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THE EARLY HISTORY OF CANADIAN BANKING

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IV

THE FIRST BANKS IN LOWER CANADA

WE have already observed that just before the outbreak of the war of 1812, Canada was suffering from the lack of a circulating medium, and that attempts were being made to establish banks in both provinces, with the expectation of relieving the stringency. The real difficulty, however, was a more serious one than the mere lack of currency.

The French Canadians, from their past experience, had acquired the capacity to live a very frugal and self-contained life. They did not, in proportion to their numbers, furnish a great deal for export, but they required even less in imports, and, though their trade was expanding under British rule, yet, as a body, they were but slightly affected by the commercial uncertainties of the Napoleonic era. The English element, around Montreal and in Upper Canada, were much more enterprising, though, perhaps, not more industrious than the French, but, as

a class, they were very far from being so self-dependent. Most of them had been settled by the government on an artificial basis. As public aid was gradually withdrawn, and they were left to depend upon their own efforts, they found it difficult to adjust themselves to the new circumstances, especially under the fluctuating condition of values during the few years preceding 1812. The time had arrived, as Cartwright foretold, when, in the export of their produce, the disadvantages of their inland situation were operating in their full force, and much of the return was absorbed in the cost of transportation and exchange. In addition to these ordinary difficulties, there were many changes and uncertainties in the commerce and carrying trade of Canada, owing to the English orders-in-council, the retaliatory decrees of Napoleon, and the non-intercourse Act of the United States. Marine insurance was also very high. To crown all, the seasons in Europe were very irregular, with corresponding uncertainty in the prices of provisions. Owing to their remoteness, the Canadians were prevented, on the one hand, from avoiding a ruinously low market, or on the other, from taking advantage of an unusually high one. The difficulty in making nice adjustments between income and outlay may be indicated from the fact, taken from the Cartwright letters, that returns for flour and potash sent to England in 1810 and 1811, were being received in 1813.

Another feature of the situation worthy of note, was the fact that, while the country was being drained of specie, bills of exchange on England continued to steadily decline. This was naturally attributed to the scarcity of a circulating medium. Why, then, it might be asked, were not bills of exchange exported instead of specie? For the reason, already indicated, that the exports went to England, while the imports came largely from the United States in small quantities not payable in bills of exchange. This indicates that the greatest service which a banking institution could have rendered to the country at that time would have been to undertake a more economic adjustment of the country's foreign exchanges. That it would have been a very profitable undertaking, if conducted upon a sufficiently large scale, is evident from a comparison of the prices of bills in the American and Canadian markets. When ulti-

mately established the banks found the exchange business to be more profitable than any other, and through their action the exchanges were brought to a more stable equilibrium, although the banks were severely criticized for their influence by those who required cheap bills.

While, then, the apparent and growing difficulty of the country before the war, was a scarcity of the circulating medium, the real difficulties were uncertainty in the markets for exports with no prompt knowledge of their changes, cost and delay in transportation and severe loss in effecting exchanges owing to the lack of any special organs for properly understanding and effecting them.

Having thus summarized the situation, we are perhaps better able to understand the nature and effects of the army bills, which began to be issued in 1812. It is not necessary to our present purpose to give any special account of the mechanism and working of the army bill system. However interesting in itself, it had no special connection with the development of Canadian currency and banking. The system was in essence, if not in name, simply a mechanism enabling the British government to carry on the war without sending money to the country, by issuing orders which were chiefly to be paid in British goods, any surplus to be paid in specie to be sent when convenient, or as occasion required. Had there been sufficient available specie in the country, the usual method of selling bills of exchange on London would have been adopted; but there being so little available money the bills were certain to be sacrificed. It was therefore proposed to issue a form of government paper money bearing interest on all bills of twenty-five dollars and upwards; the principal to be paid by the home government and the interest by the Canadian government. They were made convertible on demand into bills of exchange on England, the smaller bills bearing no interest, being payable on demand in specie.

While the mechanism of the army bill office was a temporary and isolated fact, the circulation of the bills produced a permanent effect upon Canadian currency and exchange, especially through their influence on the ideas of the people as to the capacities of paper money.

The army bills were first issued in Lower Canada in July, 1812. The French-Canadian populace were for a time very suspicious of them, always preferring metallic money, often refusing any other, and when taken the bills were converted into specie as soon as possible. As usual, a good deal of the latter went into their private hoards. Governor Prevost reporting to Bathurst, March 10th, 1814, complains of the difficulties in which he is placed for want of specie: "The paper currency has as yet proved itself an indifferent substitute to bullion, in consequence of the inveterate prejudices against it in the minds of the Canadians, and the frequent attempts made by the enemy to imitate it."

Among the English section of Lower Canada and in the Upper Province the bills circulated very freely.

Inasmuch as the issue of the army bills was followed by a period of increasing prosperity, the people naturally attributed it to the supply of a circulating medium, and were confirmed in their opinion that what the country had been suffering from was simply lack of money. Had the Canadian government issued paper money in a similar manner, there would have been afforded just as great a supply of circulating medium, but not being available for purchase of imports, it must have rapidly depreciated, as neither goods nor specie could be obtained for it. To supply a circulating medium was really the least of the functions of the army bills, and a mere incidental one. They were mainly instruments of an enormous positive increase to the wealth of the country and the possibilities for consumption. Their over-issue was hardly possible.

As a matter of fact, the war proved a veritable godsend to the people of Canada. A few of the militia were killed, and some of those in the track of the invading enemy suffered loss of property, but in most cases this was afterwards more than made good. People generally, however, enjoyed an era of prosperity unknown since the similar conditions of the revolutionary war, and they were now in a better position to appreciate it. French Canadians replenished and added to their hoards, the merchants gathered in their large outstanding debts, and greatly profited by the new trade. The settlers were offered war prices for more provisions than they could furnish. After the first

alarm was over, the greater part of the country engaged in making money and enjoying life. The long and difficult system of transportation from Kingston to Montreal, which it was expected the enemy would at once close, remained open, much to the joy and surprise of the people, during the greater part of the period. Little passed down the river save bills of exchange, army bills and latterly specie, but everything came up from ships of war for the lakes to many forms of luxury hitherto unknown in the woods of Canada.

In consequence of all this an important change came over the economic life and habits of the people of Canada, except the rural French element. The system of barter was broken up, as also that close interdependence of the settlers which had prevailed up to this time. Everywhere the more flexible cash nexus was being introduced. People became accustomed to the use of paper money, and not recognizing the radical difference between the army bills and bank notes, when the bills were withdrawn and banks were organized, they experienced no great difficulty in circulating their notes among the English element at least. Fortunately, before they had gone very far, experience served to modify the erroneous ideas under which the banks were established, and the country was saved from certain disaster.

Some of the peculiar conditions which existed under the army bill issue are worthy of note, on account of the impressions which they left upon the country as to the virtues of a paper currency. It was confidently expected by the merchants who had bills of exchange to sell, that when the army bills were in circulation, the currency of the country being increased, there would be a considerable rise in the value of the bills, the previous low price being attributed to the scarcity of currency. The army bills, however, were themselves convertible into bills of exchange on England, and hence were not to any great extent available for the purchase of bills from other sources. It is true that bills drawn against exports were greatly diminished, practically stopped altogether from the upper province, but bills for pensions, salaries, and the procuring of specie for situations in which army bills would not answer, continued to increase. Intercourse with the United States being nominally shut off, outlet there was discouraged. As a consequence, instead of bills of

exchange rising in value with the increase of a circulating medium, they continued to decline. In July, 1814, Mr. Cartwright makes special reference to the very low rate of exchange, and mentions the fact that he has purchased a sterling bill of £61 2s. 2d. for £55 currency. This should have brought about £75 currency if there had been an equilibrium of exchange. Had the army bills been a provincial issue the very opposite would have been the result.

It is difficult to say how low the bills of exchange might have gone, had not the insulation between Canada and the United States given way under the pressure of self interest. I have referred to the period of unusual prosperity enjoyed by the United States in its neutral position during the long term of the Revolutionary and Napoleonic wars. When, however, the English ships blockaded the American coast and largely shut off their bulky export trade, they were compelled to meet their foreign obligations in specie and bills on Europe. Bills, being safer, rose to a premium just when in Canada they were sinking to a low discount. There was therefore a very unusual profit in selling Canadian bills in the United States. This traffic, once opened, was carried on through many different channels, and a large quantity of specie was introduced into Canada in this manner. The American side of the story is given by Mr. Albert Gallatin, a distinguished secretary of the United States Treasury, in a work entitled, "Considerations on the Currency and Banking System of the United States": Phila., 1831. The Canadian side is taken from letters and accounts of the time, showing that even during the period of the greatest expansion of the army bills, in 1814, large amounts of specie were in circulation in Canada.

That specie should have been most plentiful at the same time that the army bills were at their height is a circumstance which could not have occurred in the case of any large issue of government paper money, and is a further indication that the experience of Canada with these bills was entirely unusual and quite unsafe as a guide for future experiments in the issue of paper currency. Nevertheless, the experience with the army bills was very impressive, and paper money came to be regarded not merely as a circulating medium but as capital to develop the resources of the country.

The army bill act was still in full operation, the bills at the height of their circulation being about £1,500,000, and the issue of the war still unsettled when the next move was made for the establishing of a bank in Lower Canada. We find, from the journals of the Assembly, that on the 8th of February, 1815, a motion was introduced by Mr. Cuvillier, seconded by Mr. Taschereau, that on Monday next the house should resolve itself into a committee of the whole "to consider the expediency of establishing a bank in this Province." The matter, however, was postponed till February 24th, when it was taken up and discussed, but that is the last we hear of it. This indicates that the merchants of Canada did not wait for the withdrawal of the army bills before renewing the agitation for a bank. From this time on the question was a very live one.

At the next session of the Legislature on February 6th, there was presented, by Mr. Cuvillier, a petition of divers merchants and other inhabitants of the city of Montreal, setting forth that the commerce and agriculture of the provinces of Upper and Lower Canada have of late years considerably increased, and, now that the war is over, if cherished and stimulated, may be productive of most beneficial and permanent results to both Canada and the mother country. The lack of a circulating medium may impede this development, hence they consider it desirable that a bank should be established to aid the commercial and agriculture pursuits, and to furnish a circulating medium as a substitute for the precious metals, and to give that range and facility to commerce which can alone render it safe and lucrative. As Canada has attained to the position of requiring the establishment of a bank, they pray the legislature to grant them incorporation as a banking company.

The petition was referred to a committee of five, with power to send for persons and papers, and to report either by bill or otherwise. The report of the committee was handed in on the 8th of February, and is a very considerable and interesting document, giving, as it does, the ideas as to banking, and the capabilities of a paper money, which prevailed among even the best informed men in the country.

Mr. Woolsey, afterwards first president of the Quebec Bank, gave it as his opinion that the establishment of a bank in the

province would greatly encourage its agriculture and commerce. Both these industries suffer from a continual drain of specie to the United States and the mother country, and from the want of a circulating medium to take the place of the precious metals.

Mr. Stewart also favored the bank, especially an incorporated bank ; the present circulating medium is inadequate to the needs of the two provinces and the States in their immediate neighborhood. A bank would keep the trade up to its present level, and would afford the only means of causing it to increase.

Mr. Mure referred to the great increase in the commerce of the country, and though now checked by the peace and the consequent diminution of public expenditure, it will no doubt revive with growth of population, and greater attention to agriculture. Most of the specie in circulation is in silver, and is both inconvenient and risky. He fears that the amount of currency will not long be sufficient for the commerce of the country, especially as the rate of exchange with the United States gives promise of turning so as to draw off specie from Canada. He thinks a bank would do much to supply the deficiency. The experience of the use of army bills in late years "has proved the great advantage of a paper medium on a solid basis, and given a confidence to the inhabitants of the country which in my opinion, will induce many of them to become shareholders in the bank, and make the interest in it become so general that it can hardly fail to succeed."

Mr. Lymburner, referring to the obvious benefits of banks, said that their note issue "by displacing an equal amount of the precious metals, creates a new capital, and in English countries where capital is the grand desideratum, . . . it may in this way give an incalculable strength to industry in all its branches. The experience of many commercial countries places this in a striking point of view." He refers to the prudence and skill required in the safe management of banking establishments, to guard against unwise advances and the over-issue of paper. To regulate the issue the notes should be made unconditionally payable in specie on demand. He thinks bank notes would now circulate freely in Canada, as the old prejudices against paper money have been weakened by the late army bill currency, and bank notes will be found to be much more convenient than gold and silver, and in every respect equal to them.



Mr. Symes said the notes would facilitate the transaction of business by giving a method of paying and receiving money with less trouble, and would permit persons to obtain advances without such sacrifices as before.

It was suggested by others that bank notes would facilitate the conveying of money between Montreal and Quebec, as also through other parts of the province.

Here we observe a general tendency to confuse capital and circulating medium, as well as a failure to observe that it is impossible to enlarge the sphere of redeemable paper money to take the place of specie which is leaving the country. When specie is being exported, either the bank must curtail its circulation or suspend the redemption of its notes.

Along with the report Mr. Cuvillier presented a bill to give effect to its recommendatons. The bill was passed through the various preliminary stages without any trouble, and was referred to a committee of the whole house to be taken up on the 27th of February. But the very next day, the House having entered upon forbidden ground, in the assertion of its right to impeach the Judges Sewell and Monk, Sir Gordon Drummond suddenly dissolved the Legislature, declaring his intention to take the sense of the country. Thus the bank bill, along with several others, came to an untimely end. There seems no doubt that the bill would have passed the legislature had time permitted.

Early in the following session, a new legislature having been elected and Sir John Coape Sherbrooke having succeeded as Governor, Mr. Cuvillier once more presented his bank bill, on the 31st of January, 1817. Again it passed through the various stages, as the business of the house permitted. On February 5th, it was read a second time and referred to a committee, it being ordered that one hundred copies of the bill be printed for the use of members of the house. Possibly one or two of these may have survived, though I have not yet been able to discover any. This committee reported favorably and the bill got as far as a first discussion in committee of the whole house, when once more the Legislature was suddenly prorogued. Sherbrooke had reported to Bathurst on February 1st, that the new house was evidently intending to follow the course of the last one in taking up the impeachment of the judges, but he had succeeded

in getting them to first take up urgent public business. When this was fairly well through, he adroitly prorogued the house, reporting to Bathurst that the discussion on the impeachment had been staved off for another session. Thus a second time the bank bill was snuffed out before any final settlement of it could be made, but without any indication that there was any regular opposition to it.

By this time the greater part of the army bills was redeemed, only some £59,000 remaining in circulation, and there was beginning to be a real need for an addition to the currency of the country. The merchants of Montreal, who had been chiefly interested in the attempts to get a bank charter, feeling, no doubt, that the sympathy of the business community was with them, and that it would be a pity to lose another year with no more certainty of success, the political conflict still raging, decided to start the bank without a charter. Accordingly, on May 19th, 1817, the articles of association of the Bank of Montreal were adopted, and the corporation proceeded to organize. The articles of association were published in the *Montreal Herald*, May 22nd, but I have not been able to discover any issue of the paper for that period. The *Quebec Gazette*, of May 29th, copies the following item from the *Herald*: "In the first page of this paper the articles of the Montreal Bank Association are laid before the public. Such an establishment has always been a favorite with this journal, and we cannot but congratulate the community on the prospect of a wonderful change for the better in the agricultural and mercantile pursuits of this province. The articles of this most laudable association, so far as we are enabled to judge from practical experience in our younger years, and from much reading, are drawn up with great judgment and wisdom, and seem extremely well calculated for our local position. We forbear making any remarks on the subject for the present, further than that we wish the establishment the utmost success in all its bearings."

From contemporary references to the bank and its articles of association, as well as from other evidence, as pointed out in the first of this series, the articles of association were without doubt adapted from the bill of 1808, which was copied from the Act establishing the Bank of the United States. On the other hand,

the articles of the Montreal Bank were accepted with very slight changes by each of the three other banks started the following year.

At this time the second Bank of the United States was in operation, having been organized in January, 1817. That the promoters of the Montreal Bank still looked to the United States for guidance is evident from the fact that one of its officers was sent to New York to study the system and methods of the Bank of the United States, and one, if not more, of its first officers was an American who had had experience in American banking. From the United States also came the first notes and plates for printing them. The bank was opened for organization and the receipt of instalments on the shares subscribed, in August, 1817, but did not begin the regular business of banking before November. It appears that the bank depended largely for its supply of specie upon the hoards of the more wealthy French Canadians, which, as usual, had been industriously replenished during the prosperous period of the war. Some coaxing was required to induce them to part with the specie for Bank of Montreal stock, and the army bill experience was the best argument employed. As the Montreal *Herald* remarks in an editorial, in August, 1818, public opinion has undergone a very great change within the last four years. Formerly banks were spoken of with contempt, but now the Bank of Montreal has been firmly established, and three others are in process of organization in Quebec, Montreal and Kingston. We find, however, that the country people still retained much of their prejudice, the result no longer of personal experience, but of historic conviction. It was, perhaps, as well for the banks of Lower Canada that this was so, for when their notes came into the hands of the French Canadians they steadily converted them into specie on the first opportunity, and thus tended to prevent the banks from over-issuing until they had gained experience and corrected their first large ideas about the capacities of paper money. This was an advantage which the first banks in Upper Canada did not enjoy, and for lack of which they suffered.

The first officers of the Bank of Montreal were, President, John Gray; Cashier, Robert Griffin; Accountant, H. Dupuy; first Teller, Mr. Stone, an American gentleman. The names of

the Directors appointed the first year after organization were as follows:—John Gray, George Garden, John Forsyth, Horatio Gates, James Leslie, George Moffat, F. W. Ermatinger, David David, Austin Cuvillier, John McTavish, George Platt, Hiram Nichols, Charles Bancroft. These names show that the institution was identified with the best commercial interests of the country.

