacious character of the theories on which existing prejudices against these institutions are founded. The opprobrious term "money power," surely lacks aptness as applied to institutions organized, owned and administered as are the chartered banks.

VERE BROWN

Toronto, June, 1898

THE HISTORY OF INTEREST*

IN most early states of society, there seems to have been an inborn repugnance to usury or interest, and in many the practice was unknown. Where we do find traces of the practice of loaning at an increase we also find that society has become more heterogeneous; some members have amassed vast estates, while others have become impoverished. Borrowing in such cases would be necessitated by the pressure of want, and the loan would only be made on usurious terms. For centuries, then, loaning implied a wealthy creditor and practically an enslaved debtor, and hence usury became associated with cruelty and hardship. With the development of commerce and industry in the 16th century, there was a new field opened to the would-be banker, and the old view of usury gradually gave way, until now we are so familiar with the phenomenon Interest, that we may sometimes forget the centuries of conflict in which theologian and philosopher, legislator and jurist, economist and merchant, attempted to discover some equitable law on usury.

The words "interest" and "usury" are not now considered synonymous. "Usury" is the older word and is generally understood to be the excessive gain of anything above the principal or that which was lent, "exacted only in consideration of the loan, whether it be in corn, wares, or money." It is most commonly an unlawful profit which a person makes by his money or goods. "Interest" on the other hand is now employed as signifying a moderate charge exacted by the creditor for the loan of capital. This distinction is purely modern, dating from Henry VIII's reign; for in the earlier writers of sacred and profane history, the word "usury" (Latin *Usura*, Greek *Tôkos*) meant any gain moderate or excessive got by lending.

*Read at the annual meeting of the Canadian Bankers' Association, Niagara Falls, October, 1897.

In Holy Writ we learn that the Mosaic law prohibited the taking of usury from an Israelite in a straightened condition, for borrowing could only arise from penury, as the Jews in those early times had little concern with commerce. But this prohibition was not to prevent them from caring for any destitute in their midst whether they were strangers or not, and when aid was given, it was distinctly commanded that there was to be no increase charged, either in money or in victuals.[1] They were, however, permitted to lend to strangers (a term usually implying Gentiles), although even in this case there was a restriction that strangers against whom they had no quarrel, and upon whom God had not pronounced his judgment, were to be free from usury.[2] This sanction is equivalent to that given in the case of war; they were allowed to lend at usury to their enemies. In spite of these injunctions there is plenty of evidence to show that usury was not unknown among the Jews themselves, for in *Nehemiah*[3] we read of restitution to Jewish debtors of the lands on which money had been advanced by Jews at the rate of 1% per month.[4]

After the fall of Jerusalem, the Jewish people became scattered along the Mediterranean, and owing to the restrictions mposed on them by Christians, they were excluded from carrying on any trade except that of money-lending. They were also excluded from any share in national or municipal life, and were in consequence under royal patronage and protection, as there was no feudal or customary law to which they could appeal in case of injury. They thus became a source from which royalty could exact a tribute for their protection.

In all large cities in mediæval times, we find the Jew lending his ducats at exorbitant rates, even to the exacting of "a pound of flesh." The rate of gain that they were allowed to receive during the 13th century was about 43⅓% per annum,[5] and it was largely on account of this extortion that they became so thoroughly despised and so cruelly treated in western Europe.

1. *Exod.* xxii., 25, 26, and *Lev.* xxv., 36-38.
2. *Deut.* xxiii., 20.
3. *Neh.* v., 7-12.
4. Salvador's *Institutions of Moses*, pp. 279, 283.
5. Ashley's *English Economic History*, Bk. I., p. 203.

They were allowed into England by the Normans shortly after the conquest, where they remained subject to many restrictions and privations until 1290. After a lapse of several centuries Oliver Cromwell gave them permission to live in the country, but without any civil or national rights. We can perhaps realize the strong prejudices that existed against the Jews when we consider that it is hardly forty years since all disabilities were removed.[1]

Coming to Ancient Greece we see a state of affairs somewhat similar to that depicted in *Nehemiah*. The history of the city states of Greece and early Greek philosophy reveal the great injustice done to those unfortunate enough to need the aid of the money-lender.

The first borrowers were undoubtedly driven to the necessity of soliciting financial aid by the pressure of want. The exact social condition of these Athenian debtors during the time of Solon has been a matter of much conjecture. By some it has been maintained that the arrears of rent or of produce, payable to the owners of the soil, were converted into debts for which the tenant was allowed to pledge his own body and the bodies of his relatives. A succession of bad crops and the heavy demands upon the citizens on account of the Attic wars, had so aggravated their troubles that nothing but the sweeping measures of Solon's Seisachtheia could save the state from absolute ruin.[2] However this may be, most commentators are agreed that there was a possibility of the complete annihilation of the middle orders, and that this was averted by Solon, by abolishing the practice of enslaving debtors and by cancelling all debts made on the security of land or the pledge of the body of the debtor. According to Plutarch he also reduced the rate of interest, which was about 16%, but it is generally conceded that he left the rate of interest to be determined by free contract.

In the different parts of Greece the rates charged on loans on good security varied greatly. In the outlying states 24% was not considered excessive, while at Athens, during the time

1. Skottowe's *History of Parliament*, p. 331.
2. Cox's *History of Greece*, p. 26.

of the orators, 14% was generally received.[1] This dearness of money can be attributed to two causes: (1) the dearth of capital, and (2) the cheapness of labor, which made the percentage of return on capital very great.

In the writings of Plato and Aristotle we find frequent mention of the practice of taking interest. In his *Republic* the retail shop-keeper as well as all tradespeople are looked upon by Plato with suspicion. To these vocations he would assign only those who were physically weak, while money-lending would not be tolerated. In his *Laws* he also excludes it, allowing only one exception in favor of usury, the case of a customer who does not pay for an article which he has ordered, and who must pay interest after a specific time. To prevent money-lending, he would finally decree that the precious metals should *not* be private property, and that the currency should be of only limited amount, in the form of "token" money.

Aristotle defined wealth as "a quantity of instruments for the household or State," and so long as the science or art of wealth dealt with any product used for the household, he termed it Natural Finance. One passage in the first book of his *Politics* has had a marked influence upon mediæval opinion as to usury, and has also considerable value in the history of Interest, as it enables us to infer how this ancient philosopher viewed the subject. Aristotle there says: "Now there are two species of finance, one belonging to *domestic* or *natural* economy and the other to *trade*. The former is indispensable and laudable; whereas the latter, which is an art of exchange, is justly disparaged as being contrary to nature and enriching one party at the expense of the other. But of all forms of bad finance, there is none which so well deserves abhorrence as petty usury, because in it, it is money itself which produces the gain instead of serving the purpose for which it was devised. For it was invented simply as a medium of exchange, whereas interest multiplies the money itself. Indeed it is to this fact that it owes its name (*Tókos* or offspring), as children bear a likeness to their parents, and interest is money born of money. It may be concluded, therefore, that no form of money-making does so much violence to nature as this."

1. Grote, *History of Greece*, Vol. III, p. 286.

From this passage we see that Aristotle, like some later writers, allows that profits may be made in husbandry and stock-raising, but shop-keeping and commerce he seems to regard as a perversion of nature's laws. It is little wonder then, that he should consider the spendthrift a better citizen than the miser who hoarded for the sake of the accumulation itself.[1]

We must not be too severe in our censure of this pessimistic view of commerce and trade, for it must be remembered that it is to be seen in all the Greek literature from Homer to Aristotle.[2] Good citizenship was the one thing necessary in the eyes of all Greek critics, and as usury and trade were associated with cruelty and hardship, all such dealings were branded as immoral.

In early Rome the same tendencies are to be noticed as at Athens, but the difficulties at Rome were never successfully met.

After the expulsion of the Kings in B. C. 509, the interpretation of the following mass of customary law was wholly in the hands of the patricians, who interpreted and arranged it to suit themselves. The bulk of the small proprietors were indebted to this class to such an extent that they were practically slaves. Usury had given undoubted power to this already powerful but small plutocracy, so that the popular suffering thus caused required a readjustment of debts as well as of the laws.

After a long struggle the twelve tables were drawn up, and the rate of interest (interest was then allowed by Roman law) was restricted to 10% per solar year.[3] This attempt to fix a maximum rate proved futile. The real root of the difficulties was that the creditor still possessed the legal right of casting his debtor into chains, if after a lapse of thirty days he had failed to discharge his debt or to find a surety. Grote says that "the private prison with the adjudicated debtors working in it, was still an appendage of the Roman money-lender even in the third and fourth centuries of the Christian era."[4]

1-2. Bonar's *Political Philosophy*, p. 38.

3. Tacitus, *Ann. VI.*, xvi. 3.

4. *History of Greece*, Vol. III., p. 213.

In B. C. 347, interest was fixed at 5%, and five years later it was abolished altogether, but this did not remove the evil, as the processes of Roman law were still shut to all but the wealthy, and consequently such statutes had no effect.[1] When the taking of interest did become legal in B. C. 88, under the consuls Sulla and Rufus, the creditor had only a civil remedy against the property of his debtor, whereas in the case of the principal he was still allowed to imprison and enslave until the "utmost farthing" had been paid. This shows the dislike felt by the Romans towards the taking of usury. But money-lenders were not satisfied even with this excessive insolvency law; they established many ways of evading the letter by collusive action and by artifice, which enabled them to bind the creditor for the interest also. Out of some of these legal artifices have grown not a few of the present forms of deed and conveyance of property used particularly in England.

Cato once being asked what he thought of usury, made no other answer to the question than by asking the person who spoke to him what he thought of murder.[2]

It is impossible to estimate the effect of such an evil on the social and economic history of the Roman Republic. In the Roman provinces the evil reached a much greater height than at Rome, as we can partly judge from the tremendous differences in the rates of interest. When interest was only at 4% at Rome, in the provinces it varied between 25 and 50%.[3]

To Julius Cæsar belongs the credit of first establishing at Rome, the system introduced into Athens by Solon some five centuries before. The *lex Julia de bonis cedendis* introduced into Roman law the principle, now adopted in all insolvency legislation, that the insolvent could surrender his estate to his creditors, and as Prof. Mommsen says, "enter upon a new financial existence in which he could only be sued on account of claims proceeding from the earlier period and not protected in the liquidation if he could pay them without renewed financial ruin."[4]

1. Livy, xxxv. 7.
2. Cicero, *Orationes*.
3. Mommsen's *History of Rome*, Bk. v., ch. viii.
4. *History of Rome*, Bk. v., ch. xi.

Such remained the law, still overcome, however, by unscrupulous creditors who were many, until the time of Justinian, A.D. 533. A curious practice then arose, of having different rates of interest for different classes of society. The merchant had generally to pay some 2 or 3% more than the person who required money for his personal use; this was probably on account of the great risk run by merchantmen in those hazardous times. The Roman officials and all in high authority paid a still less rate, generally about 4%. This differentiation continued down to the time of the earlier canonists, who regulated the rate according to the occupation and social position of the borrower.[1]

Before leaving this part of the subject, there were several species of obligation introduced into Roman law and afterwards adopted by the Canonists, concerning which we wish to say a word, e.g., the claims involved in *Mora*. We have already mentioned that Plato conceded the charging of interest or usury in cases where the person ordering a commodity failed to pay for the same within a specified time. Such delay in the discharging of a lawfully contracted debt was known in Roman law as *Mora*,[2] and even where interest was not otherwise collectible a creditor could insist upon a certain premium being paid for *Mora* subject to the "discretion of the judge."[3] This suggested that the rate of the increase so charged should be adjusted according to the inconvenience suffered by the creditor. In Canon law this was known as the doctrine of *Lucrum Cessans*. The other doctrine which also appears in Canon law was that of *Damnum Emergens*, in which case the debtor not only had to pay the principal and the adjudicated *Mora*, but also became responsible for any consequential loss to the creditor.[4]

Turning now to the middle ages we find the Church taking no uncertain stand regarding the question of the morality of the charging of interest.

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1. Hunter's *Roman Law*, p. 147.
2. *Institute of Justinian*—Sandars—p. 325.
3. *Digest*, 19, 1, 49, 1.
4. Canon Law. Palgrave's *Dictionary of Political Economy*.

After the barbarian invasions of the Roman empire had ceased, and "the old order had given place to the new," we find monasteries springing up in all parts of western Europe. Many of them were seminaries and universities, and so it is not surprising to find the learning of these early times almost wholly confined to the cloister and to the Church. The influence of some centres, however, was limited. In Spain, for instance, there were several schools established by the Arabs in the eighth and ninth centuries, in which the philosophic writings of the ancient Greeks were studied in Arabic, yet these made but little impression upon European thought.

The Church, having assumed the position of judge and arbiter, and even that of law-giver, decreed that certain rules, which had been laid down from time to time and which were first only of a disciplinary character binding on the clergy, should be extended to the laity. These rules were collected as early as the end of the third century, but were finally completed and reduced to something like their present systematic form about the middle of the twelfth century, by a monk of Bologne, named Gratian. This body of rules now became known as Canon law, of which mention has already been made. It consists of citations from Scripture, from the fathers and from the popes, together with commentaries. It formed, according to the Canonists or Schoolmen, as they were sometimes called, one of the two branches of the law of custom, of which the other was civil or Roman law. There was a tendency to study both branches and we find that Bologne was the principal seat at which they were taught side by side. (In many points, of course, they were in conflict.)[1]

By the council of Nicæa, A.D. 325, the prohibition of usury applied only to the clergy, and about a century later it was first extended to the laity. Charles the Great, in the ninth century, included it in his capitularies to western Europe. This practically opened the question as to the morality of usury, although for several centuries the subject was very little noticed in contemporary records. What discussion there was, however, dealt only with the religious doctrine of usury. In the twelfth

1. Endemann's *Studien*.

century there was a marked attention paid to it, owing to the revived study of Roman law and to the development of Canon law. The Church also saw that there was the possibility that its view of the subject might be lost sight of, and so in 1179 it pronounced authoritatively against usury in any form. In 1311, the council of Vienna went even further, and threatened to excommunicate any secular judge who should violate the ecclesiastical doctrine of interest. But these restrictions were not very noticeable owing to the obstacles to commerce and industry raised by the dismemberment of the Roman Empire and the growth of feudalism and petty warfare.

Up to the beginning of the thirteenth century the ban of the Church had been upon all research whether philosophic, scientific, or even economic. But in less than one hundred years we find every class of society in search of knowledge. This change is known as the Renaissance. The Canonists now saw that they had to face the same problems which the ancient philosophers had attempted to solve, and naturally they found Greek philosophy helpful in the task. They therefore defended their views of usury by such arguments as Aristotle's assertion of the barrenness of money (which we quoted above); the "natural doctrine" that the selling of an article implied the selling of the use of the article; property lent became the property of the borrower for which no remuneration could be charged; and lastly, interest was a "hypocritical price" charged for the common good time. Against these arguments advanced by the orthodox party, we find many counter statements, but the consensus of opinion was that interest was a "parasitic profit" and not a "just reward."[1]

The rise of the mendicant and preaching orders, both of them vowed to poverty, gave a fresh impulse to the effort to lessen the evils of usury; they also had a powerful effect upon public opinion, so that in the fourteenth and fifteenth centuries secular legislation follows ecclesiastical in relation to usury.

Up to this time the Church courts, owing to their jurisdiction over wills and intestate succession, as well as to their

1. Böhm-Bawerk, *Capital and Interest*, pp. 18-23.

influence upon the religious life of the people, had been indirectly able to force their will upon nearly all Catholic countries, but during the fourteenth and fifteenth centuries many things arose in connection with the Church that greatly lessened its rigidity in the matter of interest. So from this time onward the opposition to usury comes from the people rather than from the councils of the Church.[1]

Now that we have dealt in general outline with the attitude of the Church and ecclesiastical law towards usury, let us notice some of the more important acts relating to usury, particularly in England, and the views of the leading writers and economists that led to the acceptance of interest legislation. In the compilation known as the *Laws of Edward the Confessor*, edited by Granvil in the early part of the twelfth century, forfeiture and outlawry are the penalties said to have been ordained by Edward against usury.[2] William the Conqueror separated the ecclesiastical from the secular courts, and with the gradual introduction of Canon law into the former, cases of usury were removed from lay jurisdiction. The majority of the chief advisers or justiciaries of the Norman and Plantagenet sovereigns were ecclesiastics, many of whom were familiar with, and favourable to, Canon law, and consequently the early policy was against usury.

In 1364, Edward III granted special power to the town of London to deal with those offending against usury, and in 1390, Parliament complained that the practice of usury was by no means suppressed. The ecclesiastics were now far from being in advance of public opinion, for towards the close of this century we find Parliament again complaining, but this time about the laxity of the church courts. In spite of all this hostility in England, and in fact, in all Christendom, money-lending was being carried on by those who were fortunate enough to possess hoards of gold.

The Jews, who, as we have mentioned, were prohibited from carrying on trade or commerce, were a money-lending people, conducting their nefarious business under royal patronage. In such a capacity they were allowed into England by the Normans.

1. Ashley's *English Economic History*, Bk. I., p. 199 et seq.
2. Cunningham's *Growth of English Industry*, Vol. I.

The lending of money in these early times was almost exclusively confined to cases where urgent necessity demanded more money, as for example, the paying of a tax or ransom, the carrying on of a crusade, etc., rather than to cases of a mercantile nature. The demand for money for commercial purposes, at the rate at which money was then lent, was practically nil, and where it did happen to be so employed, it was only in cases of great emergency. Two instances in literature may be mentioned as illustrating when money was generally borrowed: the borrowing of some £27 for the repairing of St. Edmundsbury Abbey, which with another £100 amounted in a few years to £1,200;[1] and the well-known case in the "Merchant of Venice." So while the opportunities of lending under the existing conditions were few, those who did happen to possess hoards of gold were even fewer in number.

Besides the Jews there were the Caursines in the thirteenth century, and the Lombards in the fourteenth century, who lent money principally to those unable to pay the frequent and irregular taxes levied generally in large amounts. The Caursine merchants were allowed to carry on their trade in money on account of the financial aid they gave the popes in their conflict with the Emperor. The Lombards were the agents of the papal taxation, and certain latitude had been given them by the Church.[2]

We see, therefore, that the lending of money at this time had nothing to do with commerce, and the rate of interest extorted bore no relation whatever to the profit of trade, for it was simply determined by the temporary necessity of the borrower, and not infrequently by the scarcity of ready money.

In large centres merchants were often able to get assistance from the guilds to which they belonged, but in most cases temporary partnerships were entered into, in which the partners shared alike the profit or the loss.[3] This presented a way in which a hoard of money could be profitably employed, without incurring either ecclesiastical or popular censure.

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1. Carlyle's *Past and Present*, Bk. II., ch. iv.
2. Ashley's *English Economic History*, p. 200 et seq.
3. *Journal of Institute of Bankers*, 1887, p. 60.

Passing over the fifteenth century we find a gradual change taking place in the sixteenth century; the discovery of America and of the Cape route to the east had greatly stimulated commerce and industry. The stocks of precious metals had largely increased, and a marked development of credit had set in, aided by a class of native money-lenders. These early bankers had generally some other business, such as that of goldsmith, which in many cases was only a blind.[1]

The supply of hoarded money which might seek profitable investment now became so large that the possessors were no longer monopolists, but were willing to lend at far lower rates than formerly. The tendency to lend money in preference to sharing the risks involved in mercantile undertakings is quite apparent in spite of the many stringent laws passed by the Tutors for the purpose of stamping out the growing practice of usury.[2] There can be no doubt as to the failure of these laws in the sixteenth century, whatever may have been their success in former centuries. We here come across the term "Dry Exchange," which pretended that something had passed on both sides, thus escaping the penalties imposed upon the lenders of money. The law was also evaded by certain forms of sale being acknowledged by both parties; frequently the amount which was actually passed between the lender and the borrower would be less than the amount acknowledged, a custom which is well known at the present day; or sometimes a fictitious sale would be made. Besides these, there were the practices sanctioned under the Canon doctrine of *Lucrum Cessans*, and *Damnum Emergens*, which we have already explained.

Henry VIII gradually realized that usury was bound to exist in a commercial country in spite of the most stringent legislation. He first issued general pardons to those engaged in money-lending, and in 1545, after the assumption of ecclesiastical supremacy, passed a statute making 10% the maximum rate of interest. At this date, 1545, practically begins the modern distinction between interest and usury, for a higher rate than 10% was still illegal and carried all the penalties of the old law.

1. Cunningham's *Christian opinion on Usury*.
2. *Journal of the Institute of Bankers*, 1887, Cunningham.

With the Reformation in Europe there was a general review made by the Reformers of all the ancient dogmas of the Church, and usury naturally came up for discussion. Luther, in his earlier years, was so thoroughly imbued with the scriptural injunctions that he would permit of no deviation from the established position, but latterly he had to confess that usury "was a human failing" and had to be condoned.

The other Reformers, Zwingli, Melanchthon and Calvin held similar views with greater or less reserve. These could not but exercise a great influence upon public opinion, particularly as the practice of taking and giving interest was now firmly established in nearly all the enlightened countries.

The movement started by these men becomes more noticeable as the sixteenth century draws to a close, and in the course of the seventeenth and eighteenth centuries, the combatants belonging to this new school increase in number. Calvin, the French jurist Dumoulin, better known as Molinæus, and Salmasius, each in turn added a certain quota to the arguments used against the old doctrine. Calvin, as the first theologian, attempted to show that the arguments used as authoritative were by no means sound. The "natural" arguments, *e.g.*, the barrenness of money, he proves have little weight. Property, both personal and real, cannot beget its kind, and yet both profit and rent are legal, and therefore why not interest? "Unemployed money is certainly barren, but the borrower does not let it lie unemployed."[1] He concludes that interest must not be wholly condemned, nor yet be wholly permitted. It is reasonable so long as it does not run counter to fairness and charity.