Although the bank was established and went into operation as a private corporation, its promoters did not give up the idea of obtaining for it a provincial charter. Accordingly, at the next session of the legislature, Mr. Cuvillier, on January the 23rd, 1818, once more presents a bill to incorporate certain persons therein mentioned under the name of the Montreal Bank. After going through the usual process, and being slightly amended, first in general committee, and afterwards in the Legislative Council, it managed to reach the end of its parliamentary career before the proroguing of the legislature. When, however, the bills came up for the Governor's signature, the bank bill, together with the bills for incorporating fire insurance companies in Quebec and Montreal, were reserved for the expression of His Majesty's pleasure.

In the meantime, stimulated by the example of the Montreal Bank, two other banks in Lower Canada were being organized, the Quebec Bank, at Quebec, and the Bank of Canada, at Montreal.

The first effort to establish a bank in Lower Canada was the result of a joint movement on the part of the Quebec and Montreal merchants. But now that the Montreal people had established a bank of their own, the Quebec merchants resolved to do the same for their city. The first public intimation of the movement is the following advertisement which appeared in the *Quebec Gazette* of February 2nd, 1818: "Notice. The merchants, proprietors and others, concerned in the agriculture, trade, and general interests of the Province, are requested to attend a public meeting to be held at the Union Hotel, on Thursday next, the 5th inst., at twelve o'clock, to take into consideration the expediency of establishing a bank in this city, and name a committee to digest the articles of association thereof, etc."

\* The meeting was duly held, at which the following resolu-

tions were passed:—"Resolved, that the establishment of a bank in the city of Quebec is an object of the highest importance to the community at large, should materially assist the agricultural interest of the district and afford great relief to the commerce of the country, so much depressed at this moment.

"Resolved, that the said establishment of a bank on principles of solid capital and integrity is immediately and urgently required by all classes of the citizens of Quebec; and more particularly so as the actual quantity of gold and silver is, as a circulating medium, inadequate to the wants of this district, and subject to perpetual fluctuations.

"Resolved, that a bank should be established in the city of Quebec to be entitled the Quebec Bank; and that at such future period as may be thought advisable, a memorial be presented to the legislature, praying that an act may be passed to incorporate the same.

"Resolved, that experience has proved that a bank may be established and operated, on principles of the most solid and perfect security, both to the individual stockholders and also to the public at large, without any charter of incorporation. That this meeting do approve of the schedule now submitted as the basis of a contract of mutual association, for the establishment of a bank in this city."

These resolutions were referred to a committee, which was requested to consider the provisional articles submitted, and to draw up final articles to be submitted at the next meeting to be held on the 16th inst.

At the meeting on the 16th of February the report of the committee on the articles of association was received, and the articles ordered to be printed for the information of the public. Amendments and suggestions were to be received till March 17th, when a meeting would be held to finally ratify them.

In the meantime, as the legislature was in session, those promoting the bank resolved to apply for a charter. Accordingly a bill was introduced on February 27th, which got as far as being read the second time and referred to a committee of the whole house on March 19th. However, without waiting for a decision on their bill, the meeting, called for the 17th of March, ratified the articles of association, and next day the books were

opened to receive subscriptions to the stock. Thus the failure to get their bill through the house before the close of the session, which was probably expected, did not prevent the progress of the bank. Delay, however, came from another quarter.

It appears that in the succeeding few months some efforts were made to secure the amalgamation of the Quebec enterprise with the Montreal Bank, but the negotiations failed, and in the *Gazette* of July 9th, we find the following item:—"At a meeting of the merchants and others interested in the establishment of the bank, held at the Exchange yesterday, we understand it was resolved to establish a bank in this city, independent of any other establishment. A branch of the Montreal bank, we find, is also to be opened in this city."

Up to the end of July only one-third of the stock of the Quebec Bank had been subscribed for, and the remaining two thousand shares were again offered to the public on August 1st. By the 24th of August other two hundred shares had been taken up, and it was resolved to call a meeting for the 17th of September, at the Exchange coffee house, to proceed to the election of directors. At that meeting the following gentlemen were elected directors:—John M. Woolsey, Philip A. De Gaspé, James McCallum, sr., Benjamin Tremain, John Jones, jr., W. G. Sheppard, Charles Smith, Thomas White, Louis Massue, John Goudie, Jean Langevin, E. C. Lagueux, Henry Black. The directors elected J. W. Woolsey as president, and Thomas White as vice-president. Mr. Noah Freer was appointed the first cashier. The first instalment on the stock was called for on October the 6th, and the bank was in operation by the end of October, as would appear from the following:—"Quebec Bank. Director for the present week, John Jones, jr., Esq. Days of discount, Monday and Thursday. Notes offered for discount should be inclosed to the cashier and given in before the day of discount. Hours for public business at the bank, from 10 a.m. to 3 p.m. Noah Freer, Cashier.

"No. 5 Sault-au-Matelot St. 28th October, 1818."

The other bank, known as the Bank of Canada, was a direct rival to the Bank of Montreal, and was established in the city of Montreal by a number of speculative Americans, attracted to the country by the prosperity of the war period.

They, too, adopted the articles of association of the Montreal Bank. There were twenty-five of these articles, the whole of which were adopted by the Quebec Bank, but the fifth and ninth articles were dropped by the Bank of Canada for obvious reasons. The fifth article imposed limitations on the number of shares for which a single individual might subscribe at any given stage in the organization of the bank. The ninth article limited the choice of directors to persons who were either natural born, or naturalized subjects of His Majesty, or had resided seven years in the province. There were a few other minor changes. The articles of association were adopted on May 7th, 1818, and the book for stock subscriptions was opened at the same time, at the office of James McDonall. The stock was taken up by a limited number of persons, and the stockholders were summoned to meet on May the 27th, at the City Tavern, to elect directors. On June 6th the bank advertised for a cashier, and Robert Armour received the appointment. On July 18th, a call was made for the first instalment of fifteen per cent. on the stock subscribed, to be paid on or before the 24th of August. On the 22nd of August the directors announced that the bank would commence business on Tuesday the 25th. The Bank of Canada was the most ambitious bank of the three, starting with a capital stock of £300,000, the Montreal bank having £250,000, and the Quebec Bank £150,000. From the nature of it the Bank of Canada was not very firmly rooted in the stable financial interests of the province, depending apparently on the exchange business with the United States. It soon found it expedient to reduce its stock to £200,000, and, although apparently honestly managed, when the severe depression of the early twenties was experienced, it found it necessary to wind up its affairs, in which it was assisted by the Bank of Montreal, which took over its business. Considerable loss was sustained by the stockholders, but the customers of the bank did not suffer.

As we have seen, the bill to incorporate the Bank of Montreal, which passed in 1818, was reserved, while the Quebec Bank bill did not reach any conclusion. When the next session of the legislature opened in January, 1819, it was not known whether the Montreal Bank bill had been sanctioned or not,

hence the Montreal people made no further effort at that session. The Quebec Bank, however, once more applied for a charter. Their petition, presented by Mr. Vanfelson, sets forth the need for a bank, long felt by the business men of the city. The circumstances attending the establishment of the bank, in 1818, are given ; mention is made of the fact that the whole of the stock, £150,000, has now been subscribed. But, while the bank is successfully in operation, its full benefits cannot be realized, and great inconvenience in the conduct of its business must be experienced unless it obtains legal incorporation. Hence, they apply for an act of incorporation on terms as nearly as possible in accordance with their articles of association. The petition was referred to a committee, who reported with a bill which successfully passed through all the stages of the lower house, and was sent up to the Legislative Council, from which it never emerged. Doubtless the Council was waiting to see what treatment would be accorded the Montreal bill, before passing any others.

Whether or not anything was ever heard of the reserved bill of 1818 to incorporate the Montreal Bank, I have not been able to discover. It would appear to have been wholly overlooked or forgotten. At any rate, the Montreal people gave it up for lost, and at the next session of the legislature, extending from 14th December, 1820, to 17th March, 1821, all three banks presented petitions setting forth their claims, and praying for incorporation. The three bills successfully passed both houses, but were all reserved for the expression of the King's pleasure. More than a year after being passed they seem to have been brought to the notice of the Home Government, doubtless by the agent of the province in London. On May 18th, 1822, the royal assent was given to the bill to incorporate the Bank of Montreal, and it was proclaimed in Canada on July 22nd in the same year. Not till September 16th were the bills to incorporate the Quebec Bank and the Bank of Canada assented to, and it was the last day of November, 1822, before their proclamation in Canada. Thus did the first banks in Lower Canada pass through the initial stages of their career.

The banks did not escape without criticism. Much of it was due to short-sighted self-interest ; a few, however, judged



them by higher standards. The first considerable public criticism with which I have met, appears in the shape of a pamphlet published in Quebec in 1820, and entitled, "An inquiry into the origin and present system of Colonial banks and their dangerous effects; with a proposal for a national bank." This is, of course, a criticism of the banks in their unchartered condition. The writer is evidently a man of intelligence, and well acquainted with the facts. He first points out that in their bases and methods, the banks in Canada are wholly unlike those in Britain, where they would be considered quite contrary to law. He outlines the condition of the country before, during, and after the war. War, he says, which in most countries brings with it poverty and devastation, brought prosperity to Canada, and, by flooding the country with money, changed the character of its business. After the peace, at which few people in Canada rejoiced, sufficient retrenchment did not follow, the balance of trade changed, and specie began to disappear. Efforts were made to sustain the prosperity by artificial means. Capital accumulated during the war period was freely invested. So many people had been diverted from agriculture by opportunities for profitable government employment, that after the peace the cities and towns largely depended upon the United States for the necessaries of life, for which, too, specie was being exported.

Not perceiving the true cause of the growing difficulties, the merchants and others sought to establish a bank. The apparent success attending the first bank has given encouragement to others, and there is no telling where it will end. But the success of the banks, so far, is a measure, not of the prosperity, but of the financial difficulties of the country. He refers to the unbounded confidence which the tradesmen have in the banks, and the ready currency which they give to their notes. So far, he admits, the banks have been able to combine private advantage with public confidence, but he fears for the future. He criticises, particularly, the limited liability clause in the articles of association, the essential part of which, as expressed in the articles of each of the banks, was as follows:—"It is hereby expressly and explicitly declared to be the object and intention of the persons who associate themselves under the style

“or firm of... .. that the joint stock or property of the said company (exclusive of dividends to be made in the manner hereinafter mentioned) shall alone be responsible for the debts and engagements of the said company.” He points out that as these institutions are private corporations, no amount of advertising of their limited liability can free them from the unlimited obligations resting upon private persons. Confidence in the honor and prudence of the directors may do much to lessen distress, but it cannot do away with the danger. He then proceeds to state some very sound principles with reference to credit and banking. He doubts whether the whole of Canada can support more than one bank; and at that time there certainly did seem to be danger of overdoing the business in Lower Canada, while Nova Scotia and Upper Canada were going into banking at the same period. After pointing out various liabilities to loss and collapse, he urges that the House of Assembly should appoint a committee to investigate the condition of the banks and define the responsibility of the directors and stockholders. His constructive idea is that the issue of paper money should be confined to government, and that a national bank should be established by the government, the profits from which to be applied in improving navigation. His constructive scheme, however, is not so good as his criticism of the loose and mistaken ideas on the subject of paper money which were current in the business community. The events of a few years later amply justified his warning. Other criticisms of less note appeared from time to time. At length, on the 30th of December, 1823, the matter was brought up in the legislature of Lower Canada, and a committee was appointed to enquire, “If any, and what inconveniences have resulted from the establishment of banks in this Province.” On the 28th February, 1824, the report of this committee was presented, and though it formulated nothing, yet the evidence presented is full of interesting detail. Among those examined were the president and cashier of the Quebec branch of the Bank of Montreal, the cashier of the Quebec Bank, the agent of the Canada Bank in Quebec, and several merchants of Quebec and Montreal.

It appears that there was very considerable jealousy as to the political influence, and consequent opportunities for profit,

enjoyed by the Bank of Montreal. It was favored with the custody of a large amount of government money, upon which cheques were drawn, and these were commonly paid out in the notes of the bank. The government patronage, which the Bank of Montreal enjoyed both in Lower and Upper Canada, was indeed an immense advantage to any bank in those days, owing to the command of specie which it thus obtained. The importing merchants seem to have been convinced that the banks were chiefly responsible for the high price of exchange. The larger quantity of bills on Britain, and especially those of short date, were issued by the Commissariat Department, from which the banks were supposed to purchase them, and afterwards sell them at a higher rate to the merchants. When we consider that within ten years bills of exchange on England had passed from a very considerable discount to a premium of eight or ten per cent., and that within that time the banks had developed their business, we are able to understand, if not to appreciate, the feelings of the merchants. The officers of the Montreal Bank were able to deny that they bought bills from the Commissary-General which they afterwards sold to the merchants at a higher rate, because the bank always sold its own bills of exchange. However, the banks were not to blame for the condition of exchange; on the contrary, they were able to claim, with reason, that the operations of the banks greatly steadied the rate of exchange, and were highly beneficial to the country in general.

Favoritism in the discounting of bills was also charged against the banks. Whether the grievance was a very real one or not in the cases mentioned, yet it is apparent from the general evidence and from the partial admissions of the bank officers, that the public were not treated with perfect impartiality in the matter of loans. The interests of the banks and of the merchants who held their stocks were still too closely connected to admit of a perfect separation of their interests. The rivalry between the business men of Quebec and Montreal crops up very strongly in this evidence. The deposits received at the Quebec branch of the Bank of Montreal were said to be only partially loaned in Quebec, the rest being sent to Montreal for the use of the friends of the bank there, and to the advantage

of Montreal generally. The Quebec Bank, it appears, did not deal in foreign exchanges, but it was a considerable part of the business of the others. The Bank of Canada no doubt had chiefly in view, at the time of its establishment, the American exchange business, which was then very brisk, but which fell off in the early twenties owing to the financial distress in that country. This may no doubt explain in large measure the decline in the business of the Bank of Canada. The Bank of Montreal, however, was the great exchange bank even in those days. It soon established an agent at New York, and from the time of organization of exchanges with the United States after the peace the Canadian rates of exchange were determined by New York. Any legal prohibition of the banks from dealing in exchanges, as was advocated by many merchants, would not have affected the price of exchange, but would simply have introduced agents of American banks as purchasers of the Commissary-General's bills.

As I have said, the evidence taken afforded no specific basis for report, but it shed a good deal of light upon some points and cleared the political and economic atmosphere of much misconception with reference to the business of the banks.

The Bank of Montreal and the Bank of Canada, which were both doing business at Quebec, had also established agencies at Kingston, but I shall consider these in connection with the first actually established banks in Upper Canada, in the fifth and concluding paper.

ADAM SHORTT

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## POST OFFICE SAVINGS BANKS

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THE "Savings Bank" is a modern institution, and at the inception of the idea those who were promoters of it seem to have had intentions entirely of a philanthropic character—to prevent the waste or loss of small unconsidered trifles in the way of money by the poor—to teach them the power these had of accumulation—therefore to inculcate habits of thrift and self-help and consequently greater independence. These benevolent promoters could have had no perception of the extent to which their idea would develop—that they were introducing another element into the economics of the community—the collection into a very powerful aggregate of the infinitesimal surpluses of the poor.

Towards the close of last century the wish to help the poor to save something out of their earnings, however small that something might be, had occurred to more than one, but the attempts to carry the wish into effect were of a sporadic and private character—necessarily small and feeble. The first mention we find of anything of the kind is the proposal of a clergyman of Bucks, England, (let his name be preserved—it was J. Smith), who offered to receive, along with two other trustees, deposits as low as two pence, and if the money was not disturbed for a year to add one-third to the sum. This was, of course, benevolence, not business.

A Mrs. Priscilla Wakefield also formed at Tottenham about 1804 a club or association for the care of small savings, and this society, under modifications as to its working, actually lasted until 1866, when it merged itself in the Post Office Savings Bank.

The Rev. Dr. Duncan, of Dumfries, Scotland, in 1810

suggested a system applicable to any community such as a parish, and put his idea into practical operation in the parish of Ruthwell, and also wrote and published "An Essay on the Nature and Advantages of Parish Banks," which remains to this day in many respects an admirable statement. The scheme was apparently well considered and suitable for the times, for it had comparatively rapid success. As many as 78 of these Parish Banks, afterwards called Savings Banks, came into existence in Scotland and England within a few years. His plan was sufficiently simple both as to the reception and investment of moneys, as the deposits were received once a week by Trustees acting gratuitously, and by them invested in deposit receipts of the Bank of Scotland—one of the Trustees ex-officio being the agent for the time being of the Bank of Scotland. Dr. Duncan has been called "The Father of Savings Banks," but when the constitution of the "Parish Bank Friendly Society of Ruthwell" is considered, one may be permitted to surmise that a shrewd bank manager, anxious to "cultivate deposits," may have had something to do with the scheme, perceiving, as we may suppose, that the bank could not conveniently deal with each of these very small depositors, but might deal with them in combination.

Dr. Duncan's plan was not free from the taint of charity, as he called for an "auxiliary fund" from the richer members of the community, not only to defray the small expenses of his society, but to enlarge the return to depositors by giving "premiums" on a certain class of deposits evidencing a persistent habit of saving. We say the "taint" of charity advisedly, for experience has shown that the poor who are independent-minded enough to wish to save, and thereby protect themselves so far as may be done, desire to be treated as other people are, in a business-like way. Their pride of independence, the strengthening idea of self-help, is fostered by the thought of the balance at their credit being all their own making—the surplus from their earnings and what that surplus has fairly produced, and it appears as if any scheme to be permanently successful must rest upon a purely business basis. However, as has been said, these Parish Savings Banks made their mark,

and suggested and opened wide the way for larger and broader based organizations, viz :—

## THE TRUSTEE SAVING BANKS

The forerunners of these were institutions at Edinburgh, Bath and Southampton—the last under the Presidency of the Right Hon. Geo. Rose, whose pamphlet, "Observations on Banks for Savings" (3rd edition, 1816), is an interesting part of the literature of the subject.