Molinæus, as the first jurist, attempted to justify interest by logical argument. He refuted many of the old Canonical objections to interest. He claimed that the use of money was something independent of the capital sum, and consequently might be sold independently of it.

The writings of these two men remained quite alone for some time. It was a daring step to attempt to controvert doctrines of Church and State, and was bound to involve the writer

1. Böhm-Bawerk, *Capital and Interest*, p. 29.

in endless trouble. The Church endeavoured to stamp out the influence of these Reformers by the most drastic measures, yet the writings of Molinæus were published again and again, and undoubtedly paved the way for Salmasius.

Besold, Bacon, and Grotius all gave contributions on this much debated subject, but in a more or less hesitating manner.

About the middle of the seventeenth century the tide of opinion suddenly changed; a host of writers now sprang up and boldly defended interest with the utmost vigour, and as a result, the Netherlands—then a leading commercial country—completely overthrew the old restraints.

The man who contributed the most to this change was the celebrated Claudius Salmasius, who between 1638-1640, published several works which formed the basis for a hundred years at least, of the theory of interest. Interest, he claimed, was a payment for the use of sums of money lent. Lending belonged to that class of legal transactions in which the use of a thing was made over to another person. Where the use was not paid for, there could be no interest.

Prof. Böhm-Bawerk, a German economist, who has written extensively upon the theories of Interest, says that " as we read these refutations we begin to understand how Salmasius so brilliantly succeeded where Molinæus, a hundred years before, had failed in convincing his contemporaries."[1]

In England there was less literary excitement than in any other country. This can be partly accounted for by the fact that interest became legal long before any theoretic economic doctrine was presented. The growth of commerce and industry had so prepared the way that the theoretical question, whether loan interest was justifiable or not, was never raised. And so the discussions that follow in England are upon the advisability of having a legal rate, and what should be its maximum.

By the Act 37 Henry VIII, already referred to, the question was only temporarily settled. In the next reign, Edward VI's, under the guidance of Northumberland, this statute was repealed and the old policy was again resumed. " No one was

1. *Capital and Interest*, p, 37.

allowed to lend money for any manner of usury to be received above the sum lent," the penalty being forfeiture and imprisonment at the King's pleasure. Mary naturally inclined to the doctrine laid down by the Church of Rome, and so it was not until 1571, under Elizabeth, that the Act of Henry VIII was re-enacted. The preamble to this Act of Elizabeth gives us some idea of the practical results of the preceding Acts of Henry VIII and of Edward VI. It recites that by the Act of Henry VIII the vice of usury, under a maximum legal rate, was well repressed, and especially those devices of sale and shifts of interest; whereas the Act of Edward VI, while prohibiting all interest, led to much dishonest bargaining and to the spread of usury.[1] In 1642, by 21 James I, c. 17, the Act of Elizabeth was repealed, and on account of the general abatement in all values, the legal rate was fixed at 8%. This Act contains a saving clause for the royal conscience in providing that "no word in this law shall be construed to allow the practice of usury in point of religion or conscience."[2]

The principle being now established that the taking of interest was an economic necessity, the discussion continued as to what the maximum rate should be, or whether the matter should not be left to free contract.

Sir Joshua Child in 1668 held that the commercial prosperity of Holland was undoubtedly due to the low rate there, while Sir Wm. Petty and Locke claimed that there should be no fixed rate. Undoubtedly the reduction from 10% to 8% had had a beneficial effect upon English trade, and as several of the principal commercial states of Europe had lower rates it was found to be necessary to make another reduction in the legal rate, which, by 12 Charles II, was fixed at 6%. In Anne's reign for similar reasons it was again reduced to 5%.

In many of the Catholic countries, the prohibition still remained on the statute book in spite of the commercial usages of the time. But we need not trace the history of legislation in these countries; suffice it to say that where legislation had so completely failed, the time was sure to come when even the dead letter of the law would be removed.

1-2. *Bankers' Magazine*, August, 1897. "*Usury*."

There are several economists whom we must at least mention before we speak of the present regulations about interest: Turgot in France, and Adam Smith and Jeremy Bentham in England.

Previous to the time of Turgot, the whole discussion was upon the justice and advisability of loan interest, but with the writings of Turgot is introduced the problem of *natural interest*, that is, the return which capital makes when employed in the production of a commodity. The excess of value of the commodity made over the values of the materials used, constitutes profit, or as economists say, *natural interest*. From Turgot down to the present day, economic writers have busied themselves trying to discover some theory which would justly explain this phenomenon. But this was not Turgot's only contribution to this subject.[1] For several years he occupied the position of Intendant in the Province of Limoges, and during his occupancy of this important office, he procured the removal of all usury cases from the local courts to the council of state, and drew up a memorandum in defence of interest for its guidance.[2] In this way he so affected public opinion in France, that at the Revolution the National Assembly declared interest on loans legal.

Adam Smith, like Turgot and Locke, claimed that a maximum rate of interest was not conducive to the best well-being of the state.[3] But it was left to Jeremy Bentham in his celebrated *Defence of Usury* to finally dispose of those pleas used in favour of a maximum rate. This work, *Defence of Usury*, was a series of letters written about 1787, in which he tried to prove that by the establishing of a maximum rate, the law did not emancipate those in whose favour it was made. Each man should have the privilege of making his own bargain about money, as he is the best judge of his own best interests. Bentham was one of the first economists who were entirely free from the old prejudices against the lending of money at interest.

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1. Böhm-Bawerk, *Capital and Interest*, pp. 61-2.
2. Turgot, *Les Prêts d'Argent*.
3. *Wealth of Nations*, Bk. II., ch. iv., v.

The statute of Anne with certain modifications relating to bills and notes, remained in force until 1854, when all the statutes against usury since 1545 were repealed (17 and 18 Vic. c. 9)—twenty-two years after the death of Bentham.

In Denmark the usury laws were abolished in 1855; in Spain in 1856; in Holland in 1857; in Sweden in 1864; in Russia and the German Confederation in 1867.

In 1880 a new act was introduced for the whole of Germany, but this was modified in 1893. It is now a criminal offence to take advantage of a person in a "necessitous condition" above the established rate in such a way "that the profit is out of proportion to the services rendered."

In England there is an agitation on foot to establish some such law, but so far the committee of the House of Commons on Usury, has failed to make any suggestion. The problem not only involves the fixing of an equitable maximum rate, but if it is to be successfully met it necessitates the laying down of certain rules defining "what is an unfair bargain between two persons both of whom are of age and have their full wits about them."[1]

A word in closing with reference to Canada. In 1853, one year before the abolition of the usury laws in England, the legislature of the Province of Canada repealed the usury laws of Upper Canada, under Act 51 Geo. III, c. 9, and Lower Canada, under Act 17 Geo. III, c. 3, and established 6% as the legal rate in Ontario and Quebec.[2] Contracts and securities were to be void as regards the excess interest. The whole effect of this Act was that a "usurious contract should no longer subject a party to penalty or forfeiture," but that it should be "invalid so far as it stipulates for more than 6%." This Act, however, did not apply to banks, or other corporations authorized to borrow at higher rates.[3]

The Bank Act of 1867 "abolished all penalties and forfeitures for usury as against banks, that may have been in force in any of the provinces." It also provided that a bank could

1. *Bankers' Magazine*, August, 1897.
2. *Revised Statutes of Canada*, chap. 127.
3. MacLaren, *Banks and Banking*, p. 165.

stipulate for and recover any rate not exceeding 7% per annum. This section was re-enacted in the present Bank Act as "section 80," with the additional section, 81, which provides that no instrument held by a bank shall be void or usurious, as regards any of the parties to the instrument, on account of a stipulated rate of interest, and the bank can recover any amount up to 7% per annum.[1]

Up to 1890 there were, in certain provinces, usury laws still in force affecting parties other than banks, but these were all repealed by 53 Vic., c. 34, so that this latter section of the Bank Act, 81, would now seem to be superfluous.

The law in Canada now allows parties to contract for any rate they may see fit, but where no specified rate is mentioned, 6% per annum is the legal rate.

In the last session of the Dominion Parliament a bill was considered for the establishing of a usury law, but the bill was not reported.[2]

W. GRAHAM BROWNE

Toronto, October, 1897

1. MacLaren, *Banks and Banking*, pp. 164-5.
2. *Vide Journal Canadian Bankers' Association*, October, 1897.

INSOLVENCY LEGISLATION

IN view of the manner in which the attitude of the banks towards insolvency legislation is frequently misrepresented by the public press, the Editing Committee of the JOURNAL think it well to reprint here the resolution which was unanimously adopted at the annual meeting of the Bankers' Association at Halifax in 1894, as embodying the views of the bankers on the one debated question of the right of ranking in respect to discounted paper. The resolution was as follows:

"RESOLVED, that the main object of any bankruptcy law should be the discouragement of reckless trading, which produces bankruptcy;

"That the best way to accomplish this object is to render it impossible for a bankrupt to gain any advantage out of his bankruptcy:—

"*Resolved further*, that this Association is not prepared to affirm that a general Bankruptcy Act would be beneficial to the community at large; but should the Government decide to introduce such an Act during the next session of Parliament, this Association should not actively oppose its passage so long as its provisions embody the above principles, and do not unjustly discriminate against the rights and interests of banks:—

"*Resolved further*, that any provision which would compel the holders of negotiable instruments to treat the liability of the parties primarily liable thereon as security for the payment thereof, and to value such alleged security and deduct the amount thereof from the claim made upon the estate of the other parties, would unjustly discriminate against the holders of such instruments, and that any bill containing such provisions should be opposed."

As to the reasons which are put forth by bankers with regard to what is said in this resolution respecting ranking on negotiable paper, we cannot do better than reprint the following Memorandum, which was prepared at the instance of the Executive Council of the Association, when the matter was before Parliament in 1894:

MEMORANDUM

Section No. 62 of the Insolvency Bill as originally introduced, reads as follows:—

"If a creditor holds a claim based upon a negotiable instrument upon "which the insolvent is only secondarily liable, and which has not matured "at the time of proving the claim, such creditor in his proof of claim shall

" set a value upon the liability of the person primarily liable thereon, and the " difference between such value and the amount of the claim shall until the " instrument matures be the amount at which the claim shall be calculated " for the purpose of voting at meetings and other purposes, except the pay- " ment of dividends thereon or collocation in the dividend sheet, but after " the maturity of such instrument the claim shall be calculated for all pur- " poses at the full amount, less any sum paid on account thereof by the " person primarily liable on such negotiable instrument."

As amended it reads—

" If a creditor holds a claim based upon a negotiable instrument upon " which the insolvent is only indirectly or secondarily liable, and which is " not mature or exigible, such creditor shall be deemed to hold security " within the meaning of this Act, and shall put a value on the liability of the " party or parties primarily liable thereon as being his security for the pay- " ment thereof; but, after the maturity of such liability and its non-payment, " he shall be entitled to amend and re-value his security."

The Section should be restored to its original form for the following reasons:—

1. Because in England, where there have been Bankruptcy Acts in force for generations, and from whence the laws of the commercial world relating to bills and notes mainly trace their origin, the law on this subject is substantially the same as contained in Section 62 of the Insolvency Bill, *as introduced by the Government*, viz.: That *for the purpose of voting* the holder of a bill or note not due should place a value upon the liability of the maker and deduct such value from his claim against the estate of the endorser, but *for the purpose of ranking he should make no such deduction.*

The following is the language of the Court of Appeal in England in a case in which the rights of a bank against an insolvent estate upon Bills of Exchange endorsed by the insolvent were discussed by the Court, viz.: " The " customer was able to say to the banker, if you lend me money you will " have my liability—*I am not giving you property;* you know that if you lend " me money you will have as your security my liability, and also the liability " of A B, C D, and E F, upon these bills; you will have all these liabilities " in exactly the same way as if we had all now joined in giving a joint and " several promissory note, or as if each of us had given a several promissory " note as security for the loan."

These bills or notes formed no lien upon any property belonging to anyone; they represented merely personal liabilities. There is a clear distinction between the case just cited and the case of a creditor holding as security for his claim a mortgage upon the property of the debtor. In the latter case the property of the debtor held as security for the debt may fairly to the extent of its value be treated as a payment received by the creditor from the debtor himself on account of the claim, and it is not inequitable that the creditor should not be allowed to rank upon the estate for the whole amount of his claim, and at the same time give no credit for this *quasi* payment on account; but, in no true sense can the claim which the holder of a note has against the maker be treated as a payment received from the endorser, nor can it be said that by reason of such claim the holder has received security upon the debtor's estate.

2. Because experience as shown by the history of legislation in Canada on the subject proves that the provisions of the original section are equitable.

The Insolvent Act of 1869 provided that " if a creditor holds a claim " based upon negotiable instruments upon which the insolvent is only " indirectly or secondarily liable, and which is not mature or exigible, such " creditor shall be considered to hold security within the meaning of this " section, and shall put a value on the liability of the party primarily liable

" thereon as being his security for the payment thereof, but after the maturity " of such liability and its non-payment he shall be entitled to amend his " claim and *treat such liability as unsecured*."

In the Act of 1877, which was introduced by the Hon. Edward Blake, then Minister of Justice, provision was made of substantially the same nature as contained in Section 62 of the Insolvency Bill as introduced by the Government.

3. Because in common law a creditor may sue each and every party to a note for the full amount thereof simultaneously, only deducting such sums as may have been paid on account. In insolvency it is only just and equitable that he should retain the benefit of all his remedies, so that he may obtain his whole debt if possible. The endorser on a note, though styled a person secondarily liable, is a co-debtor with the maker to the holder of a note for its full amount under all circumstances.

4. Because if the rights of any holder, at any time, of a bill or note be curtailed or rendered uncertain, a very serious clog is placed upon the negotiability of the instrument itself, as the transferor for that reason finds it of less value in his hands. By the amendment in question, the rights of a person who discounts a bill or note are in the first place rendered uncertain, for he cannot tell when the drawer or endorser may fail. In the second place, these rights are curtailed at the very time when the curtailment is of the most serious consequence, and when all his remedies should be preserved, viz.: upon the insolvency of a party liable upon the instrument, and to whose estate he is by law and in equity entitled to look for the full amount. The effect of the clause must necessarily be to limit the ability of merchants to discount bills and notes with banks and to receive for them their full commercial value.

To the Council's formal memorandum it may not be amiss to add the following expression from a judgment of Lord Hardwicke, which is quoted with approval in *Byles on Bills*:

" In cases of bills or notes where there is a drawer, and perhaps several endorsers, suppose two of these persons become bankrupts, the holder may prove his whole debt under each commission, and is entitled to receive satisfaction out of both estates, according to the dividends to be made, and keep the bill until he has received satisfaction for his whole debt; for he has a double security, and it is neither law nor equity to take it from him."

CORRESPONDENCE

INSOLVENCY LEGISLATION

To the Editing Committee :

DEAR SIRS,—I take the following clipping from the *Halifax Chronicle :*

"MONTREAL GAZETTE : 'That the most experienced of business men doubt the wisdom of the proposed insolvency legislation of last session is indicated by Mr. Hague's remarks at the Merchants Bank meeting yesterday. That there is a strong public opinion against such legislation, the action of parliament on insolvency bills presented to it, time after time, has shown. That financial men and the general public do not always agree in their grounds of objection is not a matter of much consequence. It is the opposition of all the factors that the favorers of bankruptcy legislation have to overcome, and it looks as if the task was beyond them.'

The plain truth of the matter is that the banks seem disposed to oppose any insolvency legislation which does not practically give them the advantage of preferred creditors. The objections of the business community outside the banks could probably be reduced to a minimum, but while the banks maintain their present stand insolvency legislation seems to be impracticable."

I should like to see what remarks you have to make in reference to the charge brought against the banks of the Dominion generally, and whether there is any justification for a newspaper to make it at all.

I have always understood Mr. Hague's objections as really aimed at and against the discharge of a debtor unless he could prove himself as deserving of it at the hands of his creditors, and not because he was seeking any unfair preference.

Yours truly,

E. D. ARNAUD

ANNAPOLIS, N.S., 21st June, 1898

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[We understand Mr. Hague's attitude to be as our correspondent says. We believe that he has always held that the creditor is the only one who should say whether or not the debtor should be discharged.

Other bankers have objected to insolvency legislation where their rights against the different parties to bills discounted would be interfered with. Their views on this point are clearly set out in the memorandum published elsewhere in this issue of the JOURNAL.—ED. COMM.]

NOTES

A WRITER in a recent number of the *Journal of the Institute of Bankers*, New South Wales, makes a vigorous defence of the Australian banking system, based principally on a contrast which he draws between the growth of banking totals in that colony and in Canada. The comparison has frequently been made, and, as we know, is on the face enormously favorable to Australia. The figures, however, are found to be misleading when consideration is had of the differences in the constitution of the financial system as a whole in the two countries.

It must be remembered that in Australia the functions of our land mortgage companies are performed by the banks in addition to the ordinary functions of banks as generally understood. Besides this, the Government in Australia is not a competitor for deposits, the gathering of the idle surpluses of individuals being left entirely to the banks. A fair comparison between the development of banking in the two colonies cannot therefore be made without allowing for the fact that the Canadian Government and Post Office savings banks have taken $30,000,000 of the people's savings, and without also taking into consideration the volume of the business of the Canadian land mortgage companies.

The figures for the deposits in the banks published in the Australian journal are the following:

Australia	£100,000,000
Canada	36,000,000*

The figures with which those of the Australian bank deposits might be compared in the case of Canada are the following:

Deposits held by the	chartered banks	£47,000,000
" " "	land mortgage companies.	18,000,000
" " "	Gov't savings banks	6,000,000
		£71,000,000

*These figures must have been taken from an old Return.

Then of the £100,000,000 of Australian bank deposits £30,000,000 are British, leaving £70,000,000 accumulated in Australia, while of the Canadian total of £71,000,000 shown above only £6,000,000 (loan company debentures) have been obtained abroad.

But in the grand totals, even as amended, the Canadian figures fall far short of those for Australia, and possibly in these proportions (100 to 71) the relative development of the resources of the two countries is fairly reflected. The explanation of the difference no doubt lies in the fact that while Canada has hitherto been a country almost wholly devoted to agriculture, in Australia the wealth obtained from agriculture has been supplemented by the rich yields of the gold fields. Apparently we are now destined to witness in Canada an era of gold mining extraordinary, and if it is true, on the other hand, as would appear, that the Australian banks have piled up deposits by borrowings abroad at a more rapid rate than the requirements of the country called for, so that development must overtake the supply of capital before any further marked growth of deposits will take place, a comparison a decade hence on the score of banking totals may not be so unfavorable to Canada.

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RUSSIA'S recent change to the gold standard is an event of the first importance in the world of finance, since it must have the effect of removing farther into the realm of improbabilities the fulfilment of the hopes of bimetallists. The change has apparently been carried into effect on lines carefully calculated to avoid difficulty and confusion as well as injustice to individuals.

The silver rubles are hereafter to be subsidiary coinage upon a permanent parity with the gold rubles, at the rate of one and one-half of silver to one of gold, at which rate all contracts entered into before the date of the new law, are to be payable. Thereafter all contracts, unless a specific agreement to the contrary is made, will call for payment in gold rubles.

The following account of the reform effected is given by the financial agent attached to the legation at Washington :

According to the former laws of Russia, the monetary unit was the silver ruble containing 18.02 grams of pure silver. Besides silver coins, there were

circulating as currency gold coins of various denominations, five and ten rubles, containing, according to the law, 1.161 grams of pure gold for every ruble, and the State credit notes issued by the State Bank of Russia. Silver was the legal tender for the payment of taxes and duties to the Government for an unlimited amount. All State credit notes were issued by the State Bank, which was the only credit institution having the privilege of issue. The whole property of the State was a guarantee for the exchange of notes for coin, and each note contained the express stipulation that it was recognized at par with silver as legal tender for payment of taxes and dues to the Government.

Up to the year 1854 gold, silver and credit notes circulated at par. In that year began the Crimean War, the heavy expenses of which, together with those of the war of 1877 and 1878, and other political and economic events, compelled the Government to suspend the exchange of notes for coin. The suspension lasted nearly forty years, bringing to the country all of the evils of an inconvertible currency and arresting its economic development.

The Government decided to make a great financial effort. Its expenses were curtailed, the revenues increased, and the deficit in the State budget eliminated. This policy enabled the Government in fifteen years to accumulate a large reserve of gold—more than 1,200,000,000 rubles. This was obtained through foreign loans and democratic production, and it resulted in bringing the national credit to such a position that, instead of borrowing at 6 per cent., as was the case fifteen years ago, it was possible at the close of the period to get gold at 3.2 per cent. Having accumulated a sufficient amount of gold to resume specie payments, and the expenses and revenues of the Government having been so regulated as to result in a surplus instead of a deficit, the Government undertook to deliver the country from inconvertible currency.

The first question to decide was what would be the new unit of currency. The silver ruble had been, but the value of silver had declined so much since the monetary laws of Russia were established that the value of pure silver contained in a coin of one ruble, expressed in gold, was only 45 copecks, instead of 100, and the value in gold of a credit ruble was 66 2-3 copecks. Silver rubles being the standard, the Government had the right to declare the exchange of paper rubles at par with silver, but the exchange at such a rate would have fixed the silver standard in the country, and would have brought a great financial loss to all creditors.

In consequence of constant fluctuations in the price of silver, and the practically unlimited amount of that metal which can be produced at low cost with improved methods, silver was considered by the Imperial Government as entirely unfit to be used as the monetary unit, and therefore gold was accepted—it being regarded as the only metal least subject to fluctuations of value, and recognized as such by the leading commercial nations of the world. It was decided at the same time to take silver only as a subsidiary metal for the minor coins. In redeeming the credit note it was decided to give it the value in gold which it had in the average during the last three years in commercial transactions; that is, 66⅔ copecks, making it two-thirds of the value of the former gold ruble. If the credit notes had been made exchangeable for gold at the value of silver rubles (forty-five copecks in gold), which the Government had a perfect right to do, there would have been a great loss to creditors. If the notes had been made exchangeable for gold at the value of former gold rubles (one hundred copecks) there would have been a great loss to debtors, besides a disturbance in the productive powers of the country.