In 1817, in England and Ireland, the institution of Savings Banks was brought under Government regulation by Act 57, Geo. III, chap. 52. For some reason—perhaps because it was thought the Scotch could take better care of themselves—the first Act as regards these institutions in Scotland was not passed until two years later. The general plan of these Savings Banks was that affairs were supervised by three trustees—naturally men of position and trust in the community—acting gratuitously, the only paid official being the person who kept the accounts. Moneys received were all transmitted to the Bank of England in account with "the Commissioners for the reduction of the National Debt," that is, they were invested in consols in the name of the trustees. Later (1860) an Act authorized the National Debt Commissioners to invest the money received by them from Savings Banks in any stock, debenture or other security that had received Parliamentary sanction as proper for trust investments. Various Acts passed with regard to these institutions in England and Ireland were consolidated in 1828 (provisions extended to Scotland in 1835).

By this Act the rules drawn up by the Trustees and Managers of a proposed Savings Bank had to be submitted to a barrister appointed by the National Debt Commissioners and approved by him, before business operations were commenced. Justices of the Peace had also certain powers of veto, and a certified copy of the rules as approved had to be deposited with the Clerk of the Peace of the locality.

The number and the business of these Savings Banks increased beyond all expectation. These institutions in England (including Wales) and Ireland had accumulated by 1841 as much as £22,000,000. For Scotland returns are not

available, but there also continued development has been going on, especially after 1835, when the English law was extended to Scotland, and a writer in 1883 says, "In many places such institutions exist and are flourishing under the meagre and defective statute of 1819."

The Savings Bank organizations proved attractive to a class for whom they were not designed, viz., better-to-do people, and in 1824 it was found advisable to limit the amount any one person might have on deposit, which was placed at a total of £200. At all events, no interest was allowed on any balance beyond that sum, and not more than £50 could be deposited the first year. By the act of 1828 the amount was limited to £150 or £200, including accumulations of interest, exception being made in favor of friendly or charitable societies, for whom the amount might go to £300. It may be noted here that similar but more rigidly repressive rules have been found necessary in the Post Office institutions in Great Britain, but similar regulations in Canada, after being adopted, have, unfortunately, been relaxed.

In 1833, the granting of small deferred annuities was placed within the business of these Trustees' Savings Banks, and this has been continued and improved upon in the regulations of the Imperial Post Office Savings Bank.

In 1844, a new act altered and elaborated the regulations for these Savings Banks, and there was further legislation in 1848, '53, '60, '63, '66, '69 and '80. In some of the later acts the Trustee Savings Banks are dealt with along with the Post Office Savings Bank—that of '63 making arrangements for the transfer of all the affairs of any Trustee Savings Bank to the organized Post Office Savings Bank.

The growth of these Trustee Savings Banks is certainly remarkable, and the good they must have done enormous. If we take the year 1863, when they had about reached their apogee, for they have since been overshadowed by the Post Office Savings Bank, which has indeed swallowed numbers of them, we find they were in the United Kingdom about 640 in number (638 in 1860), and that they had on their books £43,278,656, belonging to 1,555,089 individual depositors and charitable institutions or friendly societies, giving an average of



£28 to each depositor. In the figures from which these are drawn it is stated that there were as many as 28,334 deposits of societies of the above mentioned charitable or "friendly" character, having deposits of about £100 each on an average. If many of these, as is probable, were of the nature of the "Parish Bank Friendly Society of Ruthwell," previously mentioned, we have many banks within banks in this statement.

However, successful as these organizations were in the main, it was felt there were some defects in their constitution—that they were somewhat above the really poor classes, and that from the nature of their organization they were not attractive to many who would have liked otherwise to make use of their advantages. The suspicious secretiveness of the servitor, or tenant class, and of the poor generally, is well known. Many a Bank manager has been amused to discover that, however creditably any servant of his might be saving, the deposits were *not* made in the master's office. And one can well understand that the tenant farmer was not by any means desirous that his landlord or his landlord's representative, in all probability one of the trustees of the Savings Bank, should be aware that he was making so much money out of the land as to lay by some after paying the rent—it might suggest an increase at next leasing time. Along with considerations such as these about this time (in the later 50's) there came to light several grave cases of dishonest accounting in these Savings Banks—rendered possible probably by the perfunctory supervision of the unpaid trustees—and there arose a discussion as to a Government Savings Bank, pure and simple, to be worked in connection with the Money Order branch of the Post Office system. The idea was not a new one. As early as 1806 a suggestion of something of the kind had been made by Mr. Whitbread, M.P. It had been repeated now and again, but not in any concrete form, and it remained for a gentleman connected with one of the large banking institutions of the country to advocate it in such a way as to evoke prompt attention and action. This was Mr. Sikes, of the Huddersfield Banking Company, who in 1859 read a paper on the subject before the Congress of Social Science at Bradford, and his suggestions were so business-like and clear in detail as to commend themselves to the Postmaster-General of the day

(Lord Stanley of Alderley), who took the matter up; and by an act in 1861 there was organized in England

#### THE POST OFFICE SAVINGS BANK

This institution began operations September 16th, 1861, and its success was immediate and phenomenal. Its offices and system seemed to fill a place, as has been indicated, not occupied by even the Trustee Savings Banks. They drew in smaller depositors, as well as those who patronized the Trustee concerns, and the secrecy of its accounts was also an attractive feature. The two systems ran together for some time, and while the figures of the Post Office Savings Bank increased by leaps and bounds, those of the Trustee Banks also increased in a moderate degree after a large fall from the figures of 1863, caused, no doubt, by the financial collapse at that time (the "Overend-Gurney" failure). Many Trustee Savings Banks turned over their business to the Post Office, and that process has been going on ever since. As we read in the Report of the Duke of Norfolk, Postmaster-General, dated August, 1896:

"The transfer of money from the Trustee Savings Banks to the Post Office Savings Bank continues; the amount so transferred in 1895 being £174,428. During the early part of the present year, several large Trustee Savings Banks have been closed, including the St. Martin's Place Provident Institution, from which no less a sum than £773,000 was transferred to my care."

From returns to 20th November, 1895, it appears there were then remaining 245 Trustee Savings Banks in business, having deposits amounting to £45,312,681, with special stock investments of £1,266,189 belonging to 1,516,229 depositors.

The general plan of employing the machinery of the Post Office for the collection of small deposits was, as has been said, suggested by a banker, Mr. Sikes, but the elaboration of the working details was entrusted to two of the higher officials of the Post Office, whose names deserve to be mentioned for the excellent work they did—Messrs. George Chetwynd and F. I. Scudamore, whose voluminous report on the "Origin and Progress of the System of Post Office Savings Banks" (1871), is an interesting and valuable work. The expansion of the

business of this department in the United Kingdom has been so enormous as to have been and to remain a positive embarrassment to the Government.

Organized in September, 1861, by December 31st, 1864, the amount due to the depositors was £4,993,124; in 1874 it had risen to £23,157,468; in 1884, £44,773,773; in 1894, to £89,266,066, and the last report gives us the following figures of the business of this department of the Home Government, as at December 31st, 1895:

Number of Post Office Savings Banks.....	11,518
Number of deposits received during year.....	11,384,977
Amount of deposits received during year.....	£32,078,660
Average amount of each deposit.....	£2 16s. 4d.
Number of withdrawals during year.....	4,102,059
Amount of withdrawals " ".....	£25,698,295
Average amount of each withdrawal.....	£6 5s. 3d.
Expense of management, including £23,888 for land purchased and new buildings.....	£ 414,625
Rate per cent. of expense as above to total amount at depositors' credit.....	8s. 5½d. %
Number of accounts opened during year.....	1,153,236
Number of accounts closed during year.....	808,402
Number of accounts remaining open at close of year.....	6,453,597
Amount, inclusive of interest standing, at credit of depositors at close of year.....	£97,868,975
Average for an account.....	£15 3s. 4d.

Up to the limits prescribed any sum from one shilling upwards (odd pence excluded) may be deposited, but interest (2½ %) is allowed only on complete pounds. No individual may deposit more than £50 in any one year, nor to a larger total than £200, including interest, but a charitable or provident society, Penny Bank or similar institution, may deposit in one year up to £100 or £300 as a total. If the account of a depositor goes beyond the limit, no interest is given on the excess, but when that amounts to £5 or over it is invested in Government stock in the depositor's own name, dividends being collected by the department and credited to their owners' ordinary account. The funds of the Post Office Savings Bank go to the National Debt Commissioners for investment in Government stock "for account of the Post Office Savings Bank Fund." Thus the debt of the country is not increased by the deposits made, as is the case in Canada. By the purchases of consols on account of this fund (with other influences) the price of these securities has appreciated to such a point that it has become a matter of

difficulty to cover the interest allowed and expenses. The department was kept a little better than self-supporting until the past year. Of course it was not the object of the institution to make a *profit*, but the Government has no intention of allowing it to cause a *loss* to the country in general. The margin to the good on the enormous business we have given particulars of (1896) was only £16,983, and a deficiency is established for 1896. On 26th February, 1897, during a discussion of certain supplementary estimates, on a vote of £30,151 to make up Post Office Savings Bank and Friendly Societies' deficiencies, the Chancellor of the Exchequer said :

“ This was the first time it had been necessary to ask Parliament to subsidize the Post Office Savings Banks, and it clearly amounted to this: That the Government was paying depositors in those banks a higher rate of interest for their money than that money could really earn. *That was not a thing which could continue.* He did not believe that depositors themselves would desire to receive from the State what he must call a kind of charity. He admitted that these banks were of the greatest value to the community, but it was not necessary to their value that they should pay more interest than they could earn. When he was asked whether he could suggest an extension of the limits at present imposed on investments, he was bound to say that he saw great difficulties in the matter. It must be remembered that the State was liable for this money, and it would be a dangerous thing for the State to receive this enormous sum from depositors to whom it was actually liable, and then invest the money in securities of a more or less speculative nature on which great losses might be suffered.”

The intention of the Government was plainly indicated, that if the present high price of Government securities continued the rate in the Post Office Savings Bank would be reduced to 2%. In 1861, 2½% was a low rate, but it has become more than the Government can now pay.

In France, which country follows the English system of investing Post Office deposits in Government stock, the rate was 3% until 1893, when it was promptly reduced to 2¾, because a new issue of Rentes having been made at a lower rate of interest than formerly (3¼% instead of 4%), the operations of the Postal Savings Banks showed a loss of about 340,000 francs, say \$70,000, for 1892. One almost shrinks from mentioning these

particulars when it is remembered how long our own country has placidly gone on paying an unduly high rate for the deposits made with it in our two systems of Government Savings Banks, equivalent, as we shall see later, to a loss for the past year of about \$235,000.

To revert to the internal system of the British Post Office Savings Banks, savings of very small sums are encouraged by the issue of a form on which may be affixed penny stamps until one shilling is reached, when an account may be opened with the Post Office, or, as an alternative, the formation of Penny Savings Banks in schools and elsewhere is also suggested, and this is encouraged by the Education Board. Out of nearly 20,000 elementary schools in England and Wales, 8,668 had Penny Banks in 1895. The report of the Scotch Education Department merely states that Savings Banks had been established in 156 schools. It is very notable that Scotland has never used the Governmental machinery for savings to anything like the extent of the other parts of the United Kingdom. The Scotch seem to be content with—to prefer, in fact—their own banks, whether of a General or “Savings” character. A very erroneous idea of the Scotch character and their position as regards capital would be formed if the Post Office returns were accepted as the only indication. Oddly enough, too, the average balance, compared with the proportion of population, shows that the Scotch are, unconsciously perhaps, carrying out correct principles, for it is evidently only the *very* poor, and presumably ignorant, who shield themselves with Government institutions.

The division is as follows, 31st December, 1893 :

	Number of Depositors	Proportion to Population	Average Balance Due to Each Depositor
England and Wales .....	5,292,178	1 in 6	£14 os. 8d.
Scotland .....	220,117	1 in 19	£8 19s. 11d.
Ireland .....	235,944	1 in 20	£18 7s. 11s.

We cannot find at present what share Scotland has in the returns we have mentioned of the remaining Trustee Savings Banks, but we know that there are very large institutions in Scotland of that character, notably the Glasgow Savings Bank, which alone we believe has about £6,000,000 stg. of deposits ;

and of course, as every one knows, the "Scotch Banks"—speaking of those doing all branches of banking business—have systems which attract all classes of depositors.

The Savings Branch of the British Post Office Department has also undertaken the management of Immediate and Deferred Annuities from £1 up to £100, and of life insurances from £5 to £100, but the growth of business in these branches has not been remarkable, especially as regards the deferred annuities, sometimes called "Old Age pay." The present Postmaster-General (Duke of Norfolk), in his last report, is constrained to remark regretfully, "The figures seem to show that deferred annuities are still unpopular, and that this unpopularity is unaffected by appeals to provide in this way for old age."

#### POST OFFICE SAVINGS BANKS IN OTHER COUNTRIES

The lead of England in the establishment of this new kind of Government Savings Banks has been extensively followed. The following tabular statement (the latest procurable of this kind), which gives the date of institution in each country, with the more important particulars of the business done, will be of interest :

POST OFFICE SAVINGS BANKS

POST OFFICE SAVINGS BANKS DURING YEAR 1892

Country Year beginning	Num- ber of Offices open	Deposits			Withdrawals			Accounts			Amount due to Depositors			Proportion to 1,000 Popu- lation		
		Number	Amount £	Average Amount £ s. d.	Number	Amount £	Average Amount £ s. d.	Opened	Closed	Open at end of Year	At end of Year £	Average Amount due per Ac- count £ s. d.	Open Ac- counts	Amount due £	Open Ac- counts	Amount due £ s. d.
Austria, 1883...	4,917	1,452,644	2,810,875	1 15 6	513,469	2,201,323	4 5 9	159,514	93,783	913,447	2,935,522	3 4 4	122 16 38	55 6 26		
Belgium, 1870...	785*	1,593,959	6,810,122	4 5 5	482,517	6,462,973	13 7 10	150,466	86,333	864,290	5,593,582	15 12 7	2,198 6 141	1,532 5 91		
France, 1882...	7,091	2,499,229	5,523,524	6 4 2	1,082,266	11,786,878	10 17 8	486,737	246,868	1,973,693	24,691,337	12 0 9	547 17 43	203 10 22		
Hungary, 1886...	3,895	526,332	756,173	1 8 6	102,832	613,152	3 7 7	75,591	52,921	211,330	74,184	3 10 2	41 13 12	12 14 6		
Italy † 1876.....	4,594	2,196,095	8,457,178	3 17 0	1,445,984	8,047,461	5 11 3	329,263	143,229	2,312,323	13,347,359	5 15 5	442 11 76	337 15 55		
Sweden, 1884...	2,038	316,972	426,120	1 6 10	72,662	286,320	3 17 1	45,417	16,658	300,299	1,077,810	3 11 9	223 0 62	35 0 32		
The Nether- lands, 1881...	1,235	67,835	1,280,815	2 1 6	230,538	1,039,383	4 10 1	61,257	21,880	358,483	2,296,842	6 8 0	497 3 77	217 3 39		
The United Kingdom, 1861	10,519	9,478,339	22,845,031	2 8 2	3,335,068	20,346,217	6 2 0	1,036,622	702,701	5,452,316	75,854,079	13 18 3	2,602 8 144	1,458 15 107		
British Guiana, Canada, † 1868.	—	5,558	12,493	2 4 11	3,443	9,868	2 17 3	1,359	776	2,255	12,028	5 6 8	—	—		
Cape of Good Hope, † 1884...	673	148,868	1,541,777	10 7 7	73,361	1,326,315	18 1 7	29,502	26,032	114,275	4,830,638	42 5 5	959 11 23	—		
New South Wales, 1871...	197	68,047	848,971	12 9 6	23,808	678,882	28 10 3	9,880	5,805	31,386	879,975	28 0 9	—	—		
New Zealand, 1867.....	450	478,578	1,630,197	5 17 0	156,157	1,511,355	9 13 7	39,721	32,573	101,668	2,354,086	23 3 1	1,965 11 84	1,439 13 61		
Queensland.....	320	186,045	1,878,270	10 0 11	120,628	1,821,348	15 2 0	26,232	18,171	112,528	2,863,670	25 9 0	4,404 0 181	3,124 4 138		
South Australia, 1871.....	123	95,954	865,879	9 2 2	58,668	878,804	14 19 10	15,762	14,928	47,993	1,708,393	36 5 6	4,055 16 111	4,416 18 123		
Tasmania, † 1882	134	157,187	1,372,215	8 14 7	116,836	1,349,366	11 12 11	9,388	6,638	81,547	2,356,730	28 10 8	6,920 9 242	5,126 19 189		
Victoria, † 1865.	127	11,920	78,863	6 12 3	6,813	79,363	11 12 11	2,252	2,167	4,738	83,522	17 11 9	545 7 31	322 17 21		
	370	197,753	1,259,278	6 8 4	120,889	1,255,401	10 7 8	25,820	22,469	107,072	2,083,202	19 6 11	1,826 14 94	1,357 8 80		

\* In addition to 785 Post Offices the Bank has other agencies. † For year ended 31st December, 1891. ‡ For year ended 30th June, 1892.

§ For year ended 30th June, 1892.

We are not informed of any peculiarity in the system pursued in each country, except that we may mention in Belgium the Post Office Savings Bank is made a part of the "General Savings Bank" (National), the business of which is transacted at 785 post offices, as well as at the Bank of Belgium and various agencies. The Bank of Belgium is purely a "Government Bank," issuing paper money and exercising other functions in the monetary business of the Government, as well as doing an ordinary commercial business. That there may be wide divergence of opinion among near-by people upon economic questions is shown by the refusal of the Swiss to adopt such a system, and the message of the Federal Council to the National Assembly in October, 1894, uses arguments which are well worthy of repetition. The discussion is on a proposal of just such a system as the Belgian, i. e., the Post Office Savings Bank in connection with the National Bank; and they do not seem to condemn positively such a system as the British, but their arguments are forcible as against the Government doing any part of the business of banking, and they have strong interest for us in Canada, where, as we shall see, the position in regard to the funds and the responsibilities of the Post Office and Government Savings Banks is easily impeachable, much resembling the Belgian, if, indeed, it is not more objectionable.