The imperial ukases of January 3, August 26, and November 14, 1897, framing into a law these principles, have definitely settled the currency question in Russia. Gold will henceforth be the sole standard of value, and the

new unit of currency will be a ruble containing 0.7742 grams of pure gold, equal in value to 51.45 cents in United States gold. Silver will be issued for subsidiary coins only, and one ruble will contain 18.02 grams of pure silver, as heretofore. The State Bank of Russia will be, as heretofore, the only credit institution which will have the right to issue State credit notes, exchangeable at par with gold in the State Bank and all its branches. It may issue such notes to an unlimited amount. Both gold and credit notes are made legal tender to an unlimited amount.

The issue of the credit notes by the State Bank, if needed by the expansion of commerce, will be so regulated that the amount of outstanding notes will not be allowed to exceed by more than 300,000,000 rubles the value of gold coin and gold bars deposited in the State Bank for their redemption. The amount of outstanding State credit notes on 5th December last in bank and in circulation was 1,068,000,000 rubles, and the amount of gold in coin and in bars in the bank was 1,160,000,000 rubles. The exchange of State credit notes at par with gold is guaranteed, in addition to the gold reserve, by the whole State property (about 600,000,000 acres of forest and 15,000 miles of railroads, besides Government lands, etc.). Silver in the State Bank will not be included in the metallic reserve of the bank for the purpose of redemption.

Silver has been coined to the amount of 40,000,000 rubles, and the character of the legal tender of the silver rubles has not been changed in the recent laws. Until it shall be decreed otherwise, silver coins will be a legal tender for all taxes and dues to the Government in an unlimited amount, but not so between private individuals.

The plan of currency reform adopted does not concern in the least the creditors of the imperial Russian Government, as all loans and interest will be paid, as usual, in the money in which they were contracted—that is, in francs, pounds sterling, dollars, marks, florins, etc.

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"In the colonies banking accounts can be opened for almost a nominal deposit, but in England, and we might say in Europe generally, a substantial deposit is required before a bank will undertake to do a large amount of book-keeping for the convenience of a customer whose account may often prove to be not worth having. In Perth, W.A., the leading banks now make a charge of 10s. 6d. for opening a current account, and a further charge of 10s. 6d. each half-year for continuing the same. These charges will only be made when the credit balance of the customer falls below £50. We think that anyone who carefully thinks out the question will be satisfied that the charge is a fair one, and that unless such a charge is made, numerous small accounts, which are barely kept in credit, must be a nuisance rather than a profit to a bank. The bank in the first place finds a pass-book, then it finds a cheque-book, for the total cost of a cheque-book goes to the government for duty,

the printing being done at the cost of the bank. This is not all, as the customer has two, three, or more folios in the ledger, according to the amount of business he transacts, and this does not include clerical work. It would be seen at once that small accounts, in which the credit balance is just maintained, and only just, cannot prove remunerative, and the wonder is that the banks have so long tolerated them without charge."—*Journal of the Institute of Bankers of N.S.W.*

QUESTIONS ON POINTS OF PRACTICAL INTEREST

THE Editing Committee are prepared to reply through this column to enquiries of Associates or subscribers from time to time on matters of law or banking practice, under the advice of Counsel where the law is not clearly established.

In order to make this service of additional value, the Committee will reply direct by letter where an opinion is desired promptly, in which case stamp should be enclosed.

The questions received since the last issue of the JOURNAL are appended, together with the answers of the Committee:

Cheque Payable to "Order"—Right of Bank to demand Payee's Endorsement

QUESTION 134.—John Jones gives a cheque on the Bank of Montreal, Toronto, payable to C. Smith or order. Mr. Smith presents the cheque for payment, but refuses to put his name on the back. Can the bank, who know him to be Mr. C. Smith, refuse to cash the cheque without his endorsement?

ANSWER.—We are of opinion that a bank on which a cheque is drawn is entitled to have the payee's endorsement placed on the same before paying it, to serve as a receipt or acquittance for the money. We base this view on the well understood practice of banks, which amounts we think to a contract with the customer, (*a*) that it will pay out money received for credit of a current account, as the customer may instruct, provided it receives a proper discharge for the payment, and (*b*) that it will furnish the customer with a proper voucher for any money paid on his account.

Looked at in either way it is clear that a cheque needs to be endorsed by the payee in order that the voucher may be in itself a complete document. The case differs altogether from that of an ordinary debtor who is bound to find his creditor and pay him the debt, and is not entitled to a receipt, but must him-

self preserve such evidence as he can of the payment. The bank is not under any liability to the person presenting the cheque, and whatever contract exists with the drawer is certainly on the lines suggested above.

Identification of Payee of a Cheque

QUESTION 135.—A stranger presents a cheque to a bank on which it is drawn, but not being known, the bank require identification. The party refuses on the ground that it is the place of the bank to satisfy themselves as to his identity, and not his to prove it to them. Who would have to go to the trouble, the bank or the stranger?

ANSWER.—We replied very fully in the JOURNAL of October, 1896, with respect to the rights of a party to payment without identification. (See Question 43.)

Cheque payable to "Bearer" endorsed to "Order"

QUESTION 136.—A cheque payable to John Smith, and properly endorsed

"Pay to bearer
John Smith"

is subsequently endorsed,

"Pay to the order of Peter Jones
A.B.C."

The Bank on which it is drawn pay the cheque without the endorsement of Jones,—probably an oversight—but defend their action on the ground that the endorsement of Smith makes the cheque payable to bearer, and that no subsequent endorsement can change it. Were they right?

ANSWER.—With regard to a cheque which has been made payable to bearer by endorsement, and then by subsequent endorsement made payable to order, before the Bills of Exchange Act was passed in England the law there very clearly was that a bill so endorsed remained payable to bearer, notwithstanding subsequent endorsements; provision was however made in the Act (sec. 8, sub-sec. 3), which was intended to alter the law in this respect. Chalmers, who framed the bill, says that this section was intended to bring the law into accordance with the mercantile understanding, by making a special endorsement control a previous endorsement in blank.

This sub-section does not appear to have ever been judicially interpreted, and it does not seem to clearly negative the idea that a bill may be payable to bearer under such circumstances as you mention, for it does not necessarily follow that

the converse of sub-section 3 is true. We have not been able to find a case bearing on the point, but in view of the explicit declaration of Chalmers we should think it very doubtful if the position taken by the bank you mention could be sustained.

Joint Stock Companies—Limitation of Borrowing Powers

QUESTION 137.—The amendment to the Company's Act passed by the Dominion Parliament last year says that "The limitation on the borrowing powers of the company shall not apply to or include moneys borrowed by the company on bills of exchange or promissory notes drawn," etc., etc. As a cheque is a bill of exchange within the meaning of the Bills of Exchange Act, would not a bank be justified in advancing money to a company in the form of an overdraft, provided always that they had the account covered before surrendering the cheques?

ANSWER.—We do not think that the amendment to the Company's Act respecting the limitations of the borrowing powers of joint stock companies would cover an overdraft; that is not borrowing on a bill of exchange, in the sense referred to by the Act. Although an overdraft is created by the company drawing cheques (which are bills of exchange) upon the bank, they cannot be said to be borrowing on these cheques, because when a cheque for which there are no funds is paid the amount thereof becomes a direct loan to the company, and the cheque plays no further part in it.

Notice to Limited Company—"Ltd." Omitted from Address

QUESTION 138.—In sending a notice through the post to a "limited" company, would the omission of "Ltd." from the address on the envelope affect the legality of the notice?

ANSWER.—A notice addressed to a joint stock company, with the word "limited" omitted from the address, would nevertheless be a good notice.

Warehouse Receipts given under Ontario Mercantile Amendment Act

QUESTION 139.—A private banker acquires security on wheat in the owner's possession, by a warehouse receipt which is valid under the Ontario Mercantile Amendment Act. The private banker thereupon endorses the receipt to a chartered bank as security for an advance. Is the bank's security good, and, if not, how can it be made good?

ANSWER.—The bank would not, in such a case, acquire any rights in the wheat. It can only get security on goods in the owner's possession in the manner authorized by the Bank Act. If the owner in the case mentioned were a person authorized to give security under Section 74, the bank could make him a direct advance, on the endorsement or guarantee of the private banker, and take direct security under Section 74.

Paid Cheques

QUESTION 140.—Has a bank a legal right to retain paid cheques?

ANSWER.—In the absence of any special agreement, we think the customer is entitled to receive back his paid cheques, on giving the Bank a proper and sufficient acknowledgment of the state of his account.

Accommodation Endorsements

QUESTION 141.—A. draws a bill to the order of a bank, and C. endorses it in order that A. may be able to negotiate it with the bank. The bank discounts the bill, which is dishonoured at maturity and duly protested.

(1) Can the bank recover from C.?

(2) Can the bank's endorsee recover from C.?

ANSWER.—The principle involved in this question is a very important one, and as it was presented to us by two or three correspondents we thought it best to obtain an opinion from MR. LASH, which is as follows:

The impression derived from the various cases upon the subject, on a first reading, is that the cases are in conflict, and that the result of the whole is that the payee of a promissory note or the drawer of a bill of exchange cannot under any circumstances maintain an action against an endorser founded upon the instrument itself; but a more careful reading of the authorities will show that no such absolute rule can be deduced from them, and that, properly construed, the cases are not really in conflict, and that, although some remarks of some Judges in some cases would appear to conflict with the decision in other cases, yet the decisions in all the cases and the principles embodied in those decisions are fairly reconcilable. The following rules or statements of the law are clearly laid down:—

(1) That, *in the absence of evidence to the contrary*, the liabilities *inter se* of the maker and endorsers of a note, or the drawer, acceptor and endorsers of a bill, must be determined according

to the ordinary principles of the law merchant, whereby the acceptor and drawer of a bill, or the maker and first endorser of a note, are liable to the subsequent endorsers.

(2) That the whole circumstances attendant upon the making, issue and transference of a bill or note may be legitimately referred to for the purpose of ascertaining the true relation to each other of the parties who put their signatures upon it, either as makers, acceptors, drawers or endorsers, and reasonable inferences derived from these circumstances are admitted to the effect of qualifying, altering or even inverting the relative liabilities which the law merchant would otherwise assign to them.

(3) That the circumstances attendant upon the making, issue and transference of a bill or note may be shown in evidence for the purpose referred to, whether the action be upon the bill or note itself or upon a collateral agreement between the parties.

Section 56 of the Bills of Exchange Act declares that "Where a person signs a bill otherwise than as a drawer or acceptor, he thereby incurs the liabilities of an endorser to a holder in due course, and is subject to all the provisions of this Act respecting endorsers."

By Section 88 it is provided that the provisions of the Act relating to bills of exchange apply with the necessary modifications to promissory notes, the maker of the note being deemed to correspond with the acceptor of the bill, and the first endorser of the note being deemed to correspond with the drawer of an accepted bill payable to the drawer's order.

By Section 29 a holder in due course is defined to be a holder who has taken a bill, complete and regular on the face of it, under the following conditions, viz.: (*a*) That he became the holder of it before it was overdue and without notice that it had been previously dishonoured, if such was the fact; (*b*) That he took the bill in good faith and for value, and that at the time the bill was negotiated to him he had no notice of any defect in the title of the person who negotiated it.

Sub-section (*g*) of Section 2 of the Act declares that "The expression 'holder' means the payee or endorser of a bill or note who is in possession of it, or the bearer thereof."

Referring to the question asked, and assuming that the attendant circumstances were duly proven, and that the bank discounted the bill in due course, the answer is that the bank can recover from C. Assuming also that the bank's endorsee becomes a holder in due course, the answer is that he can recover from C. In order to make the bank's title or that of its endorsee technically regular, the bank, being named as payee of the bill, should endorse it without recourse, although it is by no means clear that this is necessary.

Under the attendant circumstances C would be an endorser; the bank or its endorsee would be a holder in due course within the definition of Section 2, sub-section (*g*), and section 29 of the Act; and under Section 56 C, if not technically an endorser, would be liable as an endorser and be subject to the provisions of the Act respecting endorsers.

Although, if the attendant circumstances be clearly shown, and the true relation to each other of the parties who put their signatures upon the bill be thereby ascertained, the payee would be entitled to recover against an endorser, yet the practice of discounting bills drawn like the one referred to in the question should be discouraged, as, owing to death, defective memory, false swearing and other reasons, it may not be possible for the bank to prove all the circumstances necessary to enable it to maintain the action, and before discounting a bill the bank should see that it is so drawn that if an action be brought upon it it will not be necessary to do more than prove the signatures so as to establish, prima facie at all events, the liability of the parties proceeded against.

For convenience of future reference the following cases are noted, all of which have been considered in connection with the foregoing:—*Steele v. McKinlay*, L.R. 5 A.C., 754; *Wilkinson v. Unwin*, L.R., 7 Q.B. Div., 636; *McDonald v. Whitfield*, L.R., 8 A.C., 733; *Bishop v. Hayward*, 4 T.R., 470; *Wilders v. Stevens*, 15 M. & W., 208; *Smith v. Marsack*, 6 Q.B. Reports, 486; *Morris v. Walker*, 15 Q.B. Reports, 589; *West v. Bown*, 3 U.C. Q.B., 290; *Ayr Plough Co. v. Wallace*, 21 S.C.R., 256; *Duthie v. Essery*, 22 Ont. A.R., 191; *Pegg v. Howlett*, 28 O.R., 473; *Robertson v. Davis*, 27 S.C.R. 571; *Wells v. McCarthy*, 10 Man. L.R., 639; *Watson v. Harvie*, 10 Man. L.R., 641.

Lost Deposit Receipts.

QUESTION 142.—In the case of a lost deposit receipt, should the depositor be required to furnish a bond before paying the amount?

ANSWER.—A deposit receipt is not transferable; the bank do not incur any responsibility to any party, other than the depositor himself, who may hold the document, unless the bank are notified of a transfer of the claim. It is therefore safe enough to pay a lost receipt without a bond.

Alteration of a Bill—Completion of a Bill

QUESTION 143.—Adverting to Answer 91 respecting the alteration of a bill, if a cheque is presented to a bank by a third

party, signed by the depositor in blank, and accompanied by the pass-book, the party presenting it stating that he was authorized to fill up the cheque for the amount of the balance, would the bank be justified in paying over the balance, on the cheque filled up by him, or by the bank at his request?

ANSWER.—This is, of course, not an alteration, but comes under section 20 of the Act, which authorizes any person in possession of a bill which is wanting in any material particular to fill up the omission, provided this is done within a reasonable time, and strictly in accordance with the authority given.

In the case referred to the bank in paying the cheque would be protected if the authority given by the drawer to the person presenting the cheque empowered him to fill in the amount. If this should prove not to be within that authority, the cheque could not be charged to the customer's account.

Whether the bank should take the responsibility in any particular instance is a question of expediency. No doubt in the vast majority of cases the transaction would be perfectly regular, and the surrounding circumstances generally make the bank's course clear, but if it pays such a cheque it pays on the faith of the representations made by the party presenting it, and takes the risk of any fraud that may be involved.

Renewal Note—Original Note Bearing an Endorsement Retained

QUESTION 144.—Would an insolvent's estate be discharged if a bank renewed a bill endorsed by the insolvent, taking the maker's own note and retaining and attaching thereto the original bill?

ANSWER.—The endorser would not be discharged under the circumstances mentioned in your question provided there was an understanding that the endorser's liability was to be reserved; the retention of the original bill indicates that there was such an understanding. See answer to question 79 in the issue of the JOURNAL for October last.

Unpaid Bill Charged to Endorser's Account with Notice to Him, but Without Protest

QUESTION 145.—Is not a banker justified in charging an unpaid bill to the endorser's account, provided there are funds, without first protesting it, if he notifies the endorser by mail that he has done so, and would not such notice act as a notice of dishonour within the meaning of the Bills of Exchange Act?

ANSWER.—The bank would certainly be entitled to charge the endorser's account without protest with a dishonoured bill, provided it notifies the endorser that the bill is dishonoured. Whether or not the notice mentioned was sufficient for this purpose would depend on its terms. If the letter is so framed as to indicate that the bill has been dishonoured by non-payment this notice is sufficient. (See section 49, sub-sec. E, Bills of Exchange Act). It is probable that a mere statement in the letter that the bill had been charged to the customer's account would be held to sufficiently indicate its dishonour.

Insurance on Hypothecated Goods

QUESTION 146.—A mercantile house hold a policy of insurance covering goods in their possession, "their own or held in trust or on commission, for which they are responsible in case of loss." The owner of certain goods stored with them takes their warehouse receipt for these goods, for the purpose of borrowing on the same and they assign to him this policy of insurance with the written consent of the company. If he borrows on the warehouse receipt from a bank and makes the loss, if any, under the policy payable to it, would the bank's position as to the insurance be in order?

ANSWER.—The transfer of the policy in the way described, if properly done, would, we think, make it a contract of insurance covering only the goods mentioned in the warehouse receipt, provided these are part of the goods which the policy originally covered, and the position of the owner and the bank would be the same as if the policy had been originally taken out by the owner, on his own goods alone. Under the wording quoted the goods might have to be goods for the loss of which while stored with them the mercantile house would be responsible, to bring them within the policy.

While we think the case put by our correspondent is fully covered by this answer, we wish to say that in questions respecting fire insurance, very much depends upon the facts and the exact wording of the policies, endorsements, etc., and general questions may not describe these with sufficient exactness to ensure a correct reply.

Place of Payment of a Bill—Blank form of acceptance showing place of Payment

QUESTION 147.—In making drafts on their customers it is the habit of some houses to provide a blank acceptance on the draft, naming the place of payment, ready to be signed by the drawee.

1. Is this form for the acceptance an integral part of the bill, or is it to be regarded as placed there for the drawee's convenience, subject to alteration by him if the place of payment is not to his liking, or to be ignored if he thinks fit?

2. A draft on "A.B., 145 C. Street, Montreal," has across the end the following:

Accepted payable at the
Bank of A., Montreal
5th May, 1898.
(Signature).....

The drawee writes an independent acceptance below this form as follows:

Accepted, 5th May, 1898
A. B.

Would this bill be payable at the Bank of A or at 145 C. street?

ANSWER.—1. We think the form for the acceptance cannot be considered an integral part of the bill, and that it may be altered or ignored by the drawee.

2. We think that as the drawee was not bound by the form for acceptance described in this case, and as he clearly ignored it, and showed by his act that he was giving a separate and independent acceptance, the terms of the latter must govern. The bill would therefore be payable at the address given.

Canadian Bankers' Association Rules respecting Endorsements

QUESTION 148.—1. Do the following endorsements require the guarantee of the depositing bank under the rules?

a. John Smith
p. Tom Jones
b. The Winnipeg Marble Company
William Brown

In the second case there is no incorporated company; Brown carries on his private business under the name quoted.

2. If endorsements such as these are passed without the guarantee, what is the position of the paying bank?

ANSWER.—1. Both of the above endorsements must be regarded as irregular within the terms of the rules. (See last part of Rule 2, and Rule 3.) They do not in either case indicate the authority of the person signing.

2. If endorsements such as those mentioned in the question are accepted by the paying banks without a guarantee, they are protected under the amendment to the Bills of Exchange Act of 1897, should they prove to be forged or unauthorized. Their

rights against the depositing bank are somewhat differently conditioned from the rights they would have under a guarantee given in accordance with the rules; the chief difference is that the right under the Act is conditional on proper notice being given as required by its terms.

In discussing these Rules in his article printed in the JOURNAL for January, 1898, Mr. Lash explained the reason for treating such endorsements as irregular. We understand that there was a great deal of discussion before the principle was adopted by the committee. It was urged that no rule should be made which would bar out legal endorsements which these admittedly were, but the conclusion of the committee as a whole was in favor of this rule, as tending to greater care and regularity. Some of the reasons urged are quoted by Mr. Lash in the article referred to. (See p. 194.)

Rights of the holder of a Cheque against the drawee Bank

QUESTION 149.—In your reply to Question 127 you say that the acceptance by banks of cheques for part of their amount would as a practice be open to objection. Would you kindly state the principal objections?

2. You also imply that to give the holder a right to demand payment of part of the cheque when there were insufficient funds for the whole "would involve serious consequences." In Girouard's "Bills of Exchange Act, 1890," p. 260, the case of *Gore Bank v. Royal Canadian Bank*, 13 Ch. 425, is quoted: "If a bank refuse to pay a cheque, having sufficient funds of the drawer for the purpose, the holder can compel payment in equity." If this Rule holds good it might be in the interest of all to extend it to a case of "insufficient funds."

ANSWER.—1. The chief objection is the trouble and risk of error involved, for which the trifling profit derived from the class of accounts where such things might happen would never pay.

2. The remark cited is contrary to the well-recognized rule, that until a cheque has been accepted the holder is not in privity with the bank, and no one can proceed against it in connection with the cheque except the drawer. It had nothing to do with the merits of the case, but was a mere passing remark.

As to the consequences of a change in the law, the following among other considerations may be mentioned:

If the holder had a right to demand payment it would involve a duty on the part of the bank to pay on his demand if it held funds, and a consequent responsibility to him for any error in refusing payment. At present, whether the bank pays

a cheque or refuses it, if it refuses one cheque and immediately afterwards pays another, if it overlooks a credit, or charges the customer with a wrong debit, the matter is one which affects only the bank and the customer, and a reasonable and friendly settlement of any mistake is in practically every case assured. It needs little imagination to forecast the difficulties that would arise if the bank had to reckon with a holder who was (or thought he was) unjustly treated. To give such a right to holders of cheques for which there are insufficient funds is open to other practical objections, such as the labor and risk of error it would involve, and the endless disputes which might be expected to result.