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#### SWISS OPINION

"In the message of the Swiss Federal Council to the National Assembly, dated 23rd October, 1894, which has just been published, relative to the issue of a Federal law on the execution of Clause 39 of the Federal Constitution (Bank-note Monopoly), the Federal Council has arrived at a decision in its judgment of the question: Whether the Confederation shall allow the right of issuing bank-notes or other similar paper money, which right, according to the above-mentioned clause, it enjoys exclusively, to be exercised by a *National Bank* having a separate adminis-



“tration, or intrust it to a Central Joint Stock Bank, which shall  
“be founded with the co-operation and be under the supervision  
“of the Confederation, the latter reserving the power of redeem-  
“ing its rights. It has decided in favor of the *first* proposition by  
“drawing up the draft of a Federal law to that effect. At the  
“same time, the Federal Council is *not* of the opinion that the  
“*Post Office Savings Banks* shall be introduced in connection  
“with this new National Bank. The above-mentioned message  
“expresses itself on the matter to the following effect”:

“The acceptance of Savings Bank deposits is, in times of financial crisis, when everyone hastens to withdraw his small savings, a source of continual danger to the respective institutions. How much greater and more momentous, therefore, would it be for a Federal Bank, at which the demand for the withdrawal of millions of such deposits might be presented at one time. From this point of view alone we prefer to leave Savings Bank business to cantonal and private institutions, where the risk, divided among the many, is so much less.

“Besides, under the, for the most part, free direction and administration of private companies and the co-operation of cantonal institutions, our Savings Bank business has made such gratifying progress that, quite apart from the above-mentioned danger, we could scarcely decide to enter into competition in this department. We are also of opinion that this branch of business is in every way less suitable for a National Bank.

“The Savings Bank deposit is no longer, as was formerly the case, a fixed deposit where francs accumulate and the interest is added annually to the capital. The times are long past when the deposits were only entitled to interest at the end of three months, and depositors could be deterred from withdrawing their money by fear of the deduction of interest, as provided by the statutes. The Savings Banks are compelled by the loan and similar institutions, which are being opened everywhere, to adapt themselves to more modern views in relation to money matters. The Savings Bank depositor of to-day demands and receives, over and above an interest of from  $3\frac{1}{2}$  to  $3\frac{3}{4}$ %, a certain liberty in the disposal of his capital. The deposit books have in many places become pretty much the account current books of the less-moneyed classes.

“If the National Bank wished to cultivate this branch of business, it could scarcely do otherwise than treat the Savings Bank deposits as liabilities, with short terms of expiration, increase to a corresponding extent its reserves of coin, and fix the

rate of interest accordingly, by which, however, the depositor would evidently not be profited, since he would get higher interest elsewhere.

"What is here required is that legal measure should be taken for the security of depositors in Savings Banks by providing for pledges in the hands of third persons, as is now done voluntarily by several institutions.

"There exist, moreover, reciprocal relations between the Savings Banks in their present organization and the mortgage-credit of the lower classes, the peasants and smaller tradesmen. The private Savings Banks prefer to invest as much as possible of the money deposited with them near home, where they have the debtor, the mortgages and their management and maintenance constantly under their eyes. Many a thoroughly honest man would present his mortgage, the adequacy of which is not apparent from the first glance at the title deeds themselves, at the National Bank, or even at the nearest Cantonal Bank in vain, who could be assisted without any difficulty by the Savings Bank of his parish or district.

"We do not at all mean by the above that the Federal Council declines to have anything to do with the question of the *Post Office Savings Bank*, as long as efforts are directed, in the first place, to the employment of our postal organizations for the *facilitation of depositing*. The Post Office Savings Banks are the subject of special consideration in the Federal Council, but so much seems to us at present clear, that, according to the above discussion on Savings Banks in general, the National Bank cannot accept the position of a debtor to Savings Bank depositors.

"The circumstances and motives thus expounded are sufficient explanation for the fact that the Swiss Postal Administration declined, and was compelled to decline, the numerous demands coming from various quarters for the establishment of a National Post Office Savings Bank in Switzerland."

#### "PEOPLE'S BANKS"

This message of the Swiss Federal Council refers to the "gratifying progress" of the country's Savings Bank business "under the free direction and administration of private companies and the co-operation of cantonal institutions." A large part of the Swiss Savings Banks are of a *co-operative* character, and would come under the same category as the "People's Banks" of Germany and Italy. It would be impossible here to

give any lengthy description of these institutions, which have moreover been written of already in this JOURNAL (July, 1896). Briefly, however, the reader may be reminded that, beginning about 1850 in Germany, they have spread to surrounding countries and made wonderful headway—in Germany and Italy especially. They are of two systems, and the distinction may be crystallized into the remark that one class, the Schulze-Delitzsch, means co-operation for the purpose of *lending*; the other, the Raiffeisen, co-operation for the purpose of *borrowing*. The former strikes one as being scarcely pure co-operation, but more as an ordinary trading or business bank adjusted to the poorer classes. The second, however, the Raiffeisen, embodies a very attractive idea, and it is pleasing indeed to be assured that it has succeeded so wonderfully. Both classes of banks borrow extensively from the larger or “regular” banks, and among a mass of figures of total transactions, etc., which the writer of “People’s Banks” gives us very loosely, we do not find to what extent the savings of the poor have gone into these institutions; but that they have become the depositories of small savings to an enormous extent is beyond doubt. It is notable that such an economical, thrifty nation as the German has no Government savings organization—postal or otherwise. Of course the *Empire* of Germany has not been such long, and by the time of its consolidation (1870) these People’s Banks had spread. It is curious to note the divergency in method in different countries. In Great Britain all the efforts seem to have been to find a safe place for the poor man’s mite—to withdraw it from the risks of business—and what is probably an admirable system has been evolved of gathering in and keeping the savings of the poor; but the German idea goes further than the *collection* of the savings, and attends to the *redistribution* of them among the class from which they came, the depositor taking his chances with and *on* the community he lives in. Perhaps theirs is the wiser idea. But at all events, that can only have a speculative interest for us in Canada, as neither system of the People’s Banks would be at all suitable to the conditions of our country. We have not, in the first place, the classes of people to whom these banks have best ministered; the Schulze is not

needed, and the Raiffeisen would be unworkable in a scattered and mobile population. Besides, the British plan is with us already, and in the vernacular, doubtless has "come to stay."

The purpose of this article, in the first place, was to put forward a few facts and figures regarding the system of Post Office Savings Banks more particularly in our own land, but before going on to discuss the Canadian position, it may be of interest to remark that at present

#### IN THE UNITED STATES

the subject of the institution of Postal Savings Banks is coming in for considerable discussion—not by any means for the first time, but more urgently of late, no doubt on account of the general unsatisfactoriness of financial conditions in that country. But, to the eye of experience and knowledge, there are grave, probably insuperable, difficulties in the way of any such undertaking by the Government.

In the first place, the system requires a most exacting routine, and the carrying out of such over so wide-spread a territory, where, in many districts, the genius of the people, it is to be feared, is against an exact routine, would be enough to "give pause" to any one who was going to be in any way, or in any degree, connected with it. But beyond that there is a far more important question, "What will the Government do with, and how will they invest and keep safely invested, the many millions of dollars which must come into their hands through a Postal Savings Bank law?" That is the point as put by the president of the Savings Banks Association of the State of New York, at their recent meeting, May 21st, 1897, which, he states, has "never been intelligently and satisfactorily answered," and which is, he asserts, "at the present time practically unanswerable." So keen an economist as Edward Atkinson, at the same meeting, dismissed the suggestion as "wholly impracticable." It is admitted that the British system of investment could not be followed, as the public debt of the United States is already absorbed, and could not be repurchased for the purposes of security for the Postal Savings Bank Fund, which would soon

doubtless amount to as much as, if not more than, the whole of the national debt, at present, roughly speaking, \$800,000,000. That this would be the case we may readily suppose from the figures of Savings Bank business in the United States, which we extract from the Report of Comptroller of the Currency for 1896.

The number of Savings Banks reported is 988, of which 677 are "mutual" institutions, 311 Stock Savings Banks. The former are the more attractive organizations, for they hold 86% of the total resources of the banks reporting. The business is much centralized, for, with the exception of four in Ohio, five in Indiana, one in Wisconsin, and one in West Virginia, the Mutual Savings Banks are confined to the New England and Eastern States, which appear to have a monopoly, too, of the stock banks. And again, the business belongs to New York and Massachusetts to an extraordinary degree, for of the 5,065,494 depositors, 1,695,787 are in New York State, and 1,302,479 in Massachusetts, which figures make the astonishing assertion as regards the latter State that 50.01 of the population—every second person, man, woman or child—is a Savings Bank depositor.

The total deposits are \$1,907,156,277, of which the Mutual institutions hold \$1,688,190,603, and they appear to have additional deposits amounting to \$28,309,197, which are not classed as savings deposits accounts—presumably ordinary business accounts not receiving interest. It is interesting to be told that balances of \$500 and under comprise 97.56 per cent. of the whole in number, and 70.05 per cent. of the total amount.

"Information with respect to the rate of interest paid by Savings Banks is but partial, but it is noticed that from the returns it is exceedingly difficult to maintain the rate of interest which has been paid during the past few years, and indications are that a reduction in the rate is inevitable in the near future. The latest returns indicate that the average rate paid is a fraction less than four per cent."

What an enormous amount of money would be poured into the hands of the Government if Postal or other Government Savings Banks were established, it is easy to imagine, not only from the figures given above of amounts entrusted to the care of local privately-organized concerns, but also because we see that

the West and South in this department of economics is a barren waste. In only a few States of the Union has there been legislation looking to the guidance and protection of the small depositor, that is to say, are there any Savings Bank laws? Mr. Wanamaker, Postmaster General of the time, in an official paper under date of February 26th, 1891, writes strongly advocating the establishment of Postal Savings Banks, at least, his advocacy is strong in intention, but very weak in suggestion. He admits the impossibility of investment in the public debt as it stands, and he makes the following suggestions:—

“I have already recommended a plan which I believe to be feasible, and it contemplates the establishment of Postal Savings Banks; first, in States which have no laws governing private Savings Banks; and, second, upon suitable petition of a considerable number of the residents of any locality in any other States.

“While the experience of several foreign countries has shown that private Savings Banks are not antagonized by similar Government institutions, the plan I propose removes objection on that score, by providing that the rate of interest shall be at least one-half of one per cent. less than the average rate paid within a State by bankers to depositors.

“I have recommended that all the Postal Savings funds received within a State be placed on deposit with the National Banks of that State, in such amounts and at such rates of interest as the Secretary of the Treasury shall prescribe. There is thus provided a channel for the disposal of the money, which will place it rapidly in circulation in the locality from which it is gathered for original deposit in the Postal Savings Banks, and through which it will unquestionably earn a sufficient sum to pay expenses and a moderate rate of interest to depositors.

“And, finally, I have suggested that deposits of Postal Savings funds shall be declared by special enactment “preferred” against the National Banks holding them. I do not think any better security offers itself in the present state of the country, and I believe it will be adequate.

“There are other suggestions which will occur to the thoughtful mind as to channels for placing the funds of depositors. One of them is in the direction of greater and much-needed expenditures for public, and particularly post office buildings. I find that from 1870 to 1890, inclusive, there has been an average expenditure per annum, on account of public buildings, to be used chiefly for custom houses, post offices and court houses, the large sum of \$3,217,253, a total in twenty-one years of

\$67,562,306.86. There could scarcely be conceived a better investment for the public funds than to place them in such Government real estate, which, by the very act of its acquirement by the United States, would become of enhanced value and continue to increase in value year by year. It would, moreover, give to the people that conception of security which always surrounds investments in real property. There is not only the outlet in the way of ordinary expenditures to be taken into account, but there are further large needs of the country at this time to be considered, particularly in the direction of additional accommodations for post offices in numerous towns and cities."

The last suggestion is so singularly weak, exhibiting complete absence of perception of the principles that should govern this business, that we cannot understand how it came to be advanced. The plan of re depositing the money in the National Banks *may* come within the bounds of discussion, but there are many and grave objections visible. We in Canada have grown arrogant enough of late years to think such a scheme might be workable here, but not in the United States; and even here it would be a ticklish scheme to handle. As has been said, those best able to judge assert that the question as to the disposal of the funds which would be received by Postal Savings Banks in the United States "remains unanswered." We can understand how well-wishers of the people desire to see at least one of the incentives to the habit of saving provided for the scattered populations of the West and South in the establishment of safe and sure depositories, but no scheme, practicable in experienced opinion, for the Government undertaking such a duty has yet been advanced.

#### THE POSITION IN CANADA,

considering all the circumstances, is, in some respects, one on which we have reason to congratulate ourselves, but that should all the more cause endeavors to eliminate and minimize the faults and dangers that exist.

If we go back "before Confederation" we find considerable legislation in the various provinces on the subject of Savings Banks, and it would be impossible to set out fully, in this paper, the old systems and developments. Perhaps the simplest way

of indicating these will be to show the position as the Dominion Government found it when they laid down their policy on the subject in 1871. In 1867, immediately after Confederation—impelled thereto in some degree, probably, by bank troubles of the time (failure of Bank of Upper Canada)—the new Dominion Government established *Post Office Savings Banks*, limiting their operation at that time to Ontario and Quebec, and it was not until 1871 that they felt prepared to legislate further on savings institutions (except by short temporary acts extending from year to year the working of the institutions then existing). In that year, however, “An Act to provide additional facilities for depositing savings at interest, with the security of the Government, and for the issue and redemption of Dominion notes” (34 Vic., c. 6); and “An Act respecting certain Savings Banks in the provinces of Ontario and Quebec” (34 Vic., c. 7) were introduced; and Sir Francis Hincks, Finance Minister, in moving the House into Committee to consider the resolutions regarding these Bills, said:—

“He would endeavor, as briefly as possible, to place before the House the position of the Government on the question. There had been an old Act of the Province of Canada with regard to Savings Banks, regulating the mode in which these institutions should be conducted, which expired at the end of last session, but was then renewed until the end of the present session. It then became absolutely necessary for the Government to consider the whole question as to the best mode of regulating these banks, and of making proper provision as to the manner of receiving deposits. On examining into the matter it was found that in all the Dominion there was but one Savings Bank conducted strictly as a Government Savings Bank, and which invested all its deposits in Government securities, and that bank was in Nova Scotia. In the province of New Brunswick there was a system under which a number of collectors of Customs were agents for the Government in the management of local Savings Banks, very much on the same principle as the Post Office system in Ontario and Quebec; that is, receiving the deposits and paying them over to the Receiver-General, but in the city of St. John there was an institution managed by trustees, and therefore not strictly a Government Savings Bank, but which invested all its moneys in Government securities. With reference to Quebec and Ontario, a law was passed very soon after the union of the two provinces



which established a system under which certain Savings Banks had been and were now conducted. Those banks numbered five\*—three in Quebec and two in Ontario. Another law was subsequently passed prohibiting the organization of any new banks, but not interfering with existing institutions. There were also in Ontario certain Building Societies, which were allowed to receive deposits on certain conditions prescribed by law, and with these it was not the intention of the Government to interfere beyond making stricter provisions as to returns and particulars of transactions. Then there was the system of Post Office Savings Banks, which had been in operation for a considerable time, and had been attended with great success, but this system had never been extended beyond Ontario and Quebec. The amount held on deposit by the Post Office Savings Banks was \$3,352,205, and of that amount \$293,717 only had been deposited in Quebec, and the remainder, \$3,059,488, in Ontario; and it would therefore be seen that the Post Office Savings Bank system had been almost entirely confined to Ontario, the province of Quebec having peculiar institutions of its own. He desired most particularly to state that, endeavoring to put the Savings Banks on a different footing, he had no reason whatever to doubt that the institutions in Quebec had been managed most creditably, and the Government, in considering the question and submitting the resolutions, was actuated by no want of confidence in those institutions, but by the belief that the principle on which they were based was wrong in theory, although hitherto it might have worked well in practice. There were also in Ontario two small Savings Banks, conducted on the same principle as those in Quebec, but which were comparatively unimportant. These banks had absorbed the great bulk of the savings in Quebec, while in Ontario the bulk had been absorbed by the Post Office Savings Banks, and the remainder by the Building Societies. The Government proposed, as far as Nova Scotia was concerned, to make no change whatever, but

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\* The five Savings Banks referred to in Sir F. Hincks' speech were two in Ontario (under Act of 1841); the Northumberland and Durham Savings Bank (which wound up about 1872, with an undivided surplus of \$87,669.91); and the Toronto Savings Bank (merged in the Home Savings and Loan Company, 1879); and three in Quebec, the Quebec Provident and Savings Society, La Caisse d'Economie de Notre Dame de Quebec, and the City and District Savings Bank of Montreal—the last two still in operation under special charters. It will be observed there is now, therefore, no law authorizing the organization of Savings Banks, and any new concern in that line would require to get a special charter, if such were obtainable at all. Practically, the Government has created a monopoly for itself of Savings Bank business, except for the two institutions in Quebec province, which apparently were so firmly established as to obtain renewed lease of life under special charters.

simply to develop the system already in operation by letting the Government bank there have branches in the different towns of the province. With regard to New Brunswick, they proposed to put the bank at St. John, which had hitherto been managed by trustees, on the same footing as that at Halifax, placing all the other Savings Banks in the province in the position of subsidiary offices, instructing them to deal with the head bank at St. John in the same way as the Post Office Savings Banks of Quebec and Ontario communicate with the office at Ottawa. Thus, with regard to Nova Scotia and New Brunswick,\* the change would simply consist in the development of the system now in operation."

Sir A. T. Galt, among other remarks, said :

"So far, he did not see any great objection to the proposals, except as to the principle of the Government endeavoring to get all the Savings Banks of the country into their hands, which he thought might be carried too far." (Parliamentary Debates, March 7, 1871.)

Briefly this established a system of Government Savings Banks in the provinces of Nova Scotia and New Brunswick having head offices for each province in the respective capitals, with branches in various places throughout each province ; also a single Government Savings Bank in the capital of each of the other provinces where there was an Assistant Receiver-General. We have, therefore, in operation two systems of Government Savings Banks; the so named "Government" Savings Banks in the maritime provinces (speaking broadly), under the management of the Finance Department, and the "Post Office" Savings Banks, originally only in Ontario and Quebec, now in all the provinces. The maritime province representatives in 1871 seem to have demanded this difference, their people being in favor of establishments which were banks *per se*, as being more like a continuation of such system as they had had ; besides which, mail communication between the maritime provinces and Ottawa was at that time tardy, which would have proved a difficulty in the way of working Postal Banks.