Certification of a cheque by the drawee bank—Right of the bank to cancel its acceptance after delivery

QUESTION 150.—A cheque which has been dishonoured is handed by a bank to a solicitor for collection. On presenting it at the bank on which it is drawn, he is informed that the party has just made a deposit, and payment is offered. He has the cheque marked good, however, and takes it to his own bank, who decline to receive it because it still appears to be the property of the bank for whom he is acting. He returns to the drawee bank and asks them to pay it, whereupon they cancel the acceptance, and inform him that it was given under a mistake; that although the party made a deposit it was to cover a previous overdraft, and there were still no funds. Had the bank a right to cancel their acceptance?

ANSWER.—The question is asked with reference to a cheque drawn on an American bank. In the United States it seems to be admitted that under such circumstances the bank would have a right to cancel the certification of the cheque. See *Daniel on Negotiable Instruments*, 4th edition. The passage is too long to quote, but is to the effect that the certification of a cheque may be revoked provided no change of circumstances has occurred which would render it inequitable for such a right to be exercised.

The point seems never to have come up in a Canadian court, and here it may be urged against this view, that an acceptance completed by delivery is irrevocable, and that the ordinary mode in Canada of marking a cheque good is in effect an acceptance. It is not clear, however, that the same results would not follow here as in the United States.

Bills of Lading as Security

QUESTION 151.—Please consider the following points connected with grain shipments from the interior of Ontario to millers and grain dealers at the centres. As the grain has usually to be paid for with money advanced by the shipper's bank, I shall be glad if you will give your opinion as to the propriety of the modes of business described.

1. The purchaser of the grain sometimes sends a form of receipt to be signed by the railway company, in which he is described as the shipper.

2. (*a*) Sometimes in addition to the purchaser being named as the shipper, the goods are shipped to the order of his bank. (*b*) In other cases, where the real shipper's name is given, the grain is shipped to the order of the purchaser's bank. (*c*) In a third class of cases the purchaser asks that the goods be shipped in his name as shipper, and to his order.

Query, 1. Would a bank advancing money to its customer against the lodgment of bills of lading for grain purporting to be shipped by another party, but to the order of the lending bank, get proper security on the grain?

2. What would be its position in the three cases mentioned in the second clause?

3. Would the shipping of the grain in the purchaser's name deprive the true owner of the right of stoppage in transitu?

ANSWER.—This question cannot well be answered in any general way. The conditions might differ in almost every case, and an opinion could only be formed on consideration of the exact facts involved.

It may be said generally that if, notwithstanding the form of the receipts, the bank's customer is the true owner of and entitled to control the grain, he can, by proper means, give the bank valid security. The security would not, in any of the cases mentioned, be straight and free from ambiguity, and we think that the bank should not accept such security. As to question No. 3, we do not see how the real owner could control grain in the hands of a carrier, which he has stated to be the property of someone else.

We think the mode of doing business indicated by these questions open to serious objections, unless both the owner of the grain and the bank have a clear understanding with the purchaser of the grain, and with his bank, if the latter is brought into the question.

LEGAL DECISIONS AFFECTING BANKERS

NOTES

Bankers and Trust Accounts.—A recent judgment of the Chancery Division, England, in a case arising out of the wrongful application by a trustee of trust moneys deposited with a bank, affords the text for an article in *The Solicitors' Journal* covering an interesting discussion of the law relating to the responsibilities of banks in connection with trust accounts. The article contains a concise statement of the facts in the case alluded to, and we reprint it following:

The judgment of Byrne, J., in the recent case of *Coleman v. The Bucks and Oxon Union Bank*, deals with a question of considerable importance in relation to the law of bankers. Frequently a banker has no knowledge of the equities attaching to moneys which come under his control, and he cannot be held liable for any breach of trust which is committed in regard to them. On the other hand, where he has distinct notice of the trust and concurs in an appropriation of the moneys in breach of trust—especially where the appropriation is made for his own benefit—the ordinary rule applies, and he is bound to make good the fund to the *cestui que trust*. But the above case presented special features which made it difficult to place it readily in either of these categories.

In 1892 James Gurney was the surviving trustee of the will of Thomas Bovingdon, and as such trustee was entitled to a sum of £1,411, the proceeds of a mortgage which was paid off in that year. The money was received by Messrs. Parker & Wilkins, of High Wycombe, as Gurney's solicitors, and, in accordance with a direction given by him, was paid by them into the High Wycombe branch of the London and County Bank with instructions to that bank to credit James Gurney's trust account at the Chesham branch of the Bucks and Oxon Union Bank. In due course the Chesham branch was advised by the London and Westminster Bank, the London agents of the Bucks Bank, of the receipt of the above sum, the advice note stating that the money was paid by Messrs. Parker & Wilkins on account of

"James Gurney's Trust." James Gurney had in fact no trust account at the Chesham branch, but he had a private account there, and the manager credited his private account with the £1,411, and on the same day advised him that this had been done. At that date the private account was overdrawn to the extent of £1,694 under an arrangement by which Gurney was allowed to overdraw to the extent of £2,000 against securities deposited with the bank. The trust money was applied by the manager in reduction of the overdraft. No notice was taken by Gurney of the payment in of the trust moneys, although, in addition to the advice received from the bank, he must have known from his passbook, which he was in the habit of receiving once a fortnight, that the money had been placed to his general account. Subsequently he drew further cheques and increased the overdraft again until it stood at about £500. A new arrangement was then made under which Gurney found additional security and was to be allowed an overdraft of £5,000. In 1895 he became bankrupt without having replaced the trust money, and at the date of the bankruptcy there was a considerable sum due from him to the bank.

Under the above circumstances it appears that the manager at the Chesham branch was aware that the money belonged to James Gurney on some trust account, and in his evidence he admitted as much; but, having regard to what he knew of Gurney's position, he did not consider it necessary to make any special enquiries, and he did not consider himself justified merely by reason of the terms of the advice note in opening a new account in Gurney's name. On the other hand, Gurney had the chance of writing at once and requiring the money to be carried to a separate account, and his omission to do this doubtless facilitated the continuance of his private overdraft. In the result, Byrne, J., holding that the bank was not liable to make good the trust money, dismissed the action which had been brought by the trustees of the will of Thomas Bovingdon appointed in Gurney's place.

In the cases in which liability for the misapplication of trust moneys has been imposed on banks, the participation in the breach of trust has been very much clearer than in the present. In *Bridgman v. Gill* a fund was standing in bankers' books to the account of two trustees, and the bankers had notice of the trust. By the direction of the tenant for life alone they transferred it to his account, and thereby obtained payment of a debt due to themselves. They were, of course, liable to make good the fund, and Romilly, M.R., said that the most remarkable thing in the case was that they should have resisted the relief sought. They had not even the authority of the trustees of the fund for dealing with the money, and would have been

liable to them in an action at law. A case perhaps equally clear was *Pannell v. Hurley*, where a trustee had a balance at the bank of £308 on the trust account, and was indebted to the bank to the extent of £72 on his private account and upwards of £250 on a joint trading account. The heading of the trust account showed its nature, and the bankers had otherwise direct notice of the trust. Two cheques of £72 and £236 respectively were drawn by the trustee and were applied in extinguishing the debt on his private account and in reducing the debt on the trading account, the trust fund being thereby quite absorbed. Knight Bruce, V.C., treated the case as free from doubt. "Money," said he, "is due from A to B in trust for C. B is indebted to A on his own account. A, with knowledge of the trust, concurs with B in setting one debt against the other, which is done without C's consent. Can it be a question in equity whether such a transaction can stand? There is nothing more in the case than that." In *Bodenham v. Hoskyns*, a receiver, who had a private account with bankers, and also kept with them his receivership account, of the nature of which they were aware, drew a cheque on the latter account and paid it into his private account, which was overdrawn. Kindersley, V.C., while acquitting the bankers of any design of doing what was dishonest or improper, held them liable to refund the amount of the cheque on the principle that a person who knows another to have in his hands or under his control moneys belonging to a third person, cannot deal with those moneys for his own private benefit, when the effect of the transaction is the commission of a fraud on the owner; and the Court of Appeal supported this decision.

It will frequently happen, of course, that a trustee is a beneficiary or otherwise interested in the trust fund, and is entitled to draw upon it in favor of his private account, and hence it has been argued that the bankers cannot be held liable for any dealings with the fund unless they know the circumstances of the trust. The argument was rejected, however, by Fry, J., in *Foxton v. Liverpool and Manchester District Banking Co.*, where he held that, provided the bank profited by the dealing with the trust fund, it was immaterial whether they knew of the circumstances of the trust or not. In that case a trustee, who had an overdraft which had been the subject of anxiety to the bank managers, drew a cheque on the trust account in favor of his private account. "It appears," said Fry, J., "to be plain that the bank could not derive the benefit which they did from that payment, knowing it to be drawn from a trust fund, unless they were prepared to show that the payment was a legitimate and proper one, having reference to the terms of the trust. It is said that they did not know what the trust was

at that time. That appears to me, I confess, to be immaterial, because those who know that a fund is a trust fund cannot take possession of that fund for their own private benefit, except at the risk of being liable to refund it in the event of the trust being broken by the payment of the money."

The question of the duty of a banker to refuse to honour the draft of his customer on the ground of an intended breach of trust was dealt with in *Gray v. Johnson*, and the rule was laid down by Lord Cairns, C., as follows: "In order to hold a banker justified in refusing to pay a demand of his customer, the customer being an executor, and drawing a cheque as executor, there must, in the first place, be some misapplication, some breach of trust intended by the executor, and there must, in the second place . . . be proof that the bankers are privy to the intent to make this misapplication of the trust funds. And to that I think I may safely add, that if it be shown that any personal benefit to the bankers themselves is designed or stipulated for, that circumstance, above all others, will most readily establish the fact that the bankers are in privity with the breach of trust which is about to be committed." The present case of *Coleman v. The Bucks and Oxon Union Bank* comes near this rule, inasmuch as there was notice of the existence of a trust, and the money was applied in reduction of a debt due to the bank, and apparently it falls within the language of Fry, J., quoted above. At the same time the bank had no real ground for suspicion; their application of the money was tacitly sanctioned by the trustee, on whom lay the duty of giving directions; and the transaction was followed by further dealings with the customer's account, which would have made it impossible to restore the bank to its original position. According to the judgment of Byrne, J., in order to render the bankers liable, it is not sufficient that they are going to derive a benefit from the transaction, they must also have some reasonable suspicion that a breach of trust is intended. Where they are pressing for a reduction of the trustee's private overdraft, or know that the cheque is drawn to meet a specific obligation to themselves, the grounds for this suspicion clearly exist. The present case, however, lacked any such circumstances, and hence the bank escaped liability to make good the trust fund.

PRIVY COUNCIL, ENGLAND.*

The Molsons Bank v. Cooper and Smith and others†

The appellants lent money on securities to a firm which subsequently failed. Having realized the securities they nevertheless sought to recover judgment for the whole indebtedness, so that they might obtain a larger dividend in the bankruptcy.

Held, that they could not do so.

This was an appeal from a judgment of the Supreme Court of Canada of December 9, 1896, reported in the JOURNAL, vol. iv, p. 322.

The respondents, Messrs. Cooper and Smith, were boot and shoe manufacturers at Toronto, and they had an account with the Molsons Bank. Having applied to the bank for a line of credit, they received from the manager, Mr. Pipon, on June 13, 1891, a letter stating that the board had granted them a line of credit to the amount of $150,000, to be secured by collections deposited. To that letter there was a postscript stating that its meaning was not that the advances should be fully covered by collections, but as near as the respondents could. The respondents stopped payment in August, 1893. In the interval the bank had made large cash advances to the firm in the way of discount of their promissory notes. The respondents from time to time handed the bank large numbers of their customers' notes and bills as collateral security for the advances so made. At the time of the firm's failure the bank held their promissory notes to the amount in all of $145,000, all of which they had discounted for the firm. The bank held as collateral security under the letter of June 13, 1891, customers' notes, which they proceeded to realize, and in respect of which, when the action was brought, they had actually received $83,000. The suit was brought for the recovery of the whole indebtedness, $145,000, and the defence set up was payment or satisfaction in whole or in part by the money received by the bank on the collateral notes. Mr. Justice Rose, who tried the action without a jury, gave judgment for the bank for the full amount of the notes sued upon, holding that they were not obliged to

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*Lord Halsbury, L. C., Lords Herschell, Macnaghten and Morris, and Sir R. Couch.

† *The Times Law Reports.*

credit the money in their hands against the notes, but were entitled to retain the fund so realized as a reserve fund, carrying the amount to the credit of a suspense account. The Divisional Court, on appeal, set aside that judgment, deciding that the bank were bound to apply the money in reduction of the respondents' debt, and that it ought to be applied *pro tanto* in payment of the notes sued upon. The bank appealed to the Court of Appeal, which restored the original judgment of Mr. Justice Rose. The Supreme Court, on further appeal, unanimously decided against the bank, the Chief Justice, who gave their judgment, stating that the bank were bound from time to time, as it was received, to apply the proceeds of the collateral paper in reduction of the principal paper. The result was that, instead of being permitted to rank against the estate for the whole of the indebtedness, the bank was only permitted to rank for about $60,000, being the difference between the principal paper and the proceeds of the collaterals. From the judgment of the Supreme Court special leave to appeal was sought and obtained. The object of the bank in not applying the money received by them was that they might prove for their whole debt unreduced by any payments, and so obtain a larger dividend of the money levied under the executions and remaining in the sheriff's hands to be applied on the executions *pro rata* under the Creditors' Relief Act.

The Lord Chancellor, in giving their Lordships' judgment, said they were of opinion that the appeal ought to be dismissed with costs. It appeared that the bank had received at the time the action arose and had realized, in pursuance of the letter of June 13, 1891, sums amounting to $83,000. They brought the action to recover the entire amount said to be due—some $145,000. The suit raised the question, "Were they entitled to treat the sum they had received and realized of the so-called securities as not having been received at all, or were they entitled to recover in respect of the entire amount of their indebtedness?" No such right as they alleged could possibly exist. The bargain was intelligible enough—namely, that an overdraft should be allowed, and that cheques, bills, and securities should be deposited to secure repayment. The intention of the parties was made still more clear by the postscript to the letter: "The meaning of the above is not that the advances shall be fully secured by collections, but as near as you can." It was admitted that $83,000 had been received and realized by

the bank on those collateral securities. As the bank received the money, or turned the securities into money when they received them, it was impossible to say that the indebtedness between them and their debtors was otherwise than diminished to the extent of the money which the bank put into their pockets. For these reasons their Lordships would humbly advise her Majesty that the appeal should be dismissed with costs down to the time of lodging the appeal.

Queen's Bench Division, England

Marshall, Sons & Co. v. Brown, Janson & Co.

Responsibility of a Bank for a report as to a customer's standing.

This was an action tried before the Lord Chief Justice and a Middlesex special jury, for damages for fraudulent misrepresentation under the following circumstances. In March, 1896, the National Skating Palace (Limited), formed to acquire premises known as Hengler's Circus in London, through their agents, Messrs. Tyler and Ellis, requested the plaintiffs to supply them with a vertical engine and some fittings. The plaintiffs asked for a reference as to the credit of the company, and were referred to the defendants as its bankers. The plaintiffs' bankers, the Sheffield Banking Company, Limited, thereupon applied to the defendants, asking them to say whether the company was, in their opinion, trustworthy in the way of business for £100. The defendants replied in a letter dated March 17th, 1896, and marked "Confidential. For your private use, and without responsibility on our part."

Dear Sirs,—We are in receipt of your letter of yesterday's date, and in reply thereto beg to inform you that the company mentioned is very respectable, and in our opinion may be considered quite good for your figures in the way of business.

We are, Dear Sirs, yours truly,

Brown, Janson & Co.

Relying on these statements the plaintiffs supplied the Skating Company with goods to the value of over £80, but it was alleged that the representations were false to the knowledge of the defendants; that at the time they were made the company was heavily indebted and in pecuniary difficulties; and that the

whole of their assets were mortgaged to the defendants, as debenture holders, to the amount of £20,000. The plaintiffs vainly applied to the Skating Company for payment of their account, and in November, 1896, recovered judgment against it, but upon taking steps to issue execution and present a winding-up petition they found that the defendants (who had since acquired further debentures to the amount of £5,000 over the assets, and who held all the first debentures) had obtained the appointment of a receiver and manager of the company's assets on their behalf as debenture holders. They were therefore compelled to abandon their endeavours to issue execution or obtain a winding-up order. They claimed £104 1s. 7d. as damages. It was admitted that, at the time of the writing of the letter of March 17th, the defendants held debentures to the extent of £20,000 to secure a floating charge, and that the amount was afterwards increased to £25,000, but it was alleged that, at the time of writing, the defendants were honestly under the impression that the assets of the company were more than sufficient to cover it. A subsequent investigation of the affairs of the Skating Company showed that, while the bank owned £25,000 debentures, there were £5,000 further debentures issued to other people, and debts to the amount of £34,000 to unsecured creditors. The public had only subscribed £3,000. The account of the company with the defendants was opened in September, 1895, the London and Westminster Bank having been the original bankers. A winding-up petition was presented by a creditor in 1895, but was got rid of by the issue of B debentures in 1896, priority being given, by arrangement, to the defendants' debentures. This winding-up petition was presented before the defendants became the company's bankers. The company worked for the whole season at an average loss of £100 a week. The premises were leasehold at a rent of £1,700 a year. In June, 1896, an attempt was made to realize the debentures by issuing them to the public at 105, secured by the freehold "to be acquired." The money raised was to buy the freehold, redeem the A and B debentures, and to pay off the unsecured creditors. At that time there was a man in possession, but evidence was given that the earnings improved towards the end of the first season, and that there were reasons for hoping that, as the rink

got more widely known, it would pay under better and more economical management. On August 18th, however, the defendants put the matter in the hands of a receiver.

Mr. Walton, in addressing the jury, said that he was not going to take any technical objection, but stand or fall on the single question whether the letter of March 17th was written in good faith. He contended that the bank could not disclose the state of their clients' banking accounts, but might fairly, in March, think that they would be good for £100. Their own treatment of the company showed that they had considerable confidence in its prospects, though they knew that money was wanted for initial expenses, which were heavy. The business was short of capital, but was promising large profits in the future. Evidence having been given that the letter of March 17th, 1896, was written in the honest belief that it was true.

The jury intimated that they had made up their minds in favour of the plaintiffs.

After some discussion,

Mr. Walton said that he would submit to a verdict, but desired to say that the letter, though careless, perhaps, was written with no intention to defraud.

The LORD CHIEF JUSTICE.—I have a strong opinion in this case. There is no need to cast upon the defendants the slur of a verdict; let a juror be withdrawn and judgment entered for the plaintiffs by consent.

This course was then adopted, a juror being withdrawn and judgment entered for the plaintiffs for £100 and costs.

QUEEN'S BENCH DIVISION, ENGLAND

Altree v. Altree—Staffordshire Financial Company, Claimants*

Bill of Sale held invalid because of the omission of the address and description of grantee.

This was an appeal from the County Court Judge at Staffordshire sitting at Lichfield, who decided that a bill of sale was void, because neither the address nor the description of the grantees, the Staffordshire Financial Company, was given in the bill of sale.

**Times Law Reports.*

The material words of the bill of sale in question were as follows:—"This indenture made the 12th day of March, 1898, between John Altree, of Triangle Farm, Chase Town, in the parish of Hammerwich, in the county of Stafford, farmer, hereinafter called 'the borrower' of the one part, and the Staffordshire Financial Company Limited, hereinafter called 'the lenders' of the other part."

The Court, without calling on counsel for the respondent, supported the decision of the County Court Judge.

Mr. Justice Day said the Bill of Sales Act of 1882, by section 9, provided that a bill of sale should be void unless drawn in the form given in the schedule to the Act. Then, turning to the schedule, it would be found that a blank was left in the form for the address of the grantee equally with that of the grantor. That showed that the address of the grantee should appear in the bill. The objection taken by the County Court Judge was quite right.

Mr. Justice Lawrance concurred.

HIGH COURT OF JUSTICE, ONTARIO

The Merchants' Bank of Canada v. Henderson*

A promissory note payable at a particular place need not be presented there at maturity in order to charge the maker, although there are funds to meet it, and the Bills of Exchange Act, 1890, has made no difference in this respect.

The duty of the maker of such a note is not only to have sufficient funds at the place of payment at maturity, but also to keep them there until presentment.

Semble per ARMOUR, C. J.—The only effect of nonpresentation before action, when sufficient funds have been kept at the place of payment, is to disentitle the plaintiff to costs.

This was an appeal from a judgment of the First Division Court of Frontenac, in an action on a promissory note.

The following facts are taken from the judgment of Armour, C. J., in the Divisional Court.

**Ontario Reports.*

The action was brought upon the following promissory note:

KINGSTON, ONT., 17th July, 1895.

"$100,

"One month after date for value received, I promise to pay to the order of D. Fraser, at the office of Donald Fraser, banker, here, one hundred dollars.

"F. G. HENDERSON."

Having the following endorsement thereon:

"D. FRASER."
"Protest waived."
"D. FRASER."

The defendant, the maker of this note, was a farmer and cheesemaker, residing at Pittsburg, about ten miles from Kingston, and the payee of the note was one Donald Fraser, a private banker at Kingston, at whose office the said note was made payable, and with whom the defendant kept a bank account, discounting notes and making deposits with him, and with whom the defendant had arrangements by which he was to meet all his paper, whether he had funds or not.

This note Fraser endorsed to the plaintiffs; and on the 20th day of August, 1895, the day the note fell due, Fraser called at the plaintiff's bank and made the endorsement thereon, "protest waived," "D. Fraser." He also at the same time waived protest on some other notes held by the plaintiffs on which he was endorser. The note was not presented for payment at the office of Donald Fraser on the day it fell due, nor until two or three days before suit.