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\* As early as 1825 in New Brunswick, and 1827 in Nova Scotia, laws were passed establishing systems of Savings Banks, much on the lines of the Trustee Savings Banks of England, but these became later, as referred to in Sir F. Hincks' speech, one regular Government Savings Bank at Halifax and a number of *quasi* Government Savings Offices in New Brunswick.

The Post Office system was extended to the maritime provinces in 1885, and is destined to swallow up the other, for whenever one of the old-time agents of the "Government" Savings Banks is removed by death or retirement, the business is handed over to the Post Office. The amounts in the hands of the Government as at 30th June, 1896, were :

Nova Scotia, 22 offices .....	\$ 6,811,606 69
New Brunswick, 8 " .....	6,653,470 23
Prince Edward Island, 2 offices.....	2,169,614 83
Ontario (Toronto) .....	579,057 65
Manitoba (Winnipeg) .....	777,330 49
British Columbia (Victoria) .....	875,309 01
	<hr/>
35 offices	\$17,866,388 90

While the figures of the Post Office Savings Banks at the same date were :

Ontario, 456 offices.....	\$19,445,826 08
Quebec, 133 offices .....	5,042,904 57
Nova Scotia, 49 offices .....	2,055,382 88
New Brunswick, 38 offices ..	1,515,341 34
Prince Edward Island, 8 offices	19,105 05
Manitoba, 25 offices .....	210,613 31
N. W. Territories, 22 offices..	138,147 69
British Columbia, 24 offices ..	505,608 76
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755 offices	28,932,929 68
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A total of .....	\$46,799,388 90

of the money of the people in the hands of the Government payable practically on demand, without any reserve maintained for repayment, or any special or readily convertible investment of the funds.

We give herewith a progressive statement of the business of the Post Office Savings Banks of Canada, which includes many interesting and suggestive details; also a statement of the total business by the Government in the way of receiving deposits at interest through its two systems, from Confederation :

STATEMENT OF THE BUSINESS OF THE POST OFFICE SAVINGS BANK, CANADA, YEAR BY YEAR,  
FROM 1ST APRIL, 1868, TO 30TH JUNE, 1896

PERIOD	Number of Post Office Savings Banks at close of period	Number of deposits received during period	Total amount of deposits received during period	Average amount of each deposit received during period	Amount of depositors' accounts transferred from Dominion Government Savings Bank during period	Number of withdrawals during period	Total amount withdrawn during period
Three months ended 30th June, 1868.....	81	3,217	\$212,507	\$65.44	.....	166	\$8,857.48
Year ended 30th June, 1869.....	213	16,653	927,885	55.71	.....	4,787	296,734.35
Year ended 30th June, 1870.....	226	24,094	1,347,001	53.93	.....	9,478	664,555.51
Year ended 30th June, 1871.....	230	33,256	1,917,576	57.66	.....	15,148	1,093,438.86
Year ended 30th June, 1872.....	235	39,489	2,261,631	57.27	.....	20,154	1,278,565.19
Year ended 30th June, 1873.....	239	44,413	2,306,918	57.61	.....	23,800	2,373,209.32
Year ended 30th June, 1874.....	266	45,320	2,340,284	51.63	.....	25,814	2,468,643.42
Year ended 30th June, 1875.....	268	42,508	1,942,316	45.69	.....	25,954	2,341,979.04
Year ended 30th June, 1876.....	279	38,647	1,726,204	44.66	.....	24,152	2,021,457.97
Year ended 30th June, 1877.....	287	36,126	1,521,000	42.10	.....	22,484	1,726,082.98
Year ended 30th June, 1878.....	295	40,097	1,744,371	43.00	.....	21,944	1,713,658.73
Year ended 30th June, 1879.....	297	43,310	1,973,243	45.54	.....	23,226	2,033,448.70
Year ended 30th June, 1880.....	297	56,031	2,720,216	48.55	.....	26,716	2,715,813.16
Year ended 30th June, 1881.....	304	71,717	4,175,942	58.19	.....	28,510	3,097,389.15
Year ended 30th June, 1882.....	308	97,380	6,435,989	66.09	.....	35,859	3,461,619.31
Year ended 30th June, 1883.....	330	109,489	6,856,366	62.35	.....	45,253	4,720,693.39
Year ended 30th June, 1884.....	343	169,388	6,441,439	58.88	.....	56,026	5,649,031.83
Year ended 30th June, 1885.....	355	110,576	7,098,459	66.89	.....	59,714	5,783,031.84
Year ended 30th June, 1886.....	392	126,322	7,615,227	60.52	.....	62,205	6,178,470.00
Year ended 30th June, 1887.....	415	143,076	8,272,041	57.81	.....	65,853	6,020,067.51
Year ended 30th June, 1888.....	433	153,978	7,722,330	49.51	\$217,385.10	78,229	7,511,071.78
Year ended 30th June, 1889.....	463	166,235	7,926,634	47.67	1,085,970.72	84,572	7,532,145.56
Year ended 30th June, 1890.....	494	154,678	6,599,896	42.67	1,677,601.63	90,151	8,375,041.98
Year ended 30th June, 1891.....	634	147,672	6,500,372	44.02	389,169.28	84,963	7,875,977.57
Year ended 30th June, 1892.....	642	145,423*	7,056,002	48.52	.....	77,381	7,230,839.14
Year ended 30th June, 1893.....	673	148,868	7,708,888	51.78	.....	77,361	6,631,578.97
Year ended 30th June, 1894.....	690	145,960	7,524,286	51.55	218,173.00	84,941	7,473,585.46
Year ended 30th June, 1895.....	731	143,685	7,488,028	52.11	493,869.23	85,588	7,310,291.97
Year ended 30th June, 1896.....	755	155,398	8,138,947	52.37	449,981.61	87,221	7,406,066.13

POST OFFICE SAVINGS BANKS

Year	Average amount of each withdrawal during period	Number of accounts opened during period	Number of depositors' accounts transferred from Dominion Government Savings Bank during period	Number of accounts closed during period	Number of accounts remaining open at close of period	Total Expenses of Management, including Salaries, Postmasters, Inspection, Printing, Stationery, &c.	Average cost of each Transaction, viz.: of each Deposit or Withdrawal	Percentage of Cost of Management to Depositors	Losses sustained	Interest allowed to Depositors	Total amount standing to the credit of all Open Accounts, inclusive of Interest allowed, at close of period.	Average amount standing to credit of each Open Account at close of period
1868...	\$33 35	2,146	44	2,102	\$8,389 43	\$0 25%	0 67	\$6120 67	\$639 37	\$204,588 89	\$97 33	
1869...	61 99	6,429	1,319	7,212	5,808 14	0 25%	0 51		21,094 72	856,814 26	118 80	
1870...	70 11	7,883	2,857	12,178	8,128 12	0 20%	0 51		48,689 08	1,588,848 83	130 41	
1871...	72 10	9,424	4,449	17,153	11,108 12	0 20%	0 44		84,273 68	2,407,259 65	145 49	
1872...	81 33	10,846	6,940	21,959	15,242 34	0 20%	0 30		116,174 55	3,096,500 01	143 04	
1873...	86 01	11,995	9,528	23,826	15,993 78	0 20%	0 47		126,032 88	3,207,051 57	136 32	
1874...	86 04	12,038	10,606	24,968	14,445 71	0 20%	0 45		126,973 31	3,204,095 46	128 36	
1875...	82 88	10,516	11,190	24,204	12,239 59	0 18%	0 44		120,758 26	4,928,699 48	120 44	
1876...	77 11	10,218	10,697	24,415	14,662 14	0 20%	0 53		110,110 88	4,749,934 59	112 27	
1877...	70 49	8,911	8,312	24,674	13,149 13	0 20%	0 57		104,007 86	4,039,937 47	109 00	
1878...	70 55	10,958	8,597	25,535	15,268 08	0 25	0 55		103,834 29	4,754,484 03	107 87	
1879...	66 57	10,755	8,845	27,445	16,100 03	0 24%	0 51		110,912 56	3,105,190 80	113 14	
1880...	69 89	14,407	10,487	31,305	19,134 14	0 23%	0 49		136,075 47	3,945,669 11	135 80	
1881...	73 56	16,731	13,920	39,605	23,223 99	0 23%	0 37		184,904 81	6,208,240 77	156 75	
1882...	96 53	22,778	18,491	51,463	29,245 68	0 21%	0 31	391 00	291,065 07	9,473,661 53	184 08	
1883...	104 55	27,127	17,531	61,959	31,180 03	0 20%	0 26		407,305 17	11,976,237 31	196 13	
1884...	100 84	26,562	20,939	66,682	34,168 95	0 20%	0 26		477,487 46	13,245,552 64	198 63	
1885...	97 01	27,591	20,951	73,322	35,751 23	0 20%	0 24		539,560 51	15,090,540 31	205 81	
1886...	99 40	29,103	21,555	80,870	41,358 11	0 21%	0 22		607,075 38	17,159,372 09	212 18	
1887...	100 62	31,874	22,585	90,159	43,661 25	0 19%	0 21		692,404 57	19,497,750 15	216 26	
1888...	96 05	31,515	26,704	101,693	44,348 93	0 20%	0 22		766,875 37	20,689,032 62	203 44	
1889...	95 06	38,049	29,581	113,123	51,954 46	0 20%	0 22		841,921 79	23,011,432 57	203 41	
1890...	95 12	34,127	33,499	112,321	55,132 32	0 20%	0 23		875,639 15	22,689,032 62	203 44	
1891...	92 67	29,791	32,006	111,230	60,193 65	0 20%	0 27	*3,653 37	786,875 37	21,990,653 49	195 78	
1892...	93 44	28,943	29,368	110,805	57,661 49	0 25%	0 26	*200 00	734,430 89	21,738,618 09	195 44	
1893...	90 30	29,502	26,032	114,275	57,443 24	0 25%	0 25		774,882 08	22,268,401 66	201 24	
1894...	87 08	29,116	26,933	117,020	56,611 98	0 24%	0 23		831,800 34	24,153,103 66	211 36	
1895...	85 41	27,998	26,037	120,628	57,116 82	0 24%	0 22		876,010 97	25,237,868 14	215 84	
1896...	84 91	30,100	26,245	126,442	57,340 29	0 24	0 21		944,524 73	26,893,929 68	228 82	

DAVID MATHESON, Superintendent.

\*These losses were the result of frauds committed at Post Offices. SAVINGS BANK BRANCH, POST OFFICE DEPARTMENT, OTTAWA, JULY, 1896.

TOTAL GOVERNMENT SAVINGS BANK BUSINESS, COMBINING THE "GOVERNMENT" AND P.O. SAVINGS BANKS

Year	Deposits		Interest allowed		Withdrawals		Increase or Decrease of Deposits over Withdrawals		Total Balances		
	\$	cts	\$	cts	\$	cts	\$	cts	\$	cts	
1867-68	505,501	34	67,017	02	306,757	32	+	265,761	04	1,687,807	90
1868-69	1,251,023	02	90,622	76	578,114	45	+	763,531	30	2,451,335	20
1869-70	1,810,382	20	125,816	70	976,119	22	+	960,079	68	3,411,418	88
1870-71	2,474,244	90	172,530	51	1,488,897	38	+	1,157,878	03	4,569,296	91
1871-72	3,385,337	80	217,009	98	2,920,911	16	+	681,436	62	5,250,733	53
1872-73	4,749,835	35	220,824	60	4,056,171	52	+	914,488	43	6,165,221	06
1873-74	5,797,913	98	280,764	33	5,033,639	44	+	1,045,038	87	7,210,260	83
1874-75	5,512,634	77	298,654	00	5,850,368	40	-	39,079	63	7,171,181	20
1875-76	4,948,876	44	288,688	35	5,364,627	90	-	122,063	11	7,044,118	09
1876-77	5,432,575	72	294,224	25	5,300,287	23	+	426,152	74	7,470,630	83
1877-78	7,090,729	04	336,650	50	6,400,997	02	+	1,026,382	52	8,497,013	35
1878-79	6,522,533	26	353,577	84	6,165,441	25	+	710,666	85	9,207,683	20
1879-80	7,960,411	41	404,803	55	6,519,941	98	+	1,845,272	98	11,052,956	18
1880-81	10,669,681	76	508,778	66	6,394,744	60	+	4,783,715	82	15,836,672	00
1881-82	13,526,422	53	703,013	68	8,297,446	52	+	5,931,980	69	21,768,661	69
1882-83	13,893,656	13	912,692	87	10,355,903	14	+	4,459,445	86	26,219,107	55
1883-84	13,249,070	97	1,054,139	93	11,304,781	61	+	2,998,429	29	29,217,536	84
1884-85	14,268,938	60	1,185,267	52	11,692,666	57	+	3,761,539	55	32,979,076	39
1885-86	15,158,295	74	1,335,620	56	12,299,178	81	+	4,194,737	49	37,173,813	88
1886-87	14,406,952	41	1,487,569	36	12,236,060	28	+	3,658,461	49	40,832,275	37
1887-88	11,480,859	02	1,578,987	86	12,521,064	02	+	538,782	86	41,371,058	23
1888-89	12,657,802	14	1,619,221	95	12,691,724	64	+	1,585,299	45	42,956,357	68
1889-90	9,854,332	98	1,475,292	36	13,273,517	98	-	1,943,892	64	41,012,465	04
1890-91	9,748,075	60	1,348,525	26	12,709,039	74	-	1,612,438	88	39,400,026	16
1891-92	10,211,345	75	1,320,580	00	11,402,404	28	+	129,521	47	39,529,547	63
1892-93	11,118,981	12	1,365,802	44	10,164,673	17	+	2,320,110	39	41,849,658	02
1893-94	11,142,915	78	1,437,220	20	11,393,781	68	+	1,866,354	30	43,036,012	32
1894-95	11,224,195	15	1,470,332	34	11,280,040	96	+	1,414,486	53	44,450,498	85
1895-96	11,882,307	06	1,542,969	78	11,076,457	11	+	2,348,819	73	46,799,318	58
	251,935,831	97	23,497,199	16	230,955,759	41	+	49,099,745	98		
							-	3,722,474	26		
Increase of deposits over withdrawals.....								45,377,271	72		
Balance, 1st July, 1867.....								1,422,046	86		
								46,799,318	58		

At this time, June 30th, 1896, there were also the following amounts on deposit *at interest* in Canada :

In Chartered Banks .....	\$120,835,461
In City & District Savings Bank and La Caisse d'Economie, Quebec.....	14,459,833
In Loan Societies in Ontario (figures of December 31st, 1895).....	19,945,943
	\$154,241,237
Add in Government's hands .....	46,799,318
	\$201,040,555

According to figures procured by Mr. George Johnson, Dominion Statistician, from the chartered banks, almost exactly two-thirds of their "deposits payable after notice or on a fixed day" are in their Savings Departments" so-called (one-third, therefore, in shape of "Deposit Receipts"), but of course we must recollect that a considerable portion of these deposits in both divisions is not "savings" of the character we have been discussing, but the funds of well-to-do people who are unable at the time to find investment for them, or are afraid to look for it. If the experience of the writer holds good at other places, 50 per cent. at least of money at interest in the chartered banks is not real *savings* accounts, but each reader who has to deal with such matters will probably have his own opinion of how much of the above total of two hundred millions can be called genuine "Savings Bank" money.

Within the last ten years or so the large chartered banks have taken measures to cultivate deposits of the "savings" class, and have been successful in a large degree by opening "Savings Bank Departments" at their offices—by the Bank of Montreal about the latter part of 1890, and by the other banks increasing the number of such departments and paying more attention than formerly to that branch. Success has brought a penalty with it, however, inasmuch as it is evident to observers that many bank customers, when they have loose money for which they have no immediate use or investment, promptly place it at interest, while without the suggestion of this department, it would probably remain "free money."

As to Loan Societies, the figures above show a slight falling off from preceding years. It is understood the best of these companies find such money apt to be an awkward element in their finances, and are not encouraging the business. Legislation as to these companies has been intricate and confused between federal and provincial laws. The jurisdiction to legislate has been doubted and is doubtful. No general proposition can be laid down as to their powers to receive deposits, etc., which would include all the companies.

To revert to the Government share in this business, it is extremely disappointing to find that the Government should have laid down good principles at the commencement, and sub-

sequently departed from them. At the institution of the Post Office Savings Banks, in 1867, it was enacted, following closely the British Act, that the deposits received should be funded in Canadian Government securities (Sec. 73 of 30 Vic., chap. 10), but when, in 1871, the Government Savings Banks were established, not only was no such provision made for the money received through them, but the clause in the Post Office Act embodying this principle was repealed, and in the revision of the Post Office Act, in 1875 (38 Vic., chap. 7), it was provided simply that these deposits should be handed over to the Receiver-General, and that any withdrawals should be paid by him.

It cannot be contended that it is a proper or comfortable thing for a country having annual revenue and expenditure which it is at least sometimes a strain to make balance each other (roughly, say, thirty-seven millions last year each side), to have an unfunded, or, to use a more familiar term, "floating" indebtedness of forty-seven millions payable on demand, with absolutely no provision to meet any considerable portion of it, even though the creditors who hold that indebtedness be many in number and of its own people. It is of course practically impossible that the whole would be called for at once or even within any short period, but a very considerable portion might be, and how is such a call to be met? What do we find the Government doing in 1891? In 1889-90 there had been a net decrease in these funds of about two millions, and in 1890-91 the drain continued to the extent of another million and a half, and more. The Government is compelled to borrow temporarily in London (from six to twelve months and carried on longer) at expensive rates (4 and  $4\frac{1}{2}$  per cent.), and *increases the limit of deposit receivable from any one person from \$1,000 as a whole, with \$300 as a yearly maximum, to \$3,000 as a total, with \$1,000 in any one year!* Is this anything else than a distinct bid for money against the deposit-receiving institutions of the country, thus lessening the supply of money for trade purposes and increasing its cost? Had these funds been invested in the recognized funded debt of the country, that is, loans regularly floated and having a quotation in the world's money market, the requisite amount of these securities could have been re-sold and the withdrawals met without trouble.



This increased limit of deposit, it is surprising to find, has been continued in both the "Government" and Post Office Savings Banks, and is in force to-day. The only theory on which Government Savings Banks can be upheld is that it may be a proper function of Government to provide an absolutely safe place where those who are so poor and ignorant as to be unable to judge regarding monetary institutions may deposit their small surpluses—but does such an idea bear any relation to a balance of \$3,000? It is too evident that this theory, while put forward and borne in mind to some extent for a time in the Post Office system, has never been regarded in the other branch of our Government Savings Banks.

The latter began with no limit mentioned. In 1877, it was placed at \$10,000, in 1880 reduced to \$3,000, in 1886 brought down to \$1,000, with a further restriction in 1887 of a yearly limit of \$300. The Post Office system had from its inception a limit of \$1,000, until, in 1891, at almost the first pressure on the savings balances with the Government in both systems, the limit is raised to \$3,000 to attract the deposits of better-to-do people. It is surprising that it has escaped public comment for so long that correct theories as regards this department of our national undertakings have been departed from—that they have ceased to be merely depositories for the encouragement of thrift among the poor as they ought only to be, but have become in a measure loan-agencies for the Government—that the amount of money so loaned has swollen to very large figures, and that there is absolutely no reserve or provision for the repayment of these loans on the terms on which they were received—that is on demand.

Sir Richard Cartwright, speaking in 1891 in reply to the Budget Speech of the year, said:

"He and his friends (that is the Finance Minister of the time and Cabinet) were paying at that time 30 per cent. more for money than its worth in the open market—they were artificially raising the rate of interest and doing a good deal of harm, and, moreover, instead of following the wise example of the English Government of treating money obtained in this fashion as it ought to be treated, namely, as trust funds to be invested in Government securities and not otherwise, they were using that money for permanent investment, with the result which

"the honorable gentleman has just pointed out to the House, "that when our Savings Bank deposits began to diminish, "straightaway he must borrow in England at 4 or 5 per cent. to "the tune of \$5,000,000 or \$6,000,000 to make up the deficit in "those deposits which under that unwise and improper system "of financing had been invested in permanent works." (Commons Debates, June 23rd '91).

That these moneys have been and are an expensive as well as dangerous portion of the country's indebtedness is shown by the list of loans made since 1867, with particulars as to the actual cost of the moneys.\*

If we take the rate paid in the Savings Banks—4 per cent. from the beginning, in April, 1868, until October 1, 1889;  $3\frac{1}{2}$  per cent. since (it is to be 3 per cent. from July 1, 1897), and add the cost of maintenance of the Post Office Savings Bank Branch (no figures are provided of the separate cost of the Government Savings Banks) as shown in the statement, p. 385†, we can compare the result with the cost, as given in the schedule of loans; for example, we find the net interest upon the last loan is 3.15 per cent., the Post Office rate is 3.50 per cent., and the cost of maintenance .21 per cent. From the nominal rate of  $3\frac{1}{2}$  per cent. we have to make a small reduction, for the lopping off of interest on broken months makes the rate actually paid on the money .06 per cent. less—that is, the cost to the Government is 3.65 per cent., or exactly  $\frac{1}{2}$  of 1 per cent. higher than the cost of the regularly floated loan.

The rate, as we know, has been reduced to 3 per cent. (to take effect July 1, 1897), but even this smaller rate, along with the maintenance, barely brings the total cost (even under the *lenient* view of maintenance cost, as just indicated) to the result of the last English loan.

Another point about such indebtedness as these deposits is that the annual cost is not met year by year—that is, the inter-

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\* See page 391.

† In the estimate of cost of the Savings Bank Branch it is not charged with postage on its mail matter (that being free by statutory regulation), with rental of the space occupied by it in the Departmental Buildings, nor with any part of the salaries of the Minister or Deputy Minister under whom it works. The present Postmaster-General, by the report just issued, seems to consider the branch should be charged with these, but this appears a somewhat extreme view. It increases the percentage of cost from .21 to .34.

MEMORANDUM RESPECTING CANADIAN LOANS PLACED ON THE LONDON MARKET SINCE 1867

LOAN	Price in prospectus	Price realized		Duration of loan, years	Rate per cent.	Total issue		Discount or Premium		Amount realized		Charges, including Dis- count for immediate Dis- count on part payments		Net Amount of Cash realized		Rate of interest, taking into account interest on instalments as well as preceding de- ductions
		£	s. d.			£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	
Intercolonial R'y, 1860, guaranteed	91	108	12	11 1/2	4	1,500,000		P. 112,946		2,112,946		29,896		2,083,049	1 7	4.125
do 1860, unguaranteed				35	5	500,000										
do 1873, guaranteed	90	104	7	8	31	300,000		P. 78,971	6	1,898,971	6	33,449	18 1/2	1,845,521	7 9	3.916
Rupert's Land, guaranteed				31	4	3,000,000		D. 393,476	17	3,606,523	2	60,289	9 9	3,546,233	12 9	4.875
Loan of 1874				35	4	1,500,000		D. 22,930	9	2,477,069	10 1/2	42,817	6 1	2,434,251	14 10	4.16
do 1875, unguaranteed				30	4	1,000,000		D. 225,000		2,275,000		57,122	9 7	2,217,877	10 5	4.75
do 1876	91	99	1	8	30	2,500,000										
do 1878	96 1/2	96	11	9	35	1,500,000		D. 102,347	12	2,897,652	7	36,602	15 7	2,861,049	11 1/2	4.3
do 1879	95	95	1	10 1/2	30	1,500,000		D. 147,206	6	2,852,793	13	47,988	8 3	2,804,805	5	4.5
do 1884	91	91	2	2	25	3,000,000		D. 445,870		4,554,130		94,603	3 1	4,459,436	16	4.23
do 1885	99	101	1	2	25	4,300,000		P. 43,416		4,043,416		82,008	2 1	3,961,317	17 1/2	4.083
Canada Reduced				24 1/2	3	6,443,136	2 9	D. 54,576	2	6,388,560		32,077	1 ...	6,356,483	10	4.11
Loan of 1888	94 1/2	95	1	50	3	4,000,000		D. 179,934		3,802,066		67,598	4 3	3,734,467	7 6	3.27
do 1892	91	92		46	3	2,250,000		D. 179,000	16	2,070,990	4	31,365	6 7	2,039,624	17	3.41
do 1894	95	97	9	2	43 1/2	2,250,000		D. 57,145	6 9	2,192,854	13 3	24,807	... 3	2,168,047	13	3.156

\*Or 50 years, calculated for 25 years only.

This table shows all the loans for which prospectuses were issued. The loans of 1888 and 1892 were augmented by the sale of stock as necessity required and as opportunity offered, at the current rate.

est is not actually paid, but is simply added to each depositor's account, and in the vast majority of cases remains undrawn. Thus, even the interest obligations of each year as regards this indebtedness of the country are not liquidated each year, as in the case of a funded loan, but merely go to increase the debt which, thus almost insensibly, is ever growing.

What can be done to bring the position back to correct principles? The money has gone into the "Capital Account" of the country. Is it not feasible to have a loan authorized for the purpose of representing these deposits and get it recognized on the London market, so that at any time any required amount of it could be sold? Of course, this would involve a regulation that all subsequent increases of these funds should be invested in our funded debt, and thus that there would be no increase of the public debt from this source. But here a difficulty in the matter of price presents itself. The Government is to pay its depositors 3 per cent., and has its expenses in addition, while its securities sell in England at a rate to yield less than 3 per cent. (Canadian 3 per cents 103-104 yielding investor £2 18s. 3d. per cent.) Investment at a loss, which would be visible and declared, would be a difficult proposition to carry. Of course, the Government has been doing business at a loss, but that hasn't been made very evident.

The Canadian equivalent of Mr. Wanamaker's plan, described on a previous page, that is, re-deposit with the chartered banks, though it contains the attractive principle of *redistribution*, is not feasible at present, because of this very question of rate, if for no other reason—though there are other reasons—and at all events it is not to be expected that the banks would accept at *any* rate any very large sums as "preferred claims" against their assets.

Everything seems to assert that, according to present monetary conditions, even 3 per cent. is still too high for a Government rate—that it is an unbusiness-like and losing rate—(Mr. Wanamaker stated, we remember, that the Postal Bank rate should always be  $\frac{1}{2}$  per cent. under the rate allowed by the banks). Of course, if it is to be continued as a matter of consideration to the depositors, let it be understood that the rest of the country is giving something in charity

to the poor unfortunates who can get together a balance of *only* \$3,000! This much at least can be done, and at once do away with this utterly indefensible high limit of deposit: bring down the limit to \$500, and let any excess over that sum be transferred to Dominion stock—taken out of the list of liabilities payable on demand. For the thrifty man, saving steadily, \$500 is enough for a *floating* balance, especially when anything he may have over that is placed in such a security as Government stock, readily convertible by sale. There would be no danger and no hardship for the poor man in such a course, while the country's indebtedness would be in better shape and better understood. Let the people of small savings get accustomed to dealing in the country's bonds and stocks in small amounts. It will make them all the better citizens, suggest ideas of permanence, and make them guarantors of it more than does a balance in a pass-book, which of itself indicates temporariness.

\* \* \* \* \*

As regards the internal management of our Post Office Savings Bank, which institution has overshadowed, as we have said, the other Government Savings Bank and is destined to survive as the only system, Canada was fortunate in the officials on whom was thrown the burden of arranging the working details of the Post Office Savings Banks; and to the ability and studious care of Mr. J. Cunningham Stewart (now deceased) and Mr. D. Matheson, the present Superintendent of this branch of the department, is almost entirely due the excellent routine system we have. These gentlemen were the Canadian counterparts of Messrs. Chetwynd and Scudamore, and it is curious to know that before they had at hand the regulations of the Imperial Post Office Savings Bank they had evolved a system which required little change when the Old Country regulations had been fully studied. The two systems of routine are in principle alike, having such differences as the divergent circumstances call for.

The regulations of our Post Office Savings Bank are probably known to our readers, but the salient points may be briefly touched upon.

The unit of deposit is one dollar, and interest is added once a year (30th June), allowed "on minimum monthly balance." The limit of deposit is \$3,000 as a total, \$1,000 in any one year.

To prevent an accumulation above the limit under control of one person a depositor on opening an account has to make a declaration that he is not interested directly or indirectly in any other deposit. (This was of value when the limit was a reasonable one). Also that he understands he must look to the central office at Ottawa for the responsible acknowledgment of any deposit. The Postmaster receiving a deposit marks it in the pass-book and is required to advise it the same day to Ottawa, whence a receipt is immediately sent to the depositor, and this receipt is the only one the Government holds itself out as finally responsible for. All accounts of depositors are kept in ledgers in the central office in Ottawa, and, by a system which could scarcely be described in words to those unfamiliar with the routine, all entries are subject to *daily* verification.

Postmasters are allowed one-quarter of one per cent. commission on all deposits received (except in the few large offices where the Postmaster receives a fixed salary). Secrecy is enjoined on Postmasters and other officers performing the business.

Withdrawal is made by an application on printed form, signed at any Post Office, and forwarded to Ottawa, when a cheque on the Bank of Montreal, Ottawa, in favor of the depositor is sent to the Postmaster, and a notification by mail direct to the depositor, who has to call with his pass-book at the Post Office and get the withdrawal entry made, when he is handed his cheque. (In Great Britain the actual money to pay a withdrawal is sent.)

The facility of withdrawing or depositing at *any* office (being a Savings Bank office) is made use of to an extent that seems surprising, as many as 20 per cent. of the entries in the ledgers coming from offices other than those where the accounts originated.

The depositor is required to send once a year, on the anniversary of opening the account, his pass-book to the central office, in a cover supplied, postage free, that all entries may be verified.

It seems somewhat curious that the single office having the heaviest aggregate of balances due depositors is Ottawa, where there was on June 30, 1896, a total of \$1,658,569, as much as \$544,134 having been deposited within the year, and only Toronto, with its seventeen branch offices combined, exceeds this total by about \$150,000. Is this due to proximity, to being in immediate touch with the responsible office, or is it the mental atmosphere of the place which induces so many to patronize a Government institution because it is so?

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In the space of an ordinary magazine article not more than a few of the outlines of the large and interesting subject of Savings Bank systems can be given, and discussion was intended here of the Post Office system principally, but the facts and considerations advanced may be of value for the further examination they may suggest, as well as the information they contain.

R. GILL

OTTAWA, June, 1897

## PITFALLS IN ENGLISH

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THE following excerpts while reflecting the character of the contents of a very useful manual recently published under the above title,\* will also be found to contain matter which may be perused with profit. The book has chapters on the etymology of the English language, on syntax, etc., but the following is taken from those portions in which the author deals with words frequently used erroneously—termed in the title “pitfalls,” and more pointedly “Ignorantisms” in a chapter heading:

*Conservative* is a word that is absurdly misused by newspaper writers and in conversation. “Pigs’ feet is ruz awful, a conservative estimate is three cents apiece by the joblot.” Wherever *Conservative* is used in any sense but that of preserving or tending to preserve from waste, loss, injury, degeneration, deterioration, decay, or the like, it is used solecistically, ignorantly, slangily.

*Phenomenon*. The man who first used this word and its derivate *Phenomenal* in the sense of Something very remarkable or unusual, gave a palmary example of a vulgar error. In philosophy and in science *Phenomenon* means only Appearance; or, in its largest sense, that which is cognizable by the senses. One can hardly be in error in tracing the perverted meaning of *Phenomenon* to the lecture hall in which the man of science or the popularizer of physical science would announce beforehand one of his experiments by saying: “The *Phenomenon* you are now to witness,” etc.; and as the ignorant (though, of course, “educated”) audience would the next moment see some striking effect of mixture of chemicals, or some miracle of electricity, they would naturally suppose that *Phenomenon* meant “scientific miracle.” Some reputable authors have inadvertently employed the terms in this vulgar sense; but that must never avail to consecrate the *Ignorantism*.

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\**Pitfalls in English*; a Manual of Customary Errors in the Use of Words. By Joseph Fitzgerald, M.A. 25c. New York: J. Fitzgerald & Co.



*Consensus of Opinion.* Opinion or Opinions as equivalent to "the general opinion" seems to have gone clean out of use, being superseded by the phrase Consensus of Opinion. Consensus means agreement in opinions, judgments, etc., and hence if the Latin word is to be used it would best stand alone. If standing alone Consensus means agreement in opinions, then the too familiar phrase means "agreement in opinions of opinion," not a very neat expression. A slight improvement in the current formula might be effected by writing Consensus of Opinions: that at least would give the indispensable basis for "Consensus," namely, two or more opinions. In one opinion there is neither Consensus nor Dissensus, agreement nor disagreement.

*Identify.* The use of Identified in such a phrase as "He was identified in mining interests with Gould," is an Ignorantism. The proper word would be Associated, Connected, or the like. Correct usage gives no sanction to the employment of Identify in that sense. One may "identify himself with the common people" or with the uncommon people, that is, make himself one of them, the same (*idem*) with them. Two men who ply the oars of a boat are as much identified in that work as two sharpers who "work" a mine in company: there is in neither case Identification.

*Balance.* It is using the language of the shop, pidgin English, and a mere vulgarism to employ this word in the sense of Remainder: "I will send the Balance of the tripe to-morrow." When the fishmonger is selling sprats and his scales are not in equipoise, he throws in one more sprat, and that sprat may without doing violence to propriety of language be called the Balance. But even a fishmonger might hesitate to call that part of an order for sprats which he fills by supplementary delivery the Balance.

*Posted, or Well Posted,* in the sense of Well Informed, or instructed, learned, or well read, is slangy and shoppy, smelling of daybook and ledger.

*Secure* (v.) is one of the words that are overworked. It comes from the Latin adjective *Securus*, our English adjective *Secure*, which means primarily free from care or anxiety. Hence the first meaning of the verb would be to make safe, as from danger to life or against theft, etc. Derivative senses are,

to make fast so that a thing shall not fall from its place; to make sure, to put beyond doubt; to give warrant of the safety of a thing, hence to insure; finally, by a process not very readily traceable, to get possession, obtain. It is in this last sense that the word is overworked. We no longer, get, obtain, or come into possession of, or procure: we always nowadays secure a situation, secure a bargain, secure a meal or a theatre ticket, nay, even we secure securities.

*Affiliate* with its derivatives is often used ignorantly and blunderously in the sense of Fraternizing or Associating. In such use of the word there seems to be an underlying erroneous notion that the element "fil" (Lat. filius) means brother or perhaps that Filiate implies the idea of family and hence of familiar association. There is no such phrase known to correct usage as "to affiliate with." Affiliation is a term of the Roman law and denotes the act of one who adopts another as his son; the same act is expressed by the verb; always Affiliation is the act of the one who makes the other his son; never the act of the one who assumes to the other the relation of sonship. In the English common law Affiliation means the assignment of a "natural" illegitimate child to its father. Filiation as an English law term has the same meaning as Affiliation; outside of law it is used to express the relation of son to father, and is equivalent to Sonship.

*Transpire* in the sense of Happen is a hideous Ignorantism. Its pedigree is short and ignoble. *Expire* means to draw the last breath, to give up the breath or ghost, to die. *Transpire* means literally "to emit through the excretories of the skin;" figuratively, to ooze out as a secret does through closed doors and thick walls; hence, to have vent, to escape. Some inattentive reader of such passages as this from Cowper:

Pierced with a thousand wounds I yet survive;

My pangs are keen, but no complaint transpires—

taking *Transpires* as equivalent to *Ensues* or *Follows*, began himself to use the word in that sense, and the meaning of "happening" was only one short step lower. The Latin has no verb *Transpiro*.