On the 20th day of August, 1895, the day the note fell due, the defendant had at his credit with Fraser $122.41. On the 26th day of August, 1895, the amount at his credit was reduced to $72.41; on the 28th day of August, it was $122.41; on the 18th day of September, it was $72.41; on the 21st September, $43.46; on the 24th September, $152.46; and on the 25th day of September, $137.46, on which day Fraser made an assignment. Fraser swore that if the note had been presented at his office the day it fell due, it would have been paid, and that he only waived protest of it to preserve his liability therefor.

The cause was tried in the First Division Court of the county of Frontenac, and judgment was given for the plaintiffs, and from such judgment the defendant appealed mainly on the

grounds that presentment of the note ought to have been made on the date of maturity at the place where the note was made payable, and that the defendant having been damnified by the plaintiff's default in this respect, the loss ought to fall on the plaintiff.

The trial Judge found on the evidence that, although there were sufficient funds at the place named on the date the note matured, a few days after the defendant had by withdrawal reduced the amount to his credit in Fraser's hands to an amount less than the amount of the note, but subsequently increased it by deposits, so that at the time of Fraser's assignment, he had more to his credit than would have paid the note if then presented, and held that it was not necessary to present the note at all in order to hold the defendant liable, and gave a judgment in favour of the plaintiff.

From this judgment the defendant appealed, and the appeal was argued on February 20th, 1897, before a Divisional Court composed of Armour, C. J., Falconbridge and Street, JJ.

ARMOUR, C. J.:—In England prior to the passing of the Bills of Exchange Act, 1882, and in this province prior to the passing of the Act 7 Will. IV, ch. 5, in an action upon a promissory note, such as the one in question here, payable at a particular place, it was necessary to allege and prove a presentment at such place.

And although in order to charge the endorser upon such a promissory note, it was necessary to present it at the particular place on the day it fell due, yet to charge the maker it was not necessary to present it at the particular place on the day it fell due, but it was sufficient if it were presented there at any time before action.

And I do not think that the law in England in this regard, was altered by the Bills of Exchange Act, 1882, section 87 of which provides that " where a promissory note is in the body of it made payable at a particular place, it must be presented for payment at that place in order to render the maker liable," and that it is still unnecessary in order to charge the maker to present such a note at the particular place on the day it falls due, but that it is still sufficient to present it there at any time before action.

By the Act of this province, 7 Will. IV, ch. 5, a promissory note such as the present, made payable at a particular place without further expression in that respect, is to be deemed and taken to be a promise to pay generally, and this continued to be

the law until the coming into force of the Bills of Exchange Act, 1890, by section 86 of which it is provided that "where a promissory note is in the body of it made payable at a particular place, it must be presented for payment at that place. But the maker is not discharged by the omission to present the note for payment on the day that it matures. But if any suit or action is instituted thereon against him before presentation, the costs thereof shall be in the discretion of the Court."

The effect of this provision seems to be that it is still necessary in order to charge the endorser that such a note should be presented for payment at the particular place on the day it falls due; but that to charge the maker, it is unnecessary that it should be so presented, but that it may be so presented at any time before action brought, and that an action may be brought upon it against the maker, even without any presentation at the particular place at the risk of the plaintiff being obliged to pay the costs of such action in case the maker shall show that he had the money at the particular place to answer the note when the note fell due and thereafter; but it may be that the effect of this provision is that as far as the maker of such a promissory note is concerned, the promissory note is to be deemed and taken to be a promise by him to pay generally, but it is unnecessary to determine the effect of this provision in determining this case.

For I think that where a promissory note, such as the present, is made payable at a particular place, it is the duty of the maker to have the funds necessary to answer the note at such a particular place, and to keep them there until they are called for by the holder of the note.

In *Rowe v. Young*, Best, J., in giving his opinion to the House of Lords said: "It has been asked at the bar, how long the acceptor is to leave the amount of the bill in the hands of his banker? I answer, that he is never to remove it. By his special acceptance, he has charged that money with the payment of the bill at his bankers; he has, therefore, no power over the amount left at his bankers to pay it; it belongs to the holder of the bill, who may take it when he pleases. Should he not call for it within the time allowed to the holder of a banker's cheque to present the cheque at the bankers, and should the banker fail, the holder of the bill must lose his money; he would lose his money if he took a cheque for his bill and did not present such cheque in due time. It is decided in the case of *Saunderson v. Judge*, that a *memorandum* that a note would be paid at the house of Saunderson and Co., was an undertaking, that there should be cash there to pay the note; and an order on Saunderson & Co. to pay it. Your Lord-

ships also know that such an acceptance as is stated in your Lordship's question is treated by all bankers as a draft on them or order to pay the bill so accepted. A person who neglects to present such an acceptance on the day when it is due, must, therefore, subject himself to the same consequences as one who keeps any other draft or a banker's cheque, beyond the day after that on which it was delivered to him, when the banker fails." . . . It was the duty, therefore, of the defendant, the maker of the note in question, to have the money to meet the note at the particular place where the note was made payable, and to keep it there to meet the said note when called for.

But although he had the money to meet the note in question at the particular place where it was made payable on the day it fell due, he did not keep it there, for on the 26th August, he had only $72.41 there, and on the 21st September, only $43.46 there, and not having kept the money there to meet the said note, he could not set up the failure of Fraser the banker, as exonerating him from the payment of the note.

In my opinion, therefore, the judgment appealed from is right, and should be affirmed, and the appeal should be dismissed with costs.

Falconbridge and Street, JJ., concurred.

High Court of Justice, Ontario

Fitzgerald et al v. Molsons Bank et al

Under sec. 413 of the Municipal Act, 55 Vict., ch. 42 (O.), as amended by 56 Vict., ch. 35, sec. 10, a lender is bound to inquire into the amount of taxes authorized to be levied by a municipality to meet the then current expenditure, and cannot lawfully lend more than that sum, although not bound to inquire into the existence of an alleged necessity for borrowing.

A municipal council may, however, with the consent of the ratepayers, raise money by debentures to repay money so unlawfully borrowed, when the expenditure, although not included in the estimates, was for purposes within the general powers of the corporation.

This was an action brought by certain ratepayers of the village of Hintonburgh against the Molsons Bank, the corporation of the village, and the sheriff of the county of Carleton, to restrain the collection and enforcement of a judgment recovered by the bank against the village corporation under the following circumstances :—

On the 23rd August, 1895, the council of the village, by by-law No. 49, passed under the authority of sec. 413 of the Municipal Act of 1892, 55 Vict., ch. 42, as amended by sec. 10 of the Municipal Amendment Act of 1893, 56 Vict., ch. 35 (O.),

authorized the reeve and treasurer to borrow from the Molsons Bank at Ottawa sums not exceeding in all $5,000, to meet current expenditure until such time as the taxes levied therefor could be collected.

At the same meeting they passed by-law No. 50 authorizing the levying of the rates for the year. The amounts to be levied for each separate purpose were left separate in the by-law, and amounted in the whole to $5,179.45, of which only $1,200 was for village rate, $2,775 was for school rates, $825 for debts under former debentures, and the balance for county rate.

By-law No. 49 was amended by by-law No. 56, on 29th November, 1895, by substituting $7,000 for $5,000 as the amount to be borrowed.

Under these by-laws the reeve and treasurer borrowed from the Molsons Bank at Ottawa $6,000, giving the notes of the village corporation therefor, as authorized by the by-laws.

The amount so borrowed was expended in the repair and alteration of certain roads, and in diverting the course of a certain stream, within the corporation. These works were within the general powers of the corporation, but no provision had been made for the outlay in the estimates for the year.

The bank at the time of the advances had no notice that the money borrowed was not required to meet current expenditure, but they might by inquiry have ascertained that the taxes levied for village purposes were greatly below the amount borrowed under the by-law.

The notes given to the bank were not paid at maturity, and were renewed, and the renewals not having been paid, the bank in October, 1896, brought an action against the village corporation and obtained judgment by default for $6,201.04, the amount of the notes and interest, and placed execution in the hands of the sheriff of the county.

On the 23rd January, 1897, the plaintiffs, who were ratepayers of the village, began this action, on behalf of themselves and the other ratepayers, to declare the by-laws 50 and 56 to be *ultra vires* the corporation and void, also to declare the judgment obtained by the bank to be void by reason of fraud and collusion between the bank and the council, and to restrain the sheriff from levying under the execution issued upon it.

After the issue of the writ in this action, and before the filing of the statement of claim, viz., on 16th February, 1897, the village council submitted to the ratepayers a by-law authorizing the issue of debentures to the amount of $8,000, reciting that the corporation had expended $7,100 in the opening of the roads in question and the diverting of the stream in question, and that a further sum of $900 was required for the further improvement of one of the roads in question. The expenditure here recited included that which had been made out of the money borrowed from the bank. This by-law was duly approved by the vote of the ratepayers, and was passed by the council, and debentures under it were issued, and the proceeds at the time of the trial remained to the credit of a special account in the bank. The plaintiffs in their statement of claim set out the passing of this by-law and alleged that the defendants the corporation intended to pay the judgment of the Molsons Bank out of the proceeds of the debentures, although that purpose was not set forth in the by-law, and prayed that they might be restrained from doing so.

The defendants the Molsons Bank in their statement of defence alleged that they advanced the moneys in question to the corporation in good faith; that they had been expended for the purposes of the corporation; that the by-law of February, 1897, was passed for the express purpose of paying their claim; and that, having obtained judgment for the amount advanced, without any fraud or collusion, they were entitled to proceed upon it.

The defendants the corporation of the village by their statement of defence said that the $6,000 principal money represented by the judgment was advanced to them by the bank; that the corporation had received the benefit of it, and had always regarded it as a just debt, and were willing to pay it, and intended to pay it if this action had not been instituted, and submitted its rights and obligations to the Court.

The defendant the sheriff justified under the judgment and execution, and submitted to the order and protection of the Court.

The action was tried before Rose, J., without a jury, at Ottawa, on the 17th September, 1897, upon the pleadings and admissions which are set forth in substance above.

After argument the learned Judge dismissed the action with costs, upon the ground that under the amended Municipal Act of 1893 the bank were exempted from inquiry into the necessity for the passing of the by-law No. 49, and that the exemption from inquiry extended to the amount authorized, even though it should exceed the amount of taxes for the year.

The plaintiffs moved to set aside this judgment and to enter the judgment asked for in the statement of claim, and the motion was argued on the 21st January, 1898, before a Divisional Court, composed of Armour, C.J., and Street, J.

January 29, 1898. The judgment of the Court was delivered by

STREET, J.—The whole amount of the taxes authorized to be levied in this municipality during the year 1895 was only $5,179.12, and it is clear, therefore, that under the most favorable view of section 413 of the Municipal Act of 1892, as amended by section 10 of the Municipal Amendment Act of 1893, the council were not empowered to raise $6,000 to meet their "then current expenditure until such time as the taxes levied therefor" could be collected. I cannot entirely concur in the interpretation placed by my brother Rose upon the concluding portion of the section, which provides that "the person or bank lending such amount shall not be bound to establish the necessity for borrowing the same." With great respect, I think these words are to be read in connection with the preceding portion of the section which confers the authority to borrow "such sums as the council may deem necessary to meet the then current expenditure of the corporation until such time as the taxes levied therefor can be collected," and limits the power of borrowing under this section to the amount of the taxes levied to meet the then current expenditure. I think, therefore, that a bank or individual lending is bound to inquire into the amount of the taxes authorized to be levied to meet the then current expenditure, and cannot lawfully lend more than that sum, although not bound to inquire into the existence of an alleged necessity for borrowing that, or any other, amount.

Were the lender declared to be exempted from every inquiry, nothing would be more easy than for a council to pledge the credit of the corporation for amounts much greater than the section was intended to authorize, and the provisions confining the expenditure of each council to the taxes levied during its year, unless otherwise specially authorized by the ratepayers, would to a large extent cease to be a safeguard.

There is a later amendment to the clause in section 50 of

ch. 45 of the Ontario Statutes for 1897, further limiting the amount to be borrowed under it, which, however, does not affect this case.

It is admitted, however, that the money borrowed from the bank was expended by the council upon works within its jurisdiction, upon which money lawfully obtained for the purposes of the council might lawfully have been expended; and it is further admitted that the ratepayers, since this action was begun, have passed a by-law authorizing the council to borrow money to pay the outlay incurred in these works; that the council have issued debentures and raised money upon them and are willing to pay back to the Molsons Bank the money borrowed under section 413, and are only restrained from doing so by the proceedings in this action.

If the plaintiffs, upon the passing of this by-law by the ratepayers, had withdrawn their opposition to the payment of the claim of the bank, I think they would have been entitled to their costs, because they appear to me to have been right in their contentions to that point; but, instead of doing so, they have persevered in endeavouring to thwart the desire of the council to honestly repay the money which they had obtained and expended for the general benefit of the municipality. They have insisted that the council have no right to use the money raised upon these debentures in repaying the sums borrowed from the bank, because the by-law approved by the ratepayers does not specifically state that the money is to be paid to the bank.

I can see nothing in the Municipal Act which prevents a council, with the approval of the ratepayers, from raising money for the repayment of such a debt as this. It is one thing to say that money borrowed by a council without the safeguards imposed by the statute may not be recoverable by the lender. It is quite another thing to say that a municipality having so borrowed money and expended it for the benefit of the ratepayers is to be restrained from being honest enough to pay it back. This is what the plaintiffs invite us to say in the present action, and I am clear we should refuse to say it.

In my opinion the motion should be dismissed with costs.

High Court of Justice, Ontario.

Gignac v. Iler et al.

Where there was evidence of a request made to a person in embarrassed circumstances by one who had indorsed notes for him, for a conveyance of an equity of redemption in land, to secure the indorser against his liability, and the first proceeding taken to impeach the conveyance was a seizure of crops upon the land under an execution against the grantor, more than sixty days after the transfer was made:—

Held, that, there having been pressure, the conveyance could not be impeached as a preference.

But, the statement of the consideration in the conveyance being untrue, the onus was upon the grantee to prove beyond reasonable doubt that there was some other good consideration, and his own unsupported statement that such existed was insufficient, and the conveyance must be treated as voluntary, and therefore void under the Statute of Elizabeth.

This was an action brought against the sheriff of Essex and his sureties to recover damages for trespass to real and personal property claimed by the plaintiff under the following circumstances:—

On the 15th July, 1895, Messrs. Cameron & Curry recovered judgment against one Antilla and Solomon White for $327, and placed execution in the sheriff's hands on the same day. Under this execution the sheriff seized twenty acres of corn and two acres of potatoes, all growing upon a farm of which Antilla was in possession. Antilla, himself, came into the sheriff's office and acknowledged them as being under seizure, but no actual seizure was made until the middle of October. The property seized was claimed in October or November by Gignac, the plaintiff in the present action; the execution creditors took from Solomon White a chattel mortgage in settlement of their claim and refused to interplead; but White, being only a surety for Antilla to the execution creditors for the debt upon which the judgment had been recovered, notified the sheriff to proceed with the execution for his benefit, and indemnified him, and the property seized was ultimately sold by the sheriff to White. The present action was then brought by Gignac against the sheriff and his sureties to recover the value of the crop, as well as damages for trespassing upon the land.

The land upon which the crops were growing had been the property of Antilla, subject to three mortgages amounting to about $2,100. On 18th June, 1895, Antilla conveyed his equity of redemption to Gignac, the consideration appearing in the

conveyance being "an exchange of properties"; but Gignac in his evidence stated that he had indorsed notes amounting to some $250 for Antilla; that, knowing Antilla was becoming very much embarrassed, he had taken this conveyance from him, intending to sell the crop and pay up the overdue interest on the mortgages with the proceeds, and endeavour to sell the land for enough to help him to pay the notes which he had indorsed for Antilla, who was his brother-in-law. Antilla remained in possession, notwithstanding the conveyance, and on 22nd July, 1895, Gignac made a lease to him of a small part of the property with the house upon it at a rental of $6 a month. In October, 1895, Antilla left the country, and moved over to Detroit, having marketed some of the property on the farm. The sheriff in his defence set up that the transfer of the property from Antilla to Gignac was colorable and fraudulent against creditors.

The action was tried at Sandwich, on the 1st November, 1897, before Meredith, J., without a jury, and he gave judgment for the defendants, upon the ground that the transfer from Antilla to Gignac was a fraudulent preference, and therefore void against creditors.

Against this judgment the plaintiff moved, and the motion was heard on 20th January, 1898, by a Divisional Court composed of Armour, C.J., and Street, J.

February 10, 1898. The judgment of the Court was delivered by

STREET, J.:—The conveyance from Antilla to the plaintiff of the land upon which the crops in question were growing carried the growing crops with it, and was made on the 18th June, 1895. The execution under which the sheriff justifies the seizure was placed in his hands on the 15th July, 1895, but he made no actual seizure until about the middle of October, when for the first time he sent his bailiff out. What happened on the 27th July, 1895, seems to have been merely this: that Antilla, having heard of the execution, went to the sheriff's office and told the sheriff that he had excellent crops growing which he would harvest, and the proceeds of which he would hand over to the sheriff. In October the sheriff heard that Antilla was disposing of the property, and then he sent out and made an actual seizure.

The judgment in favor of the defendants delivered at the trial finds that the conveyance from Antilla to Gignac was void

as a fraudulent preference. I am unable to agree in this conclusion. There was evidence of a request on the part of Gignac for the conveyance which was made, to secure him against the liability he was under for Antilla, and the first proceeding taken to impeach the transfer was the actual seizure by the sheriff in October, more than sixty days after the transfer was made. There having been pressure within the authorities, the transfer cannot be impeached as a preference.

The learned Judge, however, leaves open the question as to whether the transaction may not be void under the Statute of Elizabeth, and I have come to the conclusion that we should so hold. The statement of the consideration is untrue, because there was, confessedly, no exchange of properties. The onus is then plainly thrown upon the plaintiff of proving beyond reasonable doubt that there was some other good consideration. He says the consideration really was the intention of Antilla, at his request, to secure him against certain indorsements. Transactions of this nature between relatives are viewed with suspicion, and it has been repeatedly held to be the duty of the person upon whom the onus rests to produce to the Court as satisfactory evidence of the truth of his story as the nature of case will admit of. The plaintiff has contented himself with giving his own unsupported evidence of the existence of a consideration which contradicts the statement in the deed. He has not called the man who held the note which he says he endorsed for Antilla, and to whom he says he paid part of it—nor has he called Antilla, who has made an affidavit for him upon this motion, and who has been living in Detroit ever since he left Windsor.

Then there is the fact that, notwithstanding the conveyance, Antilla remained in possession of the property, without any apparent right to be there, until he got a lease a month later. Antilla seems to have worked at the harvesting and selling of the crop as if it were his own. It is true Gignac says he was paid wages for doing so, but here again his evidence might have been, but is not corroborated.

In a word, the consideration set forth in the deed is untrue, and we have only the plaintiff's unsupported statement of any other. Under these circumstances, I think we must treat the evidence of the existence of any consideration as insufficient, and treat the conveyance as being voluntary. Treated as a voluntary conveyance, it plainly cannot be upheld, and the motion should, therefore, be dismissed with costs.

ADMIRALTY COURT, AUSTRALIA

Chartered Bank of India, Australia and China Limited v. owners of the "Prinz Heinrich"

Robbery of gold from a ship's strong-room.

This was an action by the bank against the North German Lloyd Steamship Company to recover £2,447 13s. 4d., part of a quantity of gold shipped on board the defendants' steamer, "Hohenzollern" at Yokohama, consigned to the plaintiffs in London, but stolen from the mail-room by some German sailors during the voyage from Yokohama to Hongkong. At the latter port the box containing the gold was trans-shipped into the "Prinz Heinrich," which brought the box to London, but on its being opened it was found that the gold had been abstracted and bullets put in its place. The robbery took place the night after the "Hohenzollern" left Yokohama, and the plaintiffs submitted, that if the purser had carefully examined the box on its trans-shipment at Hongkong he would have noticed that it had been tampered with, and might have prevented the gold (which the sailors had concealed in their berths) from leaving the ship. The defendants pleaded that under the bills of lading they were not responsible for loss by barratry, but the plaintiffs, while admitting this and also that a theft by sailors could be construed as barratry, alleged that there had been negligence by the defendants' officers in not exercising proper care to see that the mail-room was securely fastened. But for the officers' negligence, they said, there would have been no loss by barratry in this case. The defendants denied negligence, and said that every possible precaution had been taken for the safe custody and delivery of the gold.

In giving judgment, the judge said the question was one of fact. The negligence complained of was that the purser, or one of the officers, neglected to see that the bolts of the iron doors were properly fastened the last time of using the mail-room before the vessel left Yokohama. The answer to that by the defendants was that Schmidt (the thief), who assisted the purser in putting the box into the room and in locking the doors, was properly treated as a trustworthy person, and that there was no negligence on the part of purser or officer if this man tricked them into supposing that the bolts were apparently fastened when he had at the same time dexterously drawn them. There appeared

to be laxity in the way in which this room was used for treasures, parcels, mails, etc., and there was no doubt that Schmidt having observed the manner in which the room was being used, thought there might be an opportunity of displacing the bolts. He (the judge) should say there was negligence on the part of the purser or one of the officers in not ascertaining whether the door was closed after the bolts had been manipulated by Schmidt. The Trinity Masters, both of whom had had large experience in the carriage of treasure, had also advised him that the facts disclosed a state of negligence, and that the purser or officer should have personally seen to the fastenings of the door. He held the defendants responsible. With regard to the plaintiffs' other contention that the tampering of the box ought to have been discovered when it was trans-shipped at Hongkong, he thought there was no negligence against the defendants' servants. Schmidt had left the box in such a condition that it was almost impossible to have detected that it had been tampered with. There was negligence. however, on the "Hohenzollern" with regard to the security of the mail-room, and the plaintiffs would have judgment for £2,447 13s. 4d., with costs.

Judgment accordingly.

UNREVISED TRADE RETURNS, CANADA

(000 omitted)

IMPORTS

Nine months ending March—	1896-7		1897-8	
Free	$30,250		$36,254	
Dutiable	50,300		55,686	
	$80,550		$91,940	
Bullion and Coin	4,553	$85,103	3,116	$95,056
Month of April—				
Free	$ 2,755		$ 3,550	
Dutiable	5,597		6,082	
	$8,352		$9,632	
Bullion and Coin	43	$ 8,395	495	$10,127
Month of May—				
Free	$ 3,701		$ 5,448	
Dutiable	5,002		6,428	
	$8,703		11,876	
Bullion and Coin	42	$ 8,745	745	12,621
Total for eleven months		$102,243		$117,804

EXPORTS

Nine months ending March—				
Products of the mine	$ 8,392		$11,575	
" Fisheries	8,339		8,464	
" Forest	20,977		20,793	
Animals and their produce	31,325		36,907	
Agricultural produce	12,671		27,010	
Manufactures	6,673		7,722	
Miscellaneous	134		103	
	$ 88,514		$112,575	
Bullion and Coin	3,344	$ 91,858	4,245	$116,820
Month of April—				
Products of the mine	$ 944		$ 785	
" Fisheries	280		304	
" Forest	1,940		916	
Animals and their produce	1,466		2,003	
Agricultural produce	996		1,764	
Manufactures	860		975	
Miscellaneous	7		9	
	$ 6,474		$ 6,757	
Bullion and Coin	52	$ 6,529	218	$ 6,975

Month of May—

Products of the mine	$ 825		$ 892	
" Fisheries	528		648	
" Forest	2,455		1,293	
Animals and their produce	2,313		2,058	
Agricultural produce	2,222		1,704	
Manufactures	915		949	
Miscellaneous	6		21	
	$ 9,264		$ 7,566	
Bullion and Coin	21	$ 9,285	91	7,657
Total		$107,672		$131,452

SUMMARY (in dollars)

For eleven months—

	1896-7	1897-8
Total imports other than bullion and coin	$97,605,000	$113,358,000
Total exports other than bullion and coin	104,252,000	126,898,000
Excess of exports	$ 6,647,000	$13,540,000
Bullion and coin, net (*Imp.*)	1,221,000	(*Exp.*) 198,000

Monthly Totals of Bank Clearings at the cities of Montreal, Toronto, Halifax, Hamilton, Winnipeg and St. John

(000 omitted)

	Montreal		Toronto		Halifax		Hamilton		Winnipeg		St. John	
	1896-7	1897-8	1896-7	1897-8	1896-7	1897-8	1896-7	1897-8	1896-7	1897-8	1896-7	1897-8
	$	$	$	$	$	$	$	$	$	$	$	$
June	43,129	54,616	28,384	29,842	4,550	4,792	2,775	2,544	4,094	5,531	2,418	2,566
July.....	44,796	52,831	30,494	33,892	5,467	6,308	2,847	2,638	4,961	5,616	2,879	3,116
August ..	41,574	49,240	25,128	29,640	5,556	5,554	2,367	2,442	4,646	6,298	2,602	2,874
September	44,763	55,080	24,870	32,466	5,036	5,164	2,829	2,971	4,630	8,035	2,283	2,620
October ..	48,999	59,340	29,242	35,736	5,387	5,817	3,131	2,970	7,585	13,291	2,292	2,464
November	50,215	59,166	29,129	34,211	5,063	5,580	2,856	2,878	8,895	13,550	2,362	2,442
December	51,033	56,509	33,146	35,986	5,547	5,386	3,051	3,094	7,736	9,784	2,566	2,738
January ..	43,577	60,334	31,117	37,836	5,135	5,009	2,863	3,028	5,009	6,347	2,200	2,417
February .	38,480	62,332	24,592	33,414	4,208	4,446	2,591	2,663	3,851	5,517	2,016	2,022
March ...	40,654	67,625	26,673	39,012	5,215	5,285	2,799	3,021	4,289	5,968	2,144	2,148
April	45,092	50,003	28,236	33,035	5,077	4,472	2,900	2,858	4,161	6,240	2,314	2,254
May	46,600	56,475	29,059	34,374	5,270	4,798	2,655	2,932	5,014	8,683	2,430	2,513
	538,912	683,551	340,070	409,444	61,511	62,611	33,664	34,039	64,871	94,860	28,506	30,174

STATEMENT OF BANKS acting under Dominion Government charter for the months of March, April and May, 1898, and comparison with May, 1897:

LIABILITIES

	31st March, 1898	30th April, 1898	31st May, 1898	31st May 1897
Capital authorized	$ 74,258,684	$ 74,758,684	$ 74,758,684	$ 72,958,684
Capital paid up	62,296,786	62,299,130	62,302,282	61,943,756
Reserve Fund	27,634,666	27,685,666	27,555,666	27,020,799
Notes in circulation	$ 35,930,085	$ 35,843,651	36,261,760	$ 31,820,445
Dominion and Provincial Government deposits	6,014,489	6,290,392	6,879,689	6,984,898
Public deposits on demand	76,471,017	78,196,100	80,202,015	70,183,545
Public deposits after notice	140,525,489	139,997,150	143,200,518	129,532,122
Bank loans or deposits from other banks secured	.....	.....	.....	17,642
Bank loans or deposits from other banks unsecured	2,555,465	2,485,234	2,721,408	2,838,777
Due other banks in Canada in daily exchanges	162,669	146,769	111,534	113,477
Due other banks in foreign countries	509,463	626,569	436,028	320,798
Due other banks in Great Britain	3,353,429	4,504,210	3,781,065	3,373,262
Other liabilities	529,332	528,865	1,034,571	958,688
Total liabilities	266,051,460	268,619,023	274,628,668	$246,133,727

ASSETS

Specie	$ 8,954,889	$9,173,359	$ 9,115,147	$ 8,657,293
Dominion notes	14 566,151	15,002,456	15,675,799	15,936,862
Deposits to secure note circulation	1,883,067	1,883,067	1,885,403	1,848,493
Notes and cheques of other banks	7,937,640	7,541,492	9,609,218	8,519,447
Loans to other banks secured	.....	.....	.....	31,094
Deposits made with other banks	3,433,965	3,397,356	3,383,442	3,679,882
Due from other banks in Canada in daily exchanges	201,057	184,142	206,555	161,916
Due from other banks in foreign countries	19,482,365	19.527,216	20,504,144	18,763,773
Due from other banks in Great Britain	8 200,145	7,437.767	8,050,727	8,981,513
Dominion Government debentures or stock	4,890,232	4,891,794	4,906,569	2,800,224
Public municipal and railway securities	32,916,884	33,142,982	33,336,581	24,851,672
Call loans on bonds and stocks	20,337,515	19,034,498	18,859,581	14,256,608
Current loans and discounts	218,035,643	222,115,392	223,679,314	211,750,319
Loans to Dominion and Provincial Governments	1,377,698	1,824,707	1,613,858	821,469
Overdue debts	3,237,576	3,119,918	2,740,951	3,419,427
Real estate	2,143,340	2,159,433	2,133,901	1,989,223
Mortgages on real estate sold	690,444	579,362	576,276	509,294
Bank premises	5,684,498	5,794,564	5,731,376	5,627,440
Other assets	1,903,457	1,721,570	1,573,728	2,086,915
Total assets	355,876,759	358,531,275	363,582,783	$334,693,054
Loans to directors or their firms	8,122,579	8,060,214	7,727,039	$8,135,095
Average amount of specie held during the month	8,926,759	9,002,440	9,345,565	8,551,022
Average Dominion notes held during the month	14,092,500	14,599,907	15,294,393	15,717,060
Greatest amount of notes in circulation during month	36,939,264	37,515,074	37,833,880	32,637,033

CANADIAN BANKERS' ASSOCIATION

LIST OF ASSOCIATES

Abbott, J. H.....Merchants Bank of Halifax
Abbott, C. C.....Bank of Montreal
Abernethy, A. C.....Bank of British North America
Acres, J. J.....Canadian Bank of Commerce
Adair, John .....Canadian Bank of Commerce
Aird, Jas.....Bank of Montreal
Aird, John .....Canadian Bank of Commerce
Allan, Andrew.....Halifax Banking Company
Allan, J. E.....Union Bank of Halifax
Allan, W. A.....Merchants Bank of Canada
Alley, J. A. M.....Traders Bank of Canada
Allison, J. Kaye ....Bank of British North America
Ambridge, H. A.....Molsons Bank
Ambrose, H. S.....Bank of Montreal
Ambrose, J. R.....Bank of British North America
Anderson, J. .....Bank of British North America
Anderson, M. A.....Union Bank of Canada
Anderson, R. H .....Bank of Nova Scotia
Anderson, W. J. .....Bank of Montreal
Andrews, Ernest .....Canadian Bank of Commerce
Andros, E. B.....Bank of Toronto
Angus, A. F.....Bank of Montreal
Angus, Jas. A.....Bank of Montreal
Anglin, T. W.....Canadian Bank of Commerce
Appleton, L. G .....Molsons Bank
Archibald, H. H .....Halifax Banking Company
Arkell, R.....Imperial Bank of Canada
Armstrong, C. A.....Commercial Bank of Windsor
Armstrong, C. R.....Canadian Bank of Commerce
Arnaud, E. D.....Union Bank of Halifax
Arnold, C. M.....Imperial Bank of Canada
Arnold, C. G .....Imperial Bank of Canada
Ashe, F. W .....Union Bank of Canada
Atkinson, M.....Bank of Toronto
Austin, Benjamin.....Eastern Townships Bank
Austin, H. L. G.....Bank of British North America

Bain, John.....Imperial Bank of Canada
Babbitt, D. Lee .....People's Bank of New Brunswick
Babbitt, G. W.....Bank of Nova Scotia
Bailey, H. A.....People's Bank of Halifax
Bain, L. R.....Imperial Bank of Canada

Balcer, Leon G. ..... Quebec Bank
Balfour, G. H. ..... Union Bank of Canada
Ball, Wm. Lee ..... Eastern Townships Bank
Bangs, John A ..... Bank of Ottawa
Banks, D. W ..... Union Bank of Canada
Barker, A. B ..... Bank of Toronto
Barker, D. J ..... Bank of Montreal
Bernhardt, R ..... Molsons Bank
Barnum, J. L ..... Canadian Bank of Commerce
Barrow, R. S ..... Union Bank of Canada
Barry, J. F ..... Merchants Bank of Halifax
Bartlett, C ..... Bank of Hamilton
Bate, C. F ..... Merchants Bank of Canada
Bate, E. N ..... Imperial Bank of Canada
Bayly, N ..... Bank of British North America
Beaumier, H ..... Banque d'Hochelaga
Beaven, H. R ..... Bank of British Columbia
Begg, Wm. M ..... Bank of Toronto
Belair, L ..... Banque Ville Marie
Belcher, John T ..... Molsons Bank
Bell, F. W ..... Merchants Bank of Canada
Bell, J. P ..... Bank of Hamilton
Bell, W ..... Imperial Bank of Canada
Bellhouse, G. Y ..... Bank of British North America
Bellhouse, Wm. A ..... Merchants Bank of Canada
Belt, H. R ..... Merchants Bank of Canada
Belt, W. G. H ..... Bank of British North America
Benedict, C. L ..... Bank of Montreal
Bennetts, H. E. ..... Merchants Bank of Canada
Benson, W. S ..... Bank of Nova Scotia
Benson, J. J ..... Bank of Montreal
Bentley, H. M ..... Bank of Ottawa
Bertrand, E. A ..... Banque d'Hochelaga
Bethune, F. A ..... Molsons Bank
Bethune, R. A ..... Imperial Bank of Canada
Bienvenu, Tancrede ..... Banque Jacques Cartier
Biette, F ..... Western Bank of Canada
Bignell, A. E ..... Merchants Bank of Canada
Billett, J. Glanville ..... Union Bank of Canada
Billett, T. R ..... Canadian Bank of Commerce
Billings, J., jr ..... Bank of Hamilton
Billingsley, F. C ..... Quebec Bank
Bingay, T. Van B ..... Exchange Bank of Yarmouth
Bingham, H. P ..... Merchants Bank of Canada
Birchall, A. S ..... Union Bank of Canada
Bird, E. H. ..... Canadian Bank of Commerce
Bird, J. Godfrey ..... Bank of Toronto
Bird, T. A ..... Bank of Toronto
Bishop, A. G ..... Merchants Bank of Canada
Black, Francis M ..... Bank of British Columbia
Black, John ..... Bank of Nova Scotia
Blagdon, J. F ..... Merchants Bank of Halifax
Blair, T. B ..... Bank of Nova Scotia
Blakeney, H ..... Merchants Bank of Canada

Blomfield, F. C.....Bank of Montreal
Blouin, A. W.....Banque d'Hochelaga
Boak, S. D.....Union Bank of Halifax
Boddy, W. C.....Standard Bank of Canada
Bogert, C. A.....Dominion Bank
Bogert, M. S.....Dominion Bank
Boire, H. N.....Banque d'Hochelaga
Bonner, G. W. G.....Bank of British North America
Borden, F. A.....Peoples Bank of Halifax
Botsford, W. M.....Merchants Bank of Halifax
Bonnallie, Arthur G.....Eastern Townships Bank
Boultbee, E. K.....Imperial Bank of Canada
Boulton, G. D.....Imperial Bank of Canada
Boulton, J. D.....Molsons Bank
Bourinot, E. W.....Union Bank of Canada
Bourne, G. G.....Canadian Bank of Commerce
Boyd, B. C. Barclay.....Bank of New Brunswick
Boyd, W. J.....Canadian Bank of Commerce
Boyle, J. A.....Imperial Bank of Canada
Braithwaite, A. D.....Bank of Montreal
Bredin, R. S.....Ontario Bank
Breedon, H. M.....Bank of British North America
Brewer, H. C.....Molsons Bank
Brock, W. F.....Merchants Bank of Halifax
Brodie, F. A.....Bank of Toronto
Brodrick, A. B.....Molsons Bank
Brodrick, P. W. D.....Molsons Bank
Brough, John M.....Halifax Banking Company
Brough, T. G.....Dominion Bank
Brown, G. C.....Imperial Bank of Canada
Brown, Vere C.....Canadian Bank of Commerce
Browne, W. G.....Canadian Bank of Commerce
Bruce, W. Wallace.....Ontario Bank
Bruneau, A.....Banque d'Hochelaga
Brydon, James.....Canadian Bank of Commerce
Brymner, R. T.....Canadian Bank of Commerce
Buchan, E.....Bank of Hamilton
Buchan, J. L.....Canadian Bank of Commerce
Buchanan, J. O.....Union Bank of Canada
Buchly, R. J.....Bank of British North America
Burchell, A. S.....Merchants Bank of Halifax
Burchell, John E.....Merchants Bank of Halifax
Burns, G. H.....Bank of British North America
Burns, W. H.....Bank of Nova Scotia
Burrows, N. R.....Union Bank of Halifax
Burrows, W. A.....Merchants Bank of Canada
Burwell, T. S.....Canadian Bank of Commerce
Butler, W. E.....Merchants Bank of Canada
Butt, R.....Bank of British North America
Butterfield, J.....Bank of Hamilton
Byres, G. Martyn.....Ontario Bank

Cadwallader, W. G.....Bank of Nova Scotia
Caldwell, W.....Bank of Nova Scotia

Cameron, Duncan .....Merchants Bank of Halifax
Cameron, D. A.....Canadian Bank of Commerce
Cameron, D. E.....Canadian Bank of Commerce
Campbell, A. J. D.....Bank of British North America
Campbell, E. A.....Bank of Hamilton
Campbell, J. E.....Banque de St. Hyacinthe
Campbell, P.....Bank of Toronto
Campbell, J. H.....Molsons Bank
Campbell, J. M.....Bank of Hamilton
Campbell, Robt. J.....Bank of Montreal
Cant, Jose ph.....Bank of British North America
Capreol, A. R.....Imperial Bank of Canada
Carr, Arthur J .....Bank of British North America
Carlisle, Thomas.....Molsons Bank
Carpenter, C. H.....Imperial Bank of Canada
Carruthers, George .....Merchants Bank of Canada
Carter, E. H .....Canadian Bank of Commerce
Carter, J. H.....Canadian Bank of Commerce
Cartwright, J. S .....Imperial Bank of Canada
Cartwright, L. S.....Bank of Montreal
Cassels, D. S.....Bank of Hamilton
Cassels, L. G.....Dominion Bank
Cassels, R.....Canadian Bank of Commerce
Chadwick, E. A.....Imperial Bank of Canada
Chandler, W. M.....Canadian Bank of Commerce
Chapman, J. R.....Bank of British North America
Charles, D. H .....Canadian Bank of Commerce
Charlton, F. E.....Merchants Bank of Canada
Chatterton, T. S .....Bank of Toronto
Checkley, E. R.....Merchants Bank of Canada
Checkley, F. Y.....Canadian Bank of Commerce
Chester, A.....Merchants Bank of Canada
Chesterton, C. A.....Bank of Ottawa
Chipman, L. D. V.....Bank of Nova Scotia
Chipman, W. H.....Halifax Banking Co.
Chisholm, Geo. R.....Merchants Bank of Halifax
Chisholm, W. R.....Imperial Bank of Canada
Chisholm, W. S.....Merchants Bank of Canada
Christie, A. E.....Union Bank of Canada
Christie, W. J. .....Bank of Ottawa
Clark, A.....Imperial Bank of Canada
Clark, O. S. .....Bank of Hamilton
Clark, R.....Bank of Montreal
Clark, R. S. .....Imperial Bank of Canada
Clark, S. A.....Merchants Bank of Halifax
Clark, Walter E. .....Union Bank of Canada
Clarke, C. H. Stanley .....Imperial Bank of Canada
Clarke, D. R.....Peoples Bank of Halifax
Clarke, W. H. .....Merchants Bank of Halifax
Clawson, J.....Bank of New Brunswick
Clement, A.....Banque Nationale
Clinch, C. W.....Molsons Bank
Clouston, W. S.....Bank of Montreal
Cochran, E. J.....Peoples Bank of Halifax

Cochrane, Ernest B.....Eastern Townships Bank
Codd, Selby .....Bank of Ottawa
Coffin, T. C.....Quebec Bank
Cogswell, A. E.....Halifax Banking Company
Cole, Francis.....Bank of Ottawa
Coleman, H. J.....Traders Bank of Canada
Collard, W. H. .....Imperial Bank of Canada
Conolly, R. G. W.....Canadian Bank of Commerce
Cook, C.....Standard Bank of Canada
Cooke, C. H. S.....Merchants Bank of Canada
Cooke, Wm .....Merchants Bank of Canada
Cooke, W. A. .....Canadian Bank of Commerce
Coombs, E. G.....Peoples Bank of Halifax
Cooper, W. F. .....Bank of Toronto
Copeland, W. A.....Bank of Toronto
Côté, J. E.....Banque Nationale
Cotton, F. C .....Merchants Bank of Halifax
Cotton, F. M.....Bank of Montreal
Couêt, L.....Banque Nationale
Coulthard, W. B.....Peoples Bank of New Brunswick
Cowdry, E .....Canadian Bank of Commerce
Cowie, A. G. .....Bank of British North America
Craig, H. J. .....Western Bank of Canada
Craig, T. L.....Imperial Bank of Canada
Craig, Will.....Bank of Toronto
Cran, J.....Bank of British North America
Crane, John .....Ontario Bank
Crawford, F. L .....Canadian Bank of Commerce
Creelman, A.....Imperial Bank of Canada
Creighton, J. S .....Peoples Bank of Halifax
Creighton, Ralph.....Union Bank of Halifax
Crispo, F. W. S.....Union Bank of Canada
Crombie, A. M.....Canadian Bank of Commerce
Crombie, D. B .....Quebec Bank
Crombie, R. B.....Bank of Montreal
Crompton, R. W.....Canadian Bank of Commerce
Cronyn, Frank E.....Molsons Bank
Crosbie, C. A.....Canadian Bank of Commerce
Cross, F. O.....Canadian Bank of Commerce
Cross, Lionel F.....Canadian Bank of Commerce
Crossley, F. .....Canadian Bank of Commerce
Cumberland, C. R.....Bank of British North America
Cumberland, D. .....Bank of British North America
Currie, A. E.....Bank of British Columbia
Currie, R. S. .....Merchants Bank of Halifax
Cuthbertson, G. J.....Bank of Toronto

Daly, Simcoe M.....Canadian Bank of Commerce
Dampier, L. H.....Canadian Bank of Commerce
Daniel, G. W. .....Bank of Nova Scotia
Daniels, Fred.....Bank of Montreal
Davidson, R., jr.....Imperial Bank of Canada
Dawson, T. C.....Canadian Bank of Commerce
Deacon, C. F.....Bank of British North America