*Refer*, *Allude*. These two verbs are synonymous in their use as terms to express mere mention of a subject-matter in

discourse. They both denote passing attention to or mention of some matter, never anything like discussion of it. Yet in common usage, both in speaking and writing, the subject of a discourse or the very sum and substance of a labored argument is spoken of as the subject "referred to" by writer or speaker. "Refer" seems to be ousting by degrees from conversational use such words as Mention, Recite; e. g., "The train of events referred to by the speaker as accounting for," etc. A very remarkable instance of misuse of the verb Allude is seen in the form of contract for supply of gold coin between the Rothschilds and other bankers on one side and the Secretary of the Treasury on the other (1895). Towards the end of the document, after the nature of the bonds to be given by the Treasury has been defined with all minuteness, those very bonds are mentioned as "the bonds here"—in the contract—"alluded to." In view of the manner in which the loan was negotiated, the drawer-up of the contract might be pardoned had he "alluded" to the transaction as "this funny business."

*Vim.* The boundless tolerance of dictionarians is well exemplified in their admission to their vocabularies of such dog-latin slang as the word Vim—"with a vim." It occurs in one of the greatest of modern dictionaries without any mention of its slanginess. No note is there to warn the unwary that the word is a mere Ignorantism, but the asterisk is prefixed as in the case of obsolete words or meanings. Vim is no obsolete word. It never was, and never should be an English word.

*Extra.* This word or prefix is very commonly used in conversation and in newspapers in the same sense as Super, Supra, and the Greek prefix Hyper. Thus we hear Extra-good, Extra-cheap. The true force of Extra is seen in the word Extraordinary, which, instead of denoting a greater ordinariness, means "out of the ordinary." A few examples will show the native import of the prefix: Extradition, given up to an outside authority; Extrajudicial, out of the ordinary course of judicial proceedings; Extralogical, lying outside the province of logic; Extramundane, outside the system of the sensible universe; Extraregular, beyond rules. The abuse of Extra has gone so far that many readers will probably be surprised to learn that in correct usage Extra never has the effect of enhancing the

meaning of the word to which it is prefixed. Almost as objectionable a use of the word Extra as the one just mentioned is seen in the hybrid word patched (not coined) by E. B. Tylor, viz., Extra-historic, meaning outside of history proper. Here the fault is not that Extra is used out of its etymological sense, for it is not, but that a Latin element is coupled with a Greek when a Greek element might conveniently have been used. The right prefix here would have been Ex (exo), Gr., having the same meaning as Extra. Exhistoric is the correct form.

*Circumambient.* Whoever first wrote this word must have fancied that he knew Latin better than the Latins. They were content with simple Ambio, without Circum. And the old Latins were in the right, for the idea of Circum (round about) is already in the word, and to add to it is as unnecessary as to prefix Circum to Circulate. "Ambio" is a compound word formed of Ambi (around, round about) and Eo (to go), and hence, Ambiens (Ambient) means Surrounding, Circling or Circulating about, and Circumambient cannot possibly mean any more.

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It may be urged with reason that the author's tendency occasionally is to be extreme. The style of the criticism also is not altogether a pleasing one, but the effect of this fault in the book is perhaps to rather enhance its value to the reader, because of the provocation it affords to a critical examination of criticism which for the most part is founded on substantial grounds.

## NOTES AND COMMENT

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THE annual meeting of the Canadian Bankers' Association will be held on the 6th, 7th and 8th October, at Niagara Falls. An announcement on the subject will be made, by circular, to the Associates as soon as arrangements have been completed.

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THE almost general reduction by the banks of the maximum rate of interest on deposits to three per cent. since the reduction to that rate by the Government took effect, may be taken as fully justifying the Government's action in the matter. If money on deposit were worth more than three per cent. the movement among the banks to reduce to that rate would not have been so spontaneous.

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IN pamphlet No. 24 of the Gold Standard Defence Association, which deals with the lines on which currency evolution has proceeded in the British colonies, the following reference to the currency system of Canada appears :

Canada has until recently had no gold mines, nor has silver been discovered there in the large quantities which Mr. Goschen and Mr. H. H. Gibbs (now Lord Aldenham, President of the Bimetallic League) suspected in 1878 of having converted the United States to bimetallicism since 1867. Yet Canada, though its commercial interests are necessarily connected, and intimately connected, with the United States, has never manifested any desire to imitate its neighbour in falling between two stools in currency. On the contrary, Canada, while taking the United States gold eagle as its standard coin, has steadfastly declined to recognize the United States silver dollar, and has completed the Dominion currency by a purely subsidiary system of her own silver and bronze tokens. Untroubled by "greenbacks" or by Bland and Sherman Acts, the Dominion of Canada has steadfastly maintained a purely gold standard, and has shown how, with a sound standard, it is both possible and safe to economize the metallic basis of "money," in the real or City sense of the term, to an extent which is not dreamed of on the Continent. All the gold in the country is practically held by the Banks or by the Dominion Government. From the published accounts it appears that the five millions of Canadian population conduct the whole of their enormous commerce, including 49 millions sterling of foreign trade, on a gold basis which, so far as any gold kept in Canada is concerned, has never exceeded  $3\frac{1}{4}$

millions sterling,† supplemented by little over a million sterling additional in the shape of Dominion token coins. In other words, the whole Dominion currency in the fullest sense of the term rested in 1893 on a metallic basis (including tokens) of  $4\frac{1}{2}$  millions sterling, or about 18s. per head of the population.

With this compare the case of the United States in the same year, 1893, as stated by the Director of the Mint in the United States. According to the Director, the estimated metallic stock of the United States on July 1st, 1893, was as follows:—

Gold	.	.	.	.	\$597,697,685
Silver	.	.	.	.	615,861,484

\$1,213,559,169

Taking the population of the United States in 1893 as 67 millions, the above total gives no less a sum than £3 12s. per head as the metallic basis of United States currency, or four times the corresponding figure for the Dominion of Canada. This is a striking difference, but it does not tell, as, according to the Bimetallic doctrine, it should, against the Dominion and in favour of the United States. Facts do not show that the quantitative theory or any other part of the Bimetallic contention receives any support from the four-fold abundance of metallic money in the United States. It is not a fact that United States prices (including wages) are four times as high as they are over the Canadian border. Nor are the United States four times as prosperous as Canada. Nor does the abundance of United States currency, which is replenished according to the favorite simile of Bimetallists, from "two cisterns" in about equal volume, give the United States an immunity from crises, in the proportion of one to Canada's four.

ON the subject dealt with in the paper on "Over-Insurance and Under-Consumption" in our last issue, a correspondent writes:

I do not agree with the views enunciated by Mr. John Davidson in his article in the April number of the JOURNAL on over-insurance and under-consumption, and think his experience could only have been limited to the province of New Brunswick, and that the manner of living there must be very different from what it is in the western provinces of our Dominion.

Close observers maintain that in the province of Ontario and westward we are an extravagant living people, spending far too much money on our eating, drinking, clothing, and keeping up style generally, in fact the most of us are only working for the butcher, baker, grocer, etc., and nothing would be saved up towards old age or for our widows and orphans if it were not for life assurance agents—and I may here say that I am not of that fraternity.

I do not intend to go into the question of whether we as a people are over-insured or not, except to say that it is better to err on the side of over-insurance than under-insurance, and that when we do insure we ought to support our home companies, who should, perhaps, deal more liberally than they do with lapsed policies, but I feel that if Mr. Davidson's inference

†The United States Treasury Report, 1894 (p. 180), gives an estimate of \$14,000,000 in gold and \$5,000,000 in silver as the metallic stock of Canada on January 1st, 1894. The United States figures make the comparison *infra* somewhat more unfavorable to the States.

that Canadians are too saving, be not contradicted, it may do harm, as many who are now given to spend more than they should may only be too glad to make use of his article as an excuse to spend more.

Not only are Canadians extravagant in their mode of living, but they are governed extravagantly, and from the wholesale merchant with his horde of travellers, down to the small retailer, with his delivery wagon and villa residence, business is conducted in an extravagant manner, and the consumer has to pay for it. Even the farmer, who is much maligned for penuriousness, is living in a style that his forefathers never dreamed of, spending his hard-earned money in building large houses he does not need, in buying organs and pianos, fancy buggies, and every new fangled implement which the silvery-tongued agent persuades him is better than the one he sold him the previous year, in fact everything about the place must be up to date or he thinks he is not in it with his brother farmers.

These are facts well known to observing and thinking men, and they foster a gambling spirit which takes hold of any specious scheme which presents itself and which promises large profits, etc. Witness our many land and mining booms.

Canadians do not hand over all their savings to insurance companies, as asserted by Mr. Davidson, for it is chiefly Canadian capital which is invested in the large and varied manufacturing industries of the country.

We are inclined to agree with the views expressed by our correspondent. It would be a grave pity if the habit of insuring fully were to be abandoned by Canadians, unless with the object of substituting some other form of thrift. It must not be supposed, however, that Mr. Davidson's remarks were directed against the principle of life-insurance; the title of his paper is sufficient to make the reverse of this clear.

There is one point of view from which over-insurance may seem to affect the prosperity of the country to some extent, which is this: when savings are accumulated in the hands of the owner, he has control of the investment of them, and is likely in many cases to embark them in some enterprise for the development or extension of new fields of labor, and thus be the cause of special benefits to the community, whereas if his savings are all in the hands of the insurance companies, whose field for investment is by law a strictly limited one, their effect then is to lower the rate of interest on the securities of municipalities and other corporations. They cannot be used directly in furthering what may be described as adventure or enterprise, although no doubt these accumulations of trust funds do serve a most important purpose in lowering the rate of interest for moneys which form the fund out of which railroad construction, developments in electrical and various other services, etc., are ultimately provided for.

In the issue of *The Nation* of 10th December last the editor gives in a leading article the results of an investigation of the reasons which led to the adoption of the term dollar as the measure of value on the American continent. Commenting at the outset on the singular fact that while our terms for measures of length and area, for capacity from least to greatest, and for weights from grains to tons are all English, in the one matter of value the English measure has been departed from, he prefaces his answer to the question of how this is to be accounted for by the summing up "Thanks to Codfish."

The closing portion of the article contains interesting history respecting the American currency :

The connection of cod and currency was close. Money was never so scarce in New England as during its early decades. That colony had been planted by the aid of English capital. The exports from the new country were needed for paying debts in the old, or for procuring new supplies. No import of money from England could be hoped for, nor could the colonists keep the pittance they had brought with them. Within ten years after his arrival, Winthrop writes sadly, 'Our money was now (1640) gone' (Journal ii., p. 24). In this emergency attempts were made to keep money in the country by a law which forbade carrying it out on pain of forfeiture, and by a fiat money Act for coining ninepences and ordaining that they should pass current as shillings. Hence originated the pine-tree shillings of the Old Bay State, now prized so highly by numismatists. Puritans eschewed Shakspeare, but they knew as well as his *Jack Cade* to order that 'seven ha'penny loaves should be sold for a penny.'

Necessity fortunately soon invented a more excellent way to make money plenty in every man's pocket. A new and better fish market than the English was discovered and utilized to the utmost. The Navigation Act, indeed, forced all vessels to steer for England, but, once there, they could push on to Spain and further. This Act, however, laid on American necks a yoke too heavy to be borne. It was thrown off at every opportunity, without any twinge of Puritan conscience, especially as to the carriage of fish to the West Indies. It was soon relaxed so as to permit voyages direct to all points south of the most northern cape in Spain. Thanks to fasts, which had been abolished in England, fish in rigidly Catholic countries was indispensable. The demand was great and unceasing, prices high, and paid in pieces-of-eight. No wonder the fish trade, mainly in cod, expanded and was differentiated. Refuse culls, or poor John, became in sugar islands the only luxury of Sambo; the medium grades contented his creole master, while the selectest variety, the duncod, enabled European grandees of the strictest sect to keep the most rigorous fasts without much mortification of the flesh.

It is safe to say that none of these varieties of cod tasted so sweet to hunger-bitten fasters as the profits from them tasted to the Yankees when they had secured free course through Southern markets. Their ciphering was of this sort: A vessel of 100 tons with twenty men fishing on the banks and voyaging to Portugal, Spain or Italy, perhaps selling half her cargo in the West Indies, will expend £1,000. At the year's end her receipts may be expected to show a gain of 200 per cent. It is no wonder that as early as 1709 the fishing navy was chronicled as already amounting to 30,000 tons. In 1741 the total export trade to southern islands equalled that to England itself; each was reckoned at £100,000. The birth of a codfish aristocracy could not be long deferred.



The codfish dollar as a coin could not fail to become early the real unit of value, though the pound so continued in name till near the close of the eighteenth century. The Spanish fractions of the dollar, as well as the dollar itself, predominated in American circulation, while English names were given to the pieces. Thus the ryall (rial, real, royal) was called a nine-pence, and its half a four pence ha'penny. These Spanish sub-divisions formed most of the change current in the United States during the first half of the present century. This fact appears in the rates of postage, which were fixed in conformity to the size of those bits. We see on old letters postage marked  $6\frac{1}{4}$  cents, because the smallest Spanish silverling passed at that value. But for this coin, postage could never be fully paid, as no quarter of a cent was ever minted. Economical men used to pay in copper, and thus saved four per cent. on their outlays. For twenty-three years previous to 1828, not one half dime was stamped in the United States mint, and the total number which had been before stamped was little over a quarter of a million (265,543). Other American coins were struck off on a similarly scanty scale.

We thus owe the federal currency formally adopted by Congress in 1786, but used in business long before, to codfish. It brought us the dollar as our monetary unit—the dollar both name and thing, with all early sub-divisions and some that still survive—as really as though every codfish had been caught with a silverling in his mouth, like the fish in which St. Peter found the stater for paying his tribute and his master's.

## QUESTIONS ON POINTS OF PRACTICAL INTEREST

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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.

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

### *Payments Made on Legal Holidays*

QUESTION 66.—A gives his cheque to B in payment of an indebtedness, on the evening preceding a legal bank holiday. The bank remains open for the transaction of business on the holiday, when A withdraws the balance at his credit, thus cutting the holder of the cheque out of his money. Has the holder of the cheque any recourse against the bank? His plea would be that he naturally assumed that the bank was not open on the holiday and held his cheque until the first business day thereafter, when he found the funds had been withdrawn?

ANSWER.—A bank is under no obligation whatever to the payees or holders of unmarked cheques. There is nothing to hinder the bank making payments to its customers outside of the regular business hours, whether on a legal holiday or not, and its sole obligation is to pay its customers' cheques when presented, if it then has funds in hand to meet them.

### *Irregular Endorsements*

QUESTION 67.—Is the endorsement "John Smith, Secretary Jones Manufacturing Company," upon a cheque payable to the order of "John Smith," irregular? Section 26 of the Bills of Exchange Act would seem to give the payee the right to endorse in this way if he so elects.

ANSWER.—We think such an endorsement as you describe, that is, the endorsement of a payee of a cheque drawn to order who has merely added to his name a description of his official position, may be regarded as a sufficient endorsement, but if

instead of endorsing as "John Smith, Secretary Jones Manufacturing Company," he should endorse "Jones Manufacturing Company by John Smith, Secretary," that would, we think, not be an endorsement that would pass the title to a cheque drawn in favor of John Smith or order.

*Negotiability of Deposit Receipts*

QUESTION 68.—Referring to my enquiry as to the negotiability of deposit receipts (Question 54), subjoined is a copy of the wording of the receipt which I had in mind :

Received from J. Smith *on deposit*, for a period of not less than three months from this date, and subject thereafter to ten days' notice of repayment or withdrawal, the sum of One Hundred Dollars, to be accounted for upon surrender of this certificate to J. Smith with interest (until date of notice only) at the rate of three per cent.

ANSWER.—In the April JOURNAL the question has been somewhat fully considered, but with regard to the receipt in the form submitted, we should not suppose that such a receipt would be negotiable. It would only have that quality if it could be held to be a promissory note, and we think that under the rulings in the cases referred to in the reply to question 54, the promise to "account" for the amount to J. Smith cannot be held to be an unconditional promise to pay to the holder of the receipt. For the same reason it is not transferable by endorsement, in the sense in which that word is used in the Bills of Exchange Act, but the claim which it represents may be transferred by a simple assignment endorsed on the document by the depositor.

The practical questions arising out of these points are as to the obligation of the bank holding the money to account for the same to an endorsee, or its rights if it should make payment to an endorsee.

A mere signature in blank is not in itself authority to the bank to pay to the party holding the document, and it probably would not protect the paying bank if, as a matter of fact, the party receiving the money had no right to receive it: See the case of *Evans v. National Provincial Bank* reported in this issue. An endorsement in blank might however be a very important link in the chain of proof advanced by the party holding a deposit receipt so endorsed, in support of a claim that the money had been duly assigned to him. This does not affect the bank's right to refuse to recognize the assignment without further proof.

If the receipt is endorsed by the depositor "Pay to C.D. or order," payment to C.D. would probably be good, as such an endorsement would doubtless be held to constitute C.D. the agent of the depositor to collect the money, and the depositor could not dispute what was done in consequence of his own

act ; but, for the reason mentioned below, it would be well to take the endorsee's receipt for the money as "on behalf of" the depositor.

If the receipt is presented for payment by another bank, bearing the endorsement of the depositor either in blank or with an order to pay to such bank, payment might, no doubt, be safely made to the bank presenting the receipt, but it would be well to require a receipt for the money in which it is declared that the receiving bank is acting as an agent for the depositor, *e.g.*, "Received from —— on behalf of A.B. (the depositor) the amount of the within deposit receipt and interest." The object of this is to ensure that if there is any mistake in the matter the bank receiving the money will be liable either to the depositor, as for money received on his account, or to return the amount as paid under a mistake. It is to be noted that a guarantee of the endorsement does not cover this point: that merely protects against forgery, and does not guarantee that the bank has authority to collect the amount.

#### *Borrowings by a Corporation Beyond the Scope of its Powers*

QUESTION 69.—Two of the officials of an incorporated body borrow money from a bank. The corporation has no power to borrow, which fact is known to the bank. In the event of trouble can these two officers be held personally liable, there being no recourse against the corporation ?

ANSWER.—We think not. See the case of *Struthers v. Mackenzie*, reported in this issue.

#### *Crossed Cheques*

QUESTION 70.—Would a Canadian teller be justified in paying a cheque with two lines across the face? I take it that if a cheque were crossed to, say the Bank of Montreal, it would have to go to the credit of the payee's account in that Bank—that is, it would have to be deposited to the man's credit, and the teller could not legally pay out the cash for it.