Deacon, F. B.....Canadian Bank of Commerce
Deans, H. G. P.....Bank of British North America
DeGex, L. M.....Canadian Bank of Commerce
DeGuise, L. .....Banque Nationale
Delmage, A. C. E. .....Merchants Bank of Canada
DeMille, F. W.....Halifax Banking Company
De Veber, Boies .....Halifax Banking Company
Dewar, D. B.....Canadian Bank of Commerce
Dick, John M. .....Bank of New Brunswick
Dick, William .....Bank of Montreal
Dickie, M.....Merchants Bank of Halifax
Dickins, A. H. .....Bank of Ottawa
Dickinson, Wm. .....Merchants Bank of Halifax
Dimock, R. V. .....Merchants Bank of Halifax
Dinning, Neil .....Eastern Townships Bank
Dixon, F. J.....Bank of British North America
Doak, A. E .....Eastern Townships Bank
Donnelly, John B.....Merchants Bank of Canada
Douglas, Geo. H.....Imperial Bank of Canada
Dowding, C E.....Molsons Bank
Draper, W. H.....Molsons Bank
Dromgole, E. R.....Merchants Bank of Canada
Drouin, L.....Banque Nationale
Dubuc, J. E. A.....Banque Nationale
Duff, J. M.....Canadian Bank of Commerce
Dumoulin, P. B.....Quebec Bank
Duncan, J. F.....Canadian Bank of Commerce
Dunlop, Fred .....Molsons Bank
Dunn, E. Edward.....Bank of Toronto
Dunsford, C. R.....Union Bank of Canada
Dunsford, W. H. .....Canadian Bank of Commerce
Dupuy, H. S.....Bank of Montreal
Durand, J. E.....Merchants Bank of Canada
Durnford, A. D.....Molsons Bank
Dusault, J. H.....Banque Ville Marie
Duthie, E. .....Bank of Montreal
Dykes, P. .....Merchants Bank of Canada

Earle, Earnest A.....Merchants Bank of Halifax
Easson, C. H.....Bank of Nova Scotia
Easton, Geo. C.....Imperial Bank of Canada
Eckardt, H. M. P.....Merchants Bank of Canada
Eddis, J. H. .....Imperial Bank of Canada
Edgell, Stephen.....Eastern Townships Bank
Edwards, J B. .....Bank of Toronto
Elliot, James .....Molsons Bank
Elliot, R.....Molsons Bank
Eliot, W. L. .....Bank of Montreal
Elliott, John .....Standard Bank of Canada
Ellis, A. E.....Bank of British North America
Ellis, Robt. L.....Bank of British North America
Elmsly, J.....Bank of British North America
Ervin, Chas. K.....Merchants Bank of Halifax

Falconbridge, J. D. ..... Imperial Bank of Canada
Fauquier, F. B. ..... Imperial Bank of Canada
Fee, Jas. K. ..... Bank of Toronto
Ferguson, D. A. ..... Molsons Bank
Ferguson, J. H. ..... Merchants Bank of Halifax
Ferguson, B. T. ..... Bank of Toronto
Fewings, E. J. ..... Merchants Bank of Canada
Fidler, J. E. ..... Molsons Bank
Field, R. Allen ..... Bank of Montreal
Finlaison, E. O. ..... Bank of British North America
Finnie, D. M. ..... Bank of Ottawa
Finnis, Chas ..... Bank of British North America
Finucane, F. J ..... Bank of Montreal
Fisher, Guy A. ..... Union Bank of Canada
Fisher, Henry G. ..... Bank of Montreal
Fisher, W. H. ..... Canadian Bank of Commerce
Fisk, A. K. ..... Bank of British North America
Fitton, H. W. ..... Canadian Bank of Commerce
Fitzgerald, M. J. ..... Bank of Nova Scotia
Fitzsimons, Harvey ..... Bank of Toronto
Flemming, H. A. ..... Bank of Nova Scotia
Foote, W. Leslie ..... Imperial Bank of Canada
Forbes, D. J. ..... Halifax Banking Company
Forrest, C. ..... Imperial Bank of Canada
Forrest, S. L. ..... Union Bank of Canada
Forsayeth, B. ..... Bank of Hamilton
Fortier, S. ..... Banque d'Hochelaga
Foster, G. C. ..... Imperial Bank of Canada
Foster, R. P. ..... Merchants Bank of Canada
Forster, J. A. ..... Imperial Bank of Canada
Fothergill, C. ..... Bank of Montreal
Fowler, Percy B. ..... Bank of British Columbia
Fox. Chas. J. ..... Western Bank of Canada
Fox, Ernest A. ..... Canadian Bank of Commerce
Francis, B. B. O. ..... Imperial Bank of Canada
Fraser, C. Kenneth ..... Eastern Townships Bank
Fraser, A. C. ..... Merchants Bank of Canada
Fraser, Hector ..... Bank of Ottawa
Fraser, Wm. D. ..... Eastern Townships Bank
Freeman, C. D ..... Bank of Nova Scotia
Frigon, A. J. C. ..... Banque d'Hochelaga
Fripp, Geo. M. ..... Merchants Bank of Halifax
Frost, Henry ..... Banque Ville-Marie
Fry, A. G. ..... Bank of British North America
Fuller, E. H. ..... Bank of Toronto
Fuller, S. B. ..... Imperial Bank of Canada
Fullerton, L. A. ..... Bank of Nova Scotia

Gaboury, W. ..... Banque Nationale
Galbraith, R. S. ..... Imperial Bank of Canada
Galer, H. N. ..... Eastern Townships Bank
Gallagher, James ..... Ontario Bank
Galletly, A. J. C. ..... Bank of Montreal
Gauthier, J. N. ..... Banque de St. Jean

Gayfer, J. A.....Imperial Bank of Canada
Gibb, J. S.....Imperial Bank of Canada
Gibbs, G. M.....Canadian Bank of Commerce
Geddes, H. M.....Molsons Bank
Gerrard, George R.....Bank of British North America
Gilbert, M. A.....Imperial Bank of Canada
Gibson, Joseph C.....Dominion Bank
Gill, Robert.....Canadian Bank of Commerce
Gillard, J. H.....Bank of British North America
Gilleland, L. J.....Traders Bank of Canada
Gillespie, G.....Bank of British Columbia
Gilmour, J. W.....Bank of Toronto
Giroux, C. A.....Banque d'Hochelaga
Girvan, Samuel.....Bank of New Brunswick
Glennie, G. G.....Bank of Nova Scotia
Godfrey, W.....Bank of British North America
Godwin, C. B.....Quebec Bank
Godwin, F. R.....Bank of Ottawa
Goldie, H.....Bank of Montreal
Gordon, W.....Imperial Bank of Canada
Gordon, J. S.....Bank of Hamilton
Gosling, F. J.....Bank of Hamilton
Gould, R. J.....Bank of Toronto
Gower, E. P.....Canadian Bank of Commerce
Graecen, W. H.....Imperial Bank of Canada
Graham, Percy.....Peoples Bank of Halifax
Graham, S. R.....Molsons Bank
Grant, D. C.....Bank of Toronto
Grasett, H. J.....Canadian Bank of Commerce
Gray, Fred H.....Standard Bank of Canada
Gray, H. A.....Bank of Hamilton
Gray, H. M.....Bank of Montreal
Gray, J. E.....Standard Bank of Canada
Gray, V. G.....Bank of British North America
Gray, W. M.....Merchants Bank of Canada
Greata, J. M.....Bank of Montreal
Green, A. R.....Imperial Bank of Canada
Greenhill, G. V. J.....Merchants Bank of Canada
Griesbach, W. A.....Imperial Bank of Canada
Griffin, Geo. H.....Bank of Montreal
Griffin, F. F.....Bank of Ottawa
Grindlay, Wm.....Bank of British North America
Grindley, H. S.....Bank of British North America
Grubbe, R. W.....Bank of Toronto
Guimond, L. E.....Banque d'Hochelaga

Hague, F.....Merchants Bank of Canada
Hague, Geo.....Merchants Bank of Canada
Hague, Geo. E.....Merchants Bank of Canada
Hahn, F. X.....Merchants Bank of Canada
Haines, H.....Bank of British Columbia
Hale, Jeffery.....Canadian Bank of Commerce
Haliburton, Wm.....Bank of Nova Scotia
Hall, A. S.....Bank of British North America

Hall, T. G.....Bank of British North America
Halls, F. E.....Peoples Bank of Halifax
Hamilton, R. M. .....Bank of Montreal
Hamilton, A. L.....Canadian Bank of Commerce
Hamilton, J. W.....Bank of British North America
Harcourt, J. L.....Canadian Bank of Commerce
Harding, H. P.....Merchants Bank of Canada
Hargrave, W. H.....Eastern Townships Bank
Harper, C. G.....Merchants Bank of Canada
Harper, J. F.....Bank of Hamilton
Harries, H. A. .....Molsons Bank
Harris, C. E.....Merchants Bank of Halifax
Harrison, R. M.....Union Bank of Canada
Harrison, T. S.....Canadian Bank of Commerce
Harrison, W. H. .....Halifax Banking Co
Harshaw, W. B.....Merchants Bank of Canada
Hart, W. D. .....Standard Bank of Canada
Harvey, H. A.....Bank of British North America
Harvey, P. G. W. H.....Bank of Montreal
Harvey, R. G. .....Bank of British Columbia
Harvey, W. C. .....Union Bank of Halifax
Haun, A. W.....Bank of Hamilton
Hawkins, G. N. C. .....Peoples Bank of Halifax
Hawley, C. W. .....Eastern Townships Bank
Hay, C. H .....Molsons Bank
Hay, E. .....Imperial Bank of Canada
Hay, Fred L.....Bank of Nova Scotia
Hazen, A. P. .....Bank of British North America
Hearn, A. R. B.....Imperial Bank of Canada
Hebblewhite, W. A .....Imperial Bank of Canada
Hebden, E. F. .....Merchants Bank of Canada
Hedley, J. M.....Canadian Bank of Commerce
Heffell, H. R. .....Bank of British North America
Helsby, E. C.....Peoples Bank of Halifax
Henderson, G. A.....Bank of Montreal
Henderson, Joseph .....Bank of Toronto
Henderson, J. H.....Union Bank of Canada
Henderson, W. T.....Imperial Bank of Canada
Henwood, H. B.....Bank of Toronto
Hespeler, Jacob .....Molsons Bank
Hetherington, James .....Eastern Townships Bank
Heward, E. H.....Merchants Bank of Canada
Hiam, J. S. .....Bank of Ottawa
Hill, E. W. R.....Molsons Bank
Hill, G. N. T.....Canadian Bank of Commerce
Hill, J. F. H.....Merchants Bank of Canada
Hillary, Norman .....Traders Bank of Canada
Hinds, W. G.....Merchants Bank of Canada
Hirtzel, H. M.....Canadian Bank of Commerce
Hoare, C. S.....Imperial Bank of Canada
Hood, John .. ..Bank of Ottawa
Hodder, M. S.....Merchants Bank of Canada
Hodgetts, G. W.....Bank of Toronto
Hodgetts, Thos.....Bank of Toronto

Hodgins, E. S.....Canadian Bank of Commerce
Hodson, G. C.....Union Bank of Halifax
Hogg, W., jr.....Canadian Bank of Commerce
Hogg, W. J.....Bank of Montreal
Holden, M. E.....Dominion Bank
Holland, G. A.....Canadian Bank of Commerce
Hollyer, A. J.....Bank of Montreal
Holmested, F. W.....Canadian Bank of Commerce
Holt, Gilbert L.....Bank of British Columbia
Holt, Grange V.....Bank of British Columbia
Holtby, F. B.....Merchants Bank of Canada
Hooper, O. H.....Merchants Bank of Canada
Hope, F.....Bank of British North America
Hopkirk, F. B.....Bank of Ottawa
Horne, G. H.....Canadian Bank of Commerce
Hornsby, O. A.....Merchants Bank of Halifax
Houseman, J. E.....Molsons Bank
Houston, E. S.....Imperial Bank of Canada
Houston, W. R.....Dominion Bank
Houston, H. C.....Imperial Bank of Canada
Howard, H. .....Ontario Bank
Howard, L. W.....Molsons Bank
Howland, F. .....Imperial Bank of Canada
Hudson, J. Stanley .....Bank of British North America
Hughes, F. S.....Imperial Bank of Canada
Hutcheson, S. M.....Western Bank of Canada
Hurdon, N. D.....Molsons Bank

Inglis, R.....Bank of British North America
Inglis, John .....Merchants Bank of Canada
Irvine, J. H .....Bank of Ottawa
Ireland, A. H.....Canadian Bank of Commerce
Ireland, A. S.....Bank of British North America

Jackson, E. B.....Molsons Bank
Jackson, E. C..... ...Traders Bank of Canada
Jaffray, W. G.....Imperial Bank of Canada
James, L. .....Bank of British North America
James, Victor C..... .....Merchants Bank of Canada
Jamieson, Victor .....Halifax Banking Company
Jarvis, Arthur S.....Union Bank of Canada
Jarvis, Edgar R.....Canadian Bank of Commerce
Jarvis, F. P.....Imperial Bank of Canada
Jarvis, F. S.....Merchants Bank of Canada
Jarvis, E. W.....Bank of Montreal
Jarvis, Gerald .....Bank of Ottawa
Jemmett, F .....Merchants Bank of Canada
Jemmett, F. G.....Canadian Bank of Commerce
Jemmett, H.....Canadian Bank of Commerce
Jennings, B. .....Imperial Bank of Canada
Jennings, J. B .....Western Bank of Canada
Jennings, R. C .....Canadian Bank of Commerce
Johnson, F. W. G. .....Molsons Bank
Johnston, Geo. S.....Bank of Toronto

Johnston, J. D.....Merchants Bank of Canada
Johnston, J. M.....Quebec Bank
Johns, T. W.....Bank of Yarmouth
Jones, A. F. H.....Traders Bank of Canada
Jones, E. C. .....Bank of Montreal
Jones, G. W. .....Standard Bank of Canada
Jones, H. V. F .....Canadian Bank of Commerce
Jones, R. L. Y. .....Quebec Bank
Jones, W. G.....Bank of Nova Scotia
Joy, B. H. .....Merchants Bank of Canada
Jukes, A .....Imperial Bank of Canada

Kains, J. M. .....Imperial Bank of Canada
Kavanagh, C. R .....Bank of Ottawa
Kavanagh, W. J. .....Imperial Bank of Canada
Kelso, H. M.....Ontario Bank
Kelly, J.....Standard Bank of Canada
Kelly, J. E. .....Bank of Ottawa
Kenny, C. H.....Bank of Nova Scotia
Kennedy, C. A.....Bank of Nova Scotia
Kennedy, F. .....Merchants Bank of Halifax
Kemp, Donald.....Canadian Bank of Commerce
Kemp, J. C. .....Merchants Bank of Canada
Ker, R. L.....Bank of British Columbia
Kerr, P. A.....Bank of Hamilton
Kessen, R. Blaikie .....Bank of Ottawa
Ketchum, C. V.....Bank of Toronto
Killaly, R. H.....Molsons Bank
Kilgour, W. A.....Canadian Bank of Commerce
Kilvert, jr., F. E.....Bank of Hamilton
Kimball, F. E.....Bank of Toronto
King, W. C. J. .....Canadian Bank of Commerce
Kirkland, Angus .....Bank of Montreal
Kirkpatrick, G. R. F.....Imperial Bank of Canada
Kirkpatrick, R. C.....Merchants Bank of Canada
Kirkpatrick, W. R .....Bank of Toronto
Kirkwood, T.....Bank of British North America
Knight, A. S .....Bank of Nova Scotia
Kohl, E. F.....Molsons Bank
Kydd, Geo.....Merchants Bank of Halifax

Labadie, P. A .....Banque Nationale
Lacoursiere, F. X. O.....Banque d'Hochelaga
Lafrance, P. G.....Banque Nationale
Laing, G. F. .....Bank of British North America
Laing, R. T. .....Canadian Bank of Commerce
Laird, Alex.....Canadian Bank of Commerce
Laird, D. R.....Bank of Nova Scotia
Lamb, J. R.....Bank of Toronto
Lamont, Malcolm .....Bank of British Columbia
Langlois, C .....Banque d'Hochelaga
Langmuir, J. A.....Imperial Bank of Canada
Larken, F. B. D.....Bank of British North America
Latimer, C. R.....Bank of Toronto

Laundy, T. H.....Bank of British Columbia
Lavoie, N.....Banque Nationale
Lawson, A. E.....Commercial Bank of Windsor
Lawson, Reginald.....Bank of Nova Scotia
Lawson, Walter.....Commercial Bank of Windsor
Lay, Harry M.....Canadian Bank of Commerce
Lay, J. M.....Imperial Bank of Canada
Leach, Hugh.....Bank of Toronto
Leavitt, J. D.....Union Bank of Halifax
LeDoux, A. O.....Eastern Townships Bank
Leduc, F. E.....Banque Jacques Cartier
LeMesurier, G. G.....Imperial Bank of Canada
Leslie, A.....Bank of British North America
Leslie, C. F.....Bank of Hamilton
Leslie, J.....Bank of Montreal
Lesslie, E. V.....Bank of Montreal
Lewer, M. W.....Bank of British North America
Lewis, C. A.....Merchants Bank of Canada
Lewis, J. D.....Imperial Bank of Canada
Lewis, Norman F.....Canadian Bank of Commerce
Lister, F. A. W.....Merchants Bank of Canada
Lloyd, C. H.....Ontario Bank
Lobb, W. A.....Bank of British Columbia
Lockie, Edwin McL.....Canadian Bank of Commerce
Lockwood, H.....Bank of Montreal
Lockwood, H.....Molsons Bank
Logan, A. H.....Bank of Ottawa
Logan, F. W.....Canadian Bank of Commerce
Lombard, J. H.....Bank of Nova Scotia
Loosemore, H. H.....Standard Bank of Canada
Lough, C. Kirby.....Bank of Ottawa
Love, C. A.....Imperial Bank of Canada
Low, H. Ryland.....Molsons Bank
Lugsdin, W. H.....Canadian Bank of Commerce
Luxton, A. G. H.....Bank of Hamilton
Lyon, R. A.....Imperial Bank of Canada
Lytle, H. J.....Ontario Bank

Macbeth, F.....Molsons Bank
Macdonell, A. J.....Ontario Bank
Macdonald, R. H.....Peoples Bank of Halifax
Macdonald, John.....Bank of British North America
MacEwen, A. E.....Bank of Ottawa
MacGachen, F. L.....Merchants Bank of Canada
MacGillivray, D.....Canadian Bank of Commerce
MacGowan, W. J.....Merchants Bank of Canada
Machaffie, W. A.....Merchants Bank of Canada
MacHaffie, L. G.....Bank of British North America
Mackelvie, N. B.....Bank of Nova Scotia
Mackenzie, C. E.....Merchants Bank of Halifax
Mackenzie, G. H.....Merchants Bank of Halifax
Mackenzie, H. B.....Bank of British North America
MacKenzie, A. H. B.....Canadian Bank of Commerce
MacKenzie, G. P.....Bank of British North America

MacKenzie, J. M ..... Imperial Bank of Canada
Mackinnon, Jas. ..... Eastern Townships Bank
Mackintosh, A. St. L. ..... Merchants Bank of Canada
Mackintosh, C. D ..... Canadian Bank of Commerce
MacKay, J. R. ..... Merchants Bank of Halifax
MacMahon, H. P ..... Traders Bank of Canada
MacMillan, D. A. ..... Merchants Bank of Canada
MacNamara, D ..... Bank of Ottawa
Macnider, A. ..... Bank of Montreal
Macoun, F. J ..... Canadian Bank of Commerce
Macpherson, R. C ..... Canadian Bank of Commerce
MacQuarrie, A. J ..... Bank of British North America
McBrine, Jas. H. ..... Bank of Toronto
McCaffry, Thos. F. ..... Union Bank of Canada
McCarroll, Jas. ..... Halifax Banking Company
McCulloch, Wm. ..... Molsons Bank
McCaw, A. S. ..... Eastern Townships Bank
McCleneghan, A. B. ..... Imperial Bank of Canada
McCosh, R. G. ..... Canadian Bank of Commerce
McCuaig, C. M. ..... Molsons Bank
McCurdy, E. A. ..... Merchants Bank of Halifax
McCurdy, F. B. ..... Halifax Banking Company
McDonald, Arthur ..... Bank of New Brunswick
McDougall, Allan ..... Quebec Bank
McDougall, F. ..... Merchants Bank of Halifax
McDougall, H. H. ..... Merchants Bank of Halifax
McGaw, John ..... Bank of British North America
McGill, V. C. ..... Ontario Bank
McGillivray, A. ..... Bank of Toronto
McGregor, D. ..... Canadian Bank of Commerce
McGregor, George C. ..... Molsons Bank
McGuire, W ..... Imperial Bank of Canada
McHarrie, R. C. ..... Canadian Bank of Commerce
McInnis, D. ..... Banque d'Hochelaga
McIsaac, John A. ..... Merchants Bank of Halifax
McKay, G. B. ..... Bank of Toronto
McKeand, D. L. ..... Bank of Hamilton
McKee, G. W. ..... Canadian Bank of Commerce
McKeen, John ..... Bank of Nova Scotia
McLaggan, C. E. ..... Bank of Nova Scotia
McLaren, D. ..... Bank of Ottawa
McLean, A. D. ..... Merchants Bank of Canada
McLelland, E. J. ..... Merchants Bank of Canada
McLennan, D ..... Canadian Bank of Commerce
McLeod, B. M. ..... Bank of Nova Scotia
McLeod, J. A. ..... Bank of Nova Scotia
McLimont, R ..... Merchants Bank of Canada
McMahon, J. ..... Molsons Bank
McMaster, T. G. ..... Canadian Bank of Commerce
McMichael, H. M ..... Bank of British North America
McMurray, L. S. ..... Bank of Toronto
McQuaid, J. H. ..... Merchants Bank of P. E. I.
McRae, A. D. ..... Union Bank of Halifax
McTavish, G. ..... Imperial Bank of Canada

Mabon, E. J.....Bank of Nova Scotia
Mabon, S. W.....Bank of Nova Scotia
Magee, J. E.....Merchants Bank of Canada
Mair, George.....Traders Bank of Canada
Malpas, F. C.....Bank of British Columbia
Mann, F. A.....Merchants Bank of Canada
Manning, C. M.....Bank of Nova Scotia
Manson, Wm.....Canadian Bank of Commerce
Magee, T. W.....Halifax Banking Company
Marler, W. L.....Merchants Bank of Canada
Marsh, F. H.....Imperial Bank of Canada
Marsland, C. B.....Molsons Bank
Martin, James .....Bank of Ottawa
Marquis, H. G.....Bank of British North America
Massey, W. M.....Bank of British North America
Matheson, Alan F.....Merchants Bank of Canada
Mathewson, F. H.....Canadian Bank of Commerce
Maynard, A. E.....Canadian Bank of Commerce
Maynard, Wm., jr.....Canadian Bank of Commerce
Meldrum, G. H.....Canadian Bank of Commerce
Mellish, A. E.....Merchants Bank of Halifax
Mercer, W. S.....Merchants Bank of Canada
Meredith, M. F.....Bank of British North America.
Merrett, T. E.....Merchants Bank of Canada
Merritt, C. M.....Imperial Bank of Canada
Merritt, J. P.....Imperial Bank of Canada
Metzler, R. H.....Halifax Banking Company
Michie, G. W.....Union Bank of Canada
Middleton, W. E.....Ontario Bank
Mickleborough, J. G.....Imperial Bank of Canada
Millar, J. E.....Canadian Bank of Commerce
Miller, D. .....Merchants Bank of Canada
Minty, F. C. G.....Canadian Bank of Commerce
Minty, H. I.....Canadian Bank of Commerce
Mitchell, H. D.....Traders Bank of Canada
Mitchell, W. F.....Merchants Bank of Halifax
Moffat, A. C.....Canadian Bank of Commerce
Moffatt, G. G.....Bank of Nova Scotia
Moffatt, W.....Imperial Bank of Canada
Molson, J. D.....Molsons Bank
Monk, A. B.....Bank of Montreal
Monk, John Benning.....Bank of Ottawa
Montgomery, R. J.....Canadian Bank of Commerce
Mooney, Andrew.....Bank of Nova Scotia
Moore, E. A.....Bank of Montreal
Moore, G. S.....Bank of Nova Scotia
Moore, R. H.....Bank of Ottawa
Moore, W. S.....Bank of Nova Scotia
Morden, H. J.....Standard Bank of Canada
More, John C.....Merchants Bank of Canada
Moreau, W. A.....Banque de St. Hyacinthe
Morehouse, W. E.....Eastern Townships Bank
Morey, Samuel F.....Eastern Townships Bank
Morgan, C. G.....Merchants Bank of Canada

Morgan, H. H.....Imperial Bank of Canada
Morris, H. H.....Canadian Bank of Commerce
Morris, J.....Ontario Bank
Morris, M.....Canadian Bank of Commerce
Morris, M.....Imperial Bank of Canada
Morrison, J. H.....Halifax Banking Company
Morrison, J. J.....Bank of British North America
Morrison, P. W.....Merchants Bank of Halifax
Morrison, R. P.....Halifax Banking Company
Morson, W. C. T.....Canadian Bank of Commerce
Morton, W. D.....Bank of Toronto
Mosher, H. E.....Commercial Bank of Windsor
Mowat, John.....Bank of Nova Scotia
Moyle, J. R.....Bank of British North America
Muckleston, A. J.....Canadian Bank of Commerce
Muir, J. Gillespie.....Merchants Bank of Canada
Munro, A. D.....Bank of Nova Scotia
Munro, Geo.....Merchants Bank of Canada
Munro, Geo. W.....Peoples Bank of Halifax
Munro, J. S.....Bank of British Columbia
Munro, K. V.....Bank of British Columbia
Murray, A. H.....Imperial Bank of Canada
Murray, F. L.....Halifax Banking Company
Murray, J. F.....Canadian Bank of Commerce
Murray, J. McE.....Canadian Bank of Commerce
Murray, Wm.....Bank of British Columbia
Murray, Wm. C.....Bank of Nova Scotia
Mussen, R. T.....Canadian Bank of Commerce

Naftel, F. J.....Bank of Montreal
Nash, A. E.....Bank of Montreal
Nasmith, H. C.....Canadian Bank of Commerce
Nay, J. W.....Canadian Bank of Commerce
Naylor, W. S.....Molsons Bank
Neill, C. E.....Merchants Bank of Halifax
Neeve, J. H.....Bank of Ottawa
Nevill, C. D.....Bank of British North America
Niblett, E. R.....Bank of Hamilton
Nichol, John D.....Bank of Hamilton
Nicoll, J. C.....Bank of British North America
Noble, C. J.....Canadian Bank of Commerce
Noel, H. V.....Quebec Bank
Nourse, C. G. K.....Canadian Bank of Commerce
Nowers, W. H.....Merchants Bank of Canada
Nunns, A. L.....Imperial Bank of Canada

O'Grady, F. G.....Merchants Bank of Canada
O'Grady, G. deC.....Canadian Bank of Commerce
O'Grady, J. W. deC.....Bank of Montreal
O'Halloran, J. M.....Eastern Townships Bank
Olivier, E. P.....Eastern Townships Bank
Oliver, F. G.....Merchants Bank of Canada
Oliver, W. T.....Bank of British North America

Ord, A. B.....Traders Bank of Canada
O'Reilly, H. H.....Bank of Hamilton
O'Reilly, H. R.....Canadian Bank of Commerce
Owen, L. C.....Bank of Ottawa

Paddon, J. A.....Bank of Montreal
Pambrun, W. H.....Banque d'Hochelaga
Pangman, H. G.....Canadian Bank of Commerce
Parker, A. D.....Canadian Bank of Commerce
Parker, Albert L.....Eastern Townships Bank
Parker, E. G.....Bank of Ottawa
Parker, F. A.....Merchants Bank of Canada
Parker, W. D.....Ontario Bank
Parkes, T. G. A.....Merchants Bank of Halifax
Parkes, G. E.....Bank of British Columbia
Parsons, H. B.....Canadian Bank of Commerce
Pashby, R.....Bank of Toronto
Paterson, J. C.....Merchants Bank of Canada
Paterson, N.....Imperial Bank of Canada
Paterson, T. H.....Bank of British Columbia
Patterson, A. B.....Merchants Bank of Canada
Patterson, C. A.....Bank of Hamilton
Patterson, E. L. Stewart.....Eastern Townships Bank
Patton, F. L.....Dominion Bank
Patton, R. C.....Quebec Bank
Pearce, W. K.....Dominion Bank
Pease, Edson L.....Merchants Bank of Halifax
Peden, G. R.....Bank of Ottawa
Pegram, W. H.....Bank of British Columbia
Pemberton, G. C. T.....Canadian Bank of Commerce
Penfold, J.....Bank of British North America
Pennington, Wm. J. G.....Bank of British North America
Pennock, C. G.....Bank of Ottawa
Pennock, H. P.....Bank of Ottawa
Pepler, A.....Dominion Bank
Percival, W. F.....Bank of Toronto
Peterson, F. J.....Imperial Bank of Canada
Pethick, H. S.....Bank of Nova Scotia
Phepoe, T. B.....Molsons Bank
Philip, W.....Imperial Bank of Canada
Phillips, E. S.....Merchants Bank of Canada
Phillpotts, W. E.....Bank of British North America
Philpot, F. V.....Imperial Bank of Canada
Phipps, A. R.....Canadian Bank of Commerce
Phipps, A. E.....Imperial Bank of Canada
Pidcock, C. S.....Union Bank of Canada
Piddington, Alfred.....Quebec Bank
Pinkham, J.....Imperial Bank of Canada
Pitblado, J.....Bank of Nova Scotia
Pitt, Edward.....Bank of Montreal
Plummer, J. H.....Canadian Bank of Commerce
Polson, Hugh.....Canadian Bank of Commerce
Pool, John.....Traders Bank of Canada
Pope, Frank H.....Ontario Bank

Porter, Jas S.....Bank of Toronto
Pottenger, F. W.....Merchants Bank of Canada
Pottenger, John.....Merchants Bank of Canada
Powell, Carlos S.....Banque Jacques Cartier
Pratt, Edward C.....Molsons Bank
Pratt, W. H.....Molsons Bank
Pringle, John.....Bank of Toronto
Pringle, W.....Merchants Bank of Toronto
Proctor, J. R.....Union Bank of Canada
Pugh, Henry J.....Union Bank of Canada
Putnam, Arthur G.....Merchants Bank of Halifax

Racey, E. F.....Bank of British North America
Ramsden, F. G.....Bank of Toronto
Ransom, Wm. Bayley.....Bank of British Columbia
Raymond, S. D.....Imperial Bank of Canada
Read, Chas. N.....Merchants Bank of Canada.
Read, L. B.....Merchants Bank of Halifax
Read, H. L.....Merchants Bank of Canada
Reade, C. W. .....Imperial Bank of Canada
Reed, R. L. Baynes.....Molsons Bank
Reeve, R. F.....Bank of Montreal
Reford, R. W.....Bank of Toronto
Reid, E. R.....Commercial Bank of Windsor
Reid, H. L.....Imperial Bank of Canada
Renshaw, H. A. C.....Merchants Bank of Canada
Reynolds, W. P.....Molsons Bank
Rice, O. F.....Imperial Bank of Canada
Richardson, H. A.....Bank of Nova Scotia
Richardson, J. A.....Imperial Bank of Canada
Richardson, M. A.....Imperial Bank of Canada
Richardson, R. B.....Merchants Bank of Halifax
Richey, M. S. L.....Bank of Montreal
Ridout, A. H.....Bank of Hamilton
Ridout, A. W.....Canadian Bank of Commerce
Ridout, H. E.....Imperial Bank of Canada
Rimington, S. B.....Molsons Bank
Robarts, A. W.....Canadian Bank of Commerce
Robarts, E. C.....Imperial Bank of Canada
Roberts, J. P.....Bank of British North America
Roberts, Wm.....Canadian Bank of Commerce
Robertson, Alex .....Bank of British North America
Robertson, A.....Bank of Nova Scotia
Robertson, Blair .....Bank of Nova Scotia
Robertson, D.....Bank of British North America
Robertson, David.....Bank of Ottawa
Robertson, W. J.....Canadian Bank of Commerce
Robinson, Edward N.....Eastern Townships Bank
Robinson, F. M.....Bank of Hamilton
Robinson, G. A.....Bank of British North America
Robinson, J. A.....Merchants Bank of Canada
Robinson, P. C.....Bank of Nova Scotia
Robinson, R A.....Bank of British North America
Robinson, W. H.....Bank of Nova Scotia

Robinson, Wm. H.....Eastern Townships Bank
Robitaille, G. S. F.....Quebec Bank
Ross, C. A.....Dominion Bank
Ross, R.....Dominion Bank
Ross, W. D.....Bank of Nova Scotia
Rothwell, H. L.....Canadian Bank of Commerce
Rousseau, J. A.....Banque Jacques Cartier
Rowe, A. C.....Bank of British North America
Rowley, A. H.....Bank of Nova Scotia
Rowley, C. W.....Canadian Bank of Commerce
Rowley, H. H.....Bank of British North America
Rowley, O. R.....Bank of British North America
Ruby, A.....Bank of Hamilton
Ruby, Carl.....Canadian Bank of Commerce
Rumsey, A.....Imperial Bank of Canada
Rumsey, C. S.....Traders Bank of Canada
Rumsey, Reginald A.....Canadian Bank of Commerce
Russell, J. A.....Halifax Banking Company
Rutherford, J. McG.....Merchants Bank of Halifax
Ryan, J. W.....Union Bank of Halifax

Salsbury, F. T.....Bank of British North America
Sampson, A. R.....Dominion Bank
Samwell, A. M.....Molsons Bank
Sanson, D. M.....Canadian Bank of Commerce
Saunders, E. M.....Canadian Bank of Commerce
Saunderson, George.....Bank of Nova Scotia
Savage, W. J.....Canadian Bank of Commerce
Schell, H. P.....Canadian Bank of Commerce
Scholfield, G. P.....Standard Bank of Canada
Scott, A.....Canadian Bank of Commerce
Scott, Robert C.....Merchants Bank of Canada
Scott, T. O.....Merchants Bank of Canada
Scott, W. B.....Merchants Bank of Canada
Secord, H. C.....Imperial Bank of Canada
Secord, H. C.....Canadian Bank of Commerce
Sewell, H. F. D.....Bank of British Columbia
Shadbolt, E. M.....Bank of Montreal
Shannon, E. G.....Halifax Banking Company
Shannon, W. T.....Standard Bank of Canada
Sharp, H. R.....Molsons Bank
Sharpe, T. B.....Bank of Ottawa
Shaw, G. H.....Quebec Bank
Shaw, Norman R.....Canadian Bank of Commerce
Shaw, Robert.....Merchants Bank of Canada
Shepherd, D.....Molsons Bank
Shepherd, M. W.....Imperial Bank of Canada
Shreve, F. J.....Merchants Bank of Canada
Sherman, F. J.....Merchants Bank of Halifax
Short, F. T.....Bank of British North America
Simon, J.....Bank of British Columbia
Simpson, A. H. M.....Eastern Townships Bank
Simpson, A.....Ontario Bank
Simpson, C. E. St. C.....Canadian Bank of Commerce

Simpson, D. ..... Bank of British North America
Sinter, Thos. S..... Bank of British North America
Skeaff, John Stewart..... Bank of Toronto
Skelton, Arthur C..... Bank of British North America
Skey, A. H..... Bank of Hamilton
Skey, Wm. Russel..... Molsons Bank
Slack, F. W. ..... Eastern Townships Bank
Sloane, B. O'R. ..... Quebec Bank
Sloane, S. F..... Dominion Bank
Sloane, W. P..... Quebec Bank
Slocock, Edmund..... Imperial Bank of Canada
Smith, Arthur G..... Union Bank of Canada
Smith, A. M..... Merchants Bank of Canada
Smith, Chas. C..... Quebec Bank
Smith, Chas. Graham..... Eastern Townships Bank
Smith, Edward F..... Merchants Bank of Halifax
Smith, Fred W..... Union Bank of Canada
Smith, Lyndon..... Merchants Bank of Canada
Smith, Wm..... Merchants Bank of Canada
Smith, Wm. H..... Ontario Bank
Smith, W. Thomson..... Traders Bank of Canada
Smythe, J. W. H..... Canadian Bank of Commerce
Snyder, H. M..... Canadian Bank of Commerce
Snyder, L. P..... Traders Bank of Canada
Spencer, A. V..... Merchants Bank of Canada
Spencer, W. A..... Merchants Bank of Halifax
Spier, Wm..... Eastern Townships Bank
Spink, G. A..... Merchants Bank of Halifax
Spinney, G. G ..... Bank of British North America
Spragge, G. E..... Imperial Bank of Canada
Sproat, Jno. ..... Bank of Hamilton
Spurden, J. W..... Peoples Bank of New Brunswick
Stanger, E..... Bank of British North America
Stavert, W. E..... Bank of Nova Scotia
Steele, E. K..... Imperial Bank of Canada
Steeves, A. A..... Merchants Bank of Halifax
Stephens, W. S..... Molsons Bank
Sterns, G. W..... Halifax Banking Company
Steven, Claude H..... Bank of British North America
Steven, H. S..... Bank of Hamilton
Stevenson, B. B. ..... Quebec Bank
Stevenson, H. H ..... Molsons Bank
Stevenson, P. C..... Canadian Bank of Commerce
Stewart, D. M..... Canadian Bank of Commerce
Stewart, E. G..... Union Bank of Canada
Stewart, H. Malcolm ..... Bank of British Columbia
Stewart, J. A..... Standard Bank of Canada
Stewart, W. J..... Standard Bank of Canada
Stidston, J. H..... Imperial Bank of Canada
Stork, C. M..... Canadian Bank of Commerce
Strathy, Frank W..... Union Bank of Canada
Strathy, Stuart..... Traders Bank of Canada
Strickland, C. N. S..... Union Bank of Halifax
Strickland, P. D. E ..... Quebec Bank

Strong, F. W.....Merchants Bank of Canada
Stuart, J. H.....Bank of Hamilton
Swaisland, G. W.....Molsons Bank
Swan, H.....Bank of Ottawa
Sweeny, C.....Bank of Montreal
Swinford, A.....Bank of Ottawa
Swinton, Rigby.....Bank of Hamilton

Taillon, A. A.....Banque Nationale
Tait, T. J.....Union Bank of Canada
Tapper, W. H.....Bank of Nova Scotia
Tasker, P. A.....Molsons Bank
Tate, L. E.....Molsons Bank
Tate, J. M.....Canadian Bank of Commerce
Taylor, Frank W.....Merchants Bank of Halifax
Taylor, F. W.....Bank of Montreal
Taylor, George A.....Merchants Bank of Halifax
Taylor, J.....Bank of British North America
Taylor, Jas. G.....Halifax Banking Co.
Taylor, R. F.....Merchants Bank of Canada
Thomas, J. E.....Canadian Bank of Commerce
Thomas, R. Wolferstan.....Bank of British North America
Thomas, Wm. S.....Bank of New Brunswick
Thomson, A. A.....Bank of Nova Scotia
Thomson, G. A.....Halifax Banking Company
Thomson, H. A.....Molsons Bank
Thomson, W. H.....Imperial Bank of Canada
Thorne, H. S.....Imperial Bank of Canada
Thornton, A. S.....Canadian Bank of Commerce
Thornton, W. O.....Imperial Bank of Canada
Tibbits, A. R.....Peoples Bank of New Brunswick
Tofield, H. A.....Merchants Bank of Canada
Torrance, W. B.....Merchants Bank of Halifax
Townshend, A. S.....Halifax Banking Company
Travers, R. G. H.....Bank of Montreal
Travers, W. R.....Merchants Bank of Canada
Trepanier, J.....Banque d'Hochelaga
Trigge, A. St. L.....Canadian Bank of Commerce
Tupper, W. S.....Merchants Bank of Halifax
Turnbull, T. M.....Canadian Bank of Commerce
Tytler, P. Boyd.....Ontario Bank

Van Felson, A. B.....Quebec Bank
Veasey, G.....Union Bank of Canada
Vessey, A. E.....Bank of Nova Scotia
Vibert, Philip.....Union Bank of Canada
Von Cramer, Donald.....Merchants Bank of Halifax

Wadsworth, W. R.....Bank of Toronto
Waddell, J. B.....Union Bank of Canada
Wainwright, G. C.....Bank of Ottawa
Wainwright, J. R.....Molsons Bank
Walcot, C. W.....Merchants Bank of Canada
Walkem, H. C.....Bank of British North America

Walker, A. H.....Imperial Bank of Canada
Walker, Alex.....Traders Bank of Canada
Walker, H. B.....Canadian Bank of Commerce
Walker, J.....Quebec Bank
Walker, J. M.....Bank of Nova Scotia
Walker, C.....Dominion Bank
Wallace, James B.....Merchants Bank of Canada
Wallace, R. G.....Bank of Nova Scotia
Wallace, R. R.....Bank of Montreal
Wallace, W. J.....Bank of Montreal
Wallace, Wm.....Molsons Bank
Wallace, W. S.....Bank of Hamilton
Walsh, Ed.....Merchants Bank of Halifax
Walsh, J. W. B.....Dominion Bank
Ward, E. E.....Molsons Bank
Ward, Frank B.....Bank of British Columbia
Warden, W. McC.....Bank of Toronto
Waters, D.....Bank of Nova Scotia
Watson, H. M.....Bank of Hamilton
Watson, Jas.....Union Bank of Canada
Watson, Jas.....Traders Bank of Canada
Watson, J. B.....Imperial Bank of Canada
Watson, J. W. G.....Bank of Montreal
Watson, W. W.....Bank of Nova Scotia
Watt, J. Nelson.....Bank of Hamilton
Waud, B. H.....Molsons Bank
Waud, E. W.....Molsons Bank
Webbe, R. J. M.....Molsons Bank
Wedd, G. M.....Canadian Bank of Commerce
Wedd, L. E.....Bank of Hamilton
Wedd, John C.....Dominion Bank
Weir, Arthur.....Banque Ville Marie
Weir, W. A.....Imperial Bank of Canada
Wemyss, J. M.....Imperial Bank of Canada
West, S. J.....Merchants Bank of Canada
Wethey, C. H.....Imperial Bank of Canada
White, Chas.....Imperial Bank of Canada
White, G. A.....Peoples Bank of Halifax
White, H. R.....Peoples Bank of Halifax
White, Frank W.....Eastern Townships Bank
Whitely, A. L.....Imperial Bank of Canada
Wickson, Arthur.....Merchants Bank of Canada
Wiggins, C. Malcolm.....Ontario Bank
Wilkinson, R. G.....Imperial Bank of Canada
Williams, A. E.....Bank of Nova Scotia
Williams, Geo.....Bank of British Columbia
Williams, H. F.....Eastern Townships Bank
Williams, R. S.....Canadian Bank of Commerce
Williams, Thos.....Bank of Toronto
Williamson, Geo.....Molsons Bank
Willis, J. M.....Ontario Bank
Wilmot, K. Eardley.....Bank of Montreal
Willmott, J. S.....Merchants Bank of Canada
Wills, H. T.....Canadian Bank of Commerce

Wilson, Alex.....Bank of Nova Scotia
Wilson, A. E.....Bank of Montreal
Wilson, Geo.....Imperial Bank of Canada
Wilson, G. H.....Bank of Montreal
Wilson, G. M.....Merchants Bank of Canada
Wilson, H. B.....Molsons Bank
Wilson, J. H.....Imperial Bank of Canada
Wilson, J. H.....Bank of Montreal
Wilson, J. M.....Imperial Bank of Canada
Winlow, F. J.....Traders Bank of Canada
Winslow, E. P.....Bank of Montreal
Winslow, F. E.....Bank of Montreal
Winter, G. H.....Bank of British North America
Wood, H. H.....Imperial Bank of Canada
Woodill, R. A.....Peoples Bank of Halifax
Wrenshall, C. M.....Merchants Bank of Canada
Wurtele, Carl F.....Quebec Bank
Wurtele, H. N.....Merchants Bank of Canada
Wyld, Ernest A.....Bank of British Columbia

Yeo, Lowman.....Bank of Nova Scotia
Young, Chas. R.....Merchants Bank of Canada
Young, W. C.....Merchants Bank of Canada