ANSWER.—A teller would not be justified in paying cash over the counter for a crossed cheque, whether the crossing be special or general—that is, with two lines only, or with the name of a bank in addition to the lines. A crossed cheque should only be received for credit of the account of a customer—not necessarily the payee—at the bank to which it is crossed, or, if crossed generally, at a bank. Of course a bank may cash any crossed cheque, under any circumstances, but at its own risk. If the right party receives the money, that ends the matter ; if not, the bank might not have the protection afforded by clause 79 or 81 for payments made in the regular course.

*Identification of the Payee of a Cheque*

QUESTION 71.—In your answer to question 43 you say: “A bank can refuse to pay a cheque to order until the bank is satisfied as to the identity of the endorser.”

A cheque is presented at the bank; the payee, who is unknown to the bank, requests the bank to accept the cheque pending his identification. This is refused, though there are sufficient funds at credit of drawer, and by the time payee is properly identified the funds are withdrawn, and payment of the cheque refused.

Can the holder sue the bank for damages?

ANSWER.—Inasmuch as the bank, before accepting the cheque, is not in privity with the payee, no liability to the holder would arise under the circumstances disclosed in the first question. We think, however, that notwithstanding the disadvantages occasioned by the bank becoming the acceptor of a cheque, referred to in the answer to question 43, the bank should in fairness mark the cheque under the circumstances indicated in the above question, so as to protect the payee's interests during the necessary delay involved in the identification.

*Stop Payment*

QUESTION 72.—A, who was the holder of a cheque signed by B, payable to bearer, notifies the drawee bank that he has lost said cheque and wishes payment stopped.

By section 74 of the Bills of Exchange Act, the bank's duty to pay is terminated by countermand of payment.

- (1) Must not this countermand be given by maker alone?
- (2) If the bank refuses payment on the notification not to pay, received from a person said to be the holder, can the maker have an action against the bank?
- (3) If the bank pays, for want of a proper order from maker, can the holder in good faith, have an action against the bank?

ANSWER.—The countermand of payment referred to in section 74 of the Bills of Exchange Act is clearly a countermand by the customer. If the bank refuses payment on the notification of someone not the customer, and if it should turn out that the person presenting the cheque was a holder in due course, the maker would have an action against the bank for refusing payment of his cheque, as the maker would be liable upon the cheque to the holder in due course. If the bank pays the cheque to a holder in due course, the original holder would have no action against the bank, as the cheque had, as between him and the subsequent holder in due course, ceased to be his property. If, however, the bank paid to a person who was not

a holder in due course, under such circumstances as would disentitle it to say that the cheque was paid in good faith, then the original holder of the cheque could claim from the bank its value in an action of trover for conversion of the cheque.

The receipt of such a notice from a person claiming to be the holder would undoubtedly put the bank upon enquiry as to the rights of the person presenting the cheque, and the bank should satisfy itself that he is really a holder in due course.

*Married Women's Property Act.—Warehouse Receipts and Securities under Sec. 74*

QUESTION 73.—(1) How will the recent amendment to the "Married Women's Property Act" affect the position of a married woman in respect to contracts?

(2) Can a married woman resident in Ontario give security under Sec. 74 and issue warehouse receipts; and, if so, would they be equally binding whether or not she owned the warehouse where the goods are stored?

(3) Can a man legally give security under Sec. 74, or warehouse receipts for goods stored in a warehouse which he has rented?

ANSWER.—(1) The recent amendment has removed what might be described as the property qualification necessary to enable a married woman to enter into such a contract as the giving of a promissory note, etc. It is not necessary now that she should have property at the time of the signing of the note, and if she acquires property afterwards a creditor has the right to look to it for her debt.

(2) A married woman may give security under Sec. 74, or warehouse receipts, under the same circumstances in which a man could give them. See answer (3).

(3) A man can give valid security under Sec. 74 if he is qualified under the terms of the Act to give such security upon goods he owns, wherever they may be stored, whether in his own warehouse, a rented warehouse, or in any other place whatever. He could give a warehouse receipt for goods which are in his possession as bailee, whether stored in a warehouse which he owns or which he has possession of as tenant or otherwise. The point is that he must be in actual possession of the goods.

*Cheque Payable only on Personal Endorsement of Payee*

QUESTION 74.—A depositor notifies his banker that he has issued a cheque payable to the order of John Smith, and wishes it paid *only* on the *personal endorsement* of John Smith. Is the

banker bound to respect such a request, or would he be justified in accepting said cheque, tendered by payee's clerk, and endorsed 'For deposit only to credit account of John Smith'?

ANSWER.—We think the bank is bound to act on the instructions of its customer in the case mentioned. He has a right to countermand payment, and the bank is bound to obey his orders. The instructions quoted do not go as far as that, but they are very much in the same line, and it would, we think, be held to be within the customer's rights to require the bank only to pay the cheque when it is endorsed as he specifies.

In any case the holder of the cheque the payment of which has been refused on the instructions of the drawer, would have no claims whatever against the bank. If the cheque were endorsed by the duly constituted attorney of the payee, and refused because of the customer's orders, the bank would still not be liable to anybody. The holder would, however, have a valid claim on the drawer, and (if notice of dishonor were given) on the endorser.

#### *Canadian Bank Notes and Dominion Notes—How Payable*

QUESTION 75.—Can anyone presenting Canadian bank notes at place of issue demand gold for same up to any amount, and similarly with legal tender notes at the place of issue?

ANSWER.—Anyone holding the note of a Canadian bank may demand gold for the same at the place of issue. The bank may pay in gold or legal tenders at its option, but should the party demand a certain proportion in legal tenders the bank must comply therewith. See Sec. 57 of the Bank Act.

The place of issue in most cases means the office of the bank at which the note purports to be issued. The practice of the banks in Canada now is almost altogether to domicile the notes at the head office. A bank is not bound to pay gold for such notes at its branch offices, but it must receive them at par in payment of any debts due it. See Sec. 56 of the Act.

As regards legal tender notes, the government is bound to pay their face value in gold on demand at the place at which they are made payable.

## LEGAL DECISIONS AFFECTING BANKERS

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### NOTES

THE decision in *Trusts Corporation v. Rider*, reported at page 222 of the current volume of the JOURNAL, has also been affirmed by the Court of Appeal. It is held that notwithstanding the provisions in the Mercantile Amendment Act respecting assignments in writing, parol assignments of choses in action are still valid.

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IN the case of *Halsted v. Bank of Hamilton*, an appeal from the judgment of Meredith, C.J., reported at page 323 of vol. II of the JOURNAL, was argued in October last before Burton, Osler and MacLennan, JJ.A., and dismissed. The Court held that the case was governed by *Bank of Hamilton v. Sheppard*, cited in the judgment above referred to.

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*Legislation Affecting Banks.*—At the recent sessions of the Dominion and Ontario legislatures there were a number of Acts passed directly affecting the interests of banks, and the Editing Committee have pleasure in announcing that they have arranged with the counsel of the Association, Mr. Lash, to prepare an article for the next issue of the JOURNAL, noting and commenting on this new legislation.

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IN the *Bankers' Magazine* (New York) for June, a case is reported which on one point may be of interest to Canadian bankers. The head note to the report of the case is as follows:

A National Bank is not authorized to engage in the business of lending money for its customers; and it cannot be held liable for the acts of its officers in so doing.



The judgment is that of the Supreme Court of Arkansas, delivered by the Chief Justice, and contains the following general statement respecting the law on the point above indicated :

There is no showing that the bank, by its charter, had authority to transact such business as that of loaning the money of its depositors or of other people in general. Such authority we have failed to find in the national banking law, and the decisions on the subject, or rather the decisions involving analogous facts all seem to be to the effect that the business of a broker (and a broker's business is to loan the money of others, or borrow for others, or buy and sell property of others, and such like) is not a business in which a National Bank can lawfully engage, since it is not mentioned in the National Bank Act, and the Act is strictly construed as against the grantee corporation as to powers conferred as in all cases of private corporate grants of power.

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*Forged and Unauthorized Endorsements.*—All doubt as to the position of banks and others in respect of forged and unauthorized endorsements of cheques, bills and notes, has been set at rest by the amendment to the Bills of Exchange Act, passed at the session of the Dominion legislature just closed. The text of the amendment is as follows :

1. Sub-section 2 of section 24 of *The Bills of Exchange Act, 1890*, as amended by section 4 of chapter 17 of the statutes of 1891, intituled "An Act to amend *The Bills of Exchange Act, 1890*," is hereby repealed, and the following sub-sections are substituted therefor :—

"2. If a bill bearing a forged or unauthorized indorsement is paid in good faith and in the ordinary course of business, by or on behalf of the drawee or acceptor, the person by whom or on whose behalf such payment is made shall have the right to recover the amount so paid from the person to whom it was so paid or from any indorser who has indorsed the bill subsequent to the forged or unauthorized indorsement, provided that notice of the forged or unauthorized indorsement is given to each such subsequent indorser within the time and in the manner hereinafter mentioned; and any such person or indorser from whom said amount has been recovered shall have the like right of recovery against any prior indorser subsequent to the forged or unauthorized indorsement.

"3. The notice of the forged or unauthorized indorsement shall be given within a reasonable time after the person seeking to recover the amount has acquired notice that the indorsement is forged or unauthorized, and may be given in the same manner, and if sent by post may be addressed in the same way, as notice of protest or dishonour of a bill may be given or addressed under this Act."

The effect of this legislation can be readily understood on a careful reading of the new sub-section.

*Cases Reported in this Number.*—The judgment in *Trusts Corporation v. Clue*, a case under the Married Woman's Property Act, is of course based on the statute as it stood prior to the amendment of 1897.

\*\* In the case of *Pennington v. Crossley* the courts have dealt for the first time judicially with a state of facts which must often be a cause of dispute between drawers and drawees of cheques, and in doing so have affirmed a principle in the matter which to many will probably seem inequitable. So far as Canada is concerned, any question as to who should be responsible for a cheque lost in the mails affects only crossed cheques, but upon these this judgment has a serious bearing. If a creditor requests his debtor to send him by mail a cheque for his account, he must, we think, be taken to have made the post office his agent for the receipt of the cheque, and the cheque must be held to be in his possession constructively from the time of mailing. Under sec. 79 of the Bills of Exchange Act, a crossed cheque in the circumstance just mentioned becomes a good payment on the part of the drawer. In the case before the court it was not proved that the cheque in dispute had been transmitted by mail at the request of the payee, but it was shown that on previous occasions the creditor had requested that a cheque should be sent in payment, and the court in effect decided that the custom existing between the parties justified the debtor in mailing his cheque, and regarding it as in the possession of the creditor from the time of mailing, going so far as to say that if a person did not wish to run the risk of a cheque being lost in the mails, he should put a statement on his invoices to the effect that a cheque would be treated as payment only when received. This seems to be stretching the protection of law to a very extraordinary point, but it is well to know what view the courts are likely to take in these cases. As remarked above, the question in Canada is only important with respect to crossed cheques. In England, however, under sec. 60 of the Bills of Exchange Act, the question applies practically to every cheque.

\*\* There is no doubt a good deal of misunderstanding among bank officials as to the liability of the officers of a corporation

who borrow from a bank on behalf of the corporation which they represent, in cases where the corporation is not empowered by law to borrow money. To those who have to deal with such cases the judgment in *Struthers v. Mackenzie* will be of much interest. The court held that the officers of a corporation were not liable for any express or implied representation or warranty of their authority in law to bind the corporation, as it is to be assumed that every person dealing with a corporation knows whether or not it is entitled by law to incur liabilities, and if money is advanced to a corporation which has no power legally to borrow money, the officers would not be personally liable because of any invalidity in the obligation of the company. Of course if the corporation had express power to borrow, and the officers represented that they were in fact empowered to borrow on its behalf, they would be liable in the event of this representation proving to be not founded on fact.

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A JUDGMENT which, if upheld, would have been quite startling in its effects, was rendered some months ago in a case of *Martin v. Sampson et al.* The action was by the assignee of one Angus, for the benefit of creditors, to set aside a chattel mortgage made by Angus to the defendant Sampson to secure a loan of \$1,000 and interest. The Chattel Mortgage Act requires that an affidavit of *bona fides* shall be attached to every chattel mortgage. In the case now referred to this affidavit, covering the declaration that Angus was justly and truly indebted to the defendant Sampson in the sum of \$1,000, was made on 2nd May, 1895, whereas the money was not advanced until the 7th May. On the ground of this untruth, although the good faith of the transaction was not questioned, the affidavit was impeached as worthless, and a judgment was obtained by the plaintiff, setting aside the mortgage.

As the case had gone immediately to appeal, we thought it well not to publish a report of the first judgment, and it is now a satisfaction to note that the appeal, which was argued before Boyd, C., Robertson and Meredith, JJ., has been allowed.

We quote from the judgment of Boyd, C.:

The giving of the mortgage and the paying of the money

appear to be parts of an honest transaction; and if so, the security should not be lightly set aside. To interfere, there must be some plain violation of statute law, for the findings of the trial Judge exclude the elements of fraud. Now the statute which it is alleged has been broken is the Chattel Mortgage Act, and the breach consists in this, that the affidavit is said to be false or untrue because the money was not paid at or before the execution of the instrument, but some days thereafter. The import of the affidavit is, no doubt, that there was an existing debt in respect of the \$1,000 mentioned as the consideration, and if the matter fell under the English statute, the result might be fatal, as that requires the true consideration to be stated. But with us the truth or untruth of the affidavit is important only as bearing on the question of fraud or *mala fides*. The untruth of the affidavit, if it is formally in conformity with the statute, gives no ground for avoiding the instrument under the terms of the Ontario Act. It would require some express legislative provision to the effect that a false affidavit should *per se* vitiate the security. In that view it is not of moment to consider whether the affidavit was carelessly or recklessly false, nor as to what extent it is untrue, unless there is that in the transaction which imports a fraud upon creditors.

The transaction itself is in accordance with the ordinary way of doing business in lending on land, where the security is perfected and registered before the actual advance of money is made. Probably no objection would have been thought of had the money in this case been paid at a later hour on the day after the instrument had been registered. Yet that, ethically considered, would not better an affidavit, sworn before, containing the language found in this affidavit, which is also the language required by the statute. But the law would not in that case have regarded the fraction of a day—preferring to view the whole as the one act on the one day. The present security apart from the statute is unimpeachable, though the advance was not made until the 7th, four days after the registration, because the intention and conduct of the parties all point to the whole as one transaction. As said in the evidence, the money “was waiting to be paid over upon the completion of the documents.” That is a fair way of regarding the dealing—as a transaction of contemporaneous loan—the security to be with reference to the \$1,000 to be advanced, and the payment to be made with reference to the specific security; the whole being completed by payment within a reasonable time after registration of the security and before any change in the situation of either party.

## QUEEN'S BENCH DIVISION, ENGLAND

## Evans v. National Provincial Bank of England\*

Deposit receipt—Payment of deposit to a party not authorized to receive it.

This was a claim by Miss Mary Ann Evans for £151 18s. 3d. for principal and interest of money deposited with the defendants. The defence was that the money had been paid, or in the alternative that the plaintiff had acted negligently and had misled the defendants, so that she was now estopped from asserting her claim.

The plaintiff said that on September 4th, 1891, she deposited £133 at the Aberayron branch of the defendants' bank. A deposit receipt was given to her, and the deposit was upon the terms that the money should be accounted for at the Aberayron branch to her or any one authorized by her to receive the same, with interest, on production and delivery up of the deposit receipt with a receipt endorsed thereon signed by her. In 1894 she was living in London, and, being desirous of paying off a debt of some £2 or £3 which she owed to her landlady, she endeavored to obtain the interest on her deposit. Being unable to obtain it at the London office of the defendants' bank, she applied to one Lloyd, who lent her the money she required and retained the deposit receipt as security. She afterwards failed to get back the receipt from Lloyd, and ultimately discovered that it had been realized and was in the possession of the defendants. The deposit receipt was produced; it was endorsed in the plaintiff's name, the signature being witnessed by a Miss Busby at the East Strand post-office. The plaintiff declared that the signature purporting to be hers had not been written by her, and that she had no acquaintance with Miss Busby, and had never been in the post-office in question. Miss Busby having lately become insane could not be called, but evidence was tendered, and after objection and discussion was admitted to show that when confronted with the plaintiff she had failed to identify her as the person whose signature she had witnessed. There was no dispute that the signature of the witness to the receipt was that of Miss Busby, but it was con-

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\**Times Law Reports.*

tended that the plaintiff was personated, and her signature forged. The account of the transaction as given by Lloyd for the defence was as follows:—That he had been acquainted with the plaintiff for some years. In 1885 the plaintiff's cousin left him some money by a will which was afterwards contested. In those proceedings her sympathies were with him, and she also sympathized with him in other actions which were subsequently brought against him arising out of the same matter. One of those actions he compromised in 1888 for £280, towards which the plaintiff promised to make a contribution, and it was in fulfilment of that promise that she gave him the deposit receipt, which she endorsed in the East Strand post-office in his presence and in that of Miss Busby. He paid the deposit receipt into his own bank, the National Bank, who sent it to the defendants' branch bank at Aberayron. The manager at Aberayron did not make any inquiries about the signature, but telegraphed the National Bank that he would pay on satisfactory proof of identity; Lloyd having satisfied the National Bank on that head the money was paid over.

Philip Lang, formerly Lloyd's clerk, corroborated Lloyd's evidence with regard to the expedition to the East Strand post-office. He went to that post-office with Lloyd and the plaintiff, but remained outside and did not see or hear what was transacted inside.

Mr. Justice Collins said that as the receipt was admitted the burden was on the defendants to make out the defence of payment, and it was enough to say that they had not satisfied him on that point. He was not satisfied that either of the stories told were completely true. Both were very peculiar, but with the receipt admitted the plaintiff started with a *prima facie* case in her favor. The defendants claimed title under Mr. Lloyd, and his story was very remarkable. He said that the plaintiff had pressed this money upon him as a gift out of sympathy with him for being compelled to pay £280 as the representative of a relation of hers who had left property to Lloyd and had forgotten herself. She had undoubtedly been coming to his office about that time, but she said that it was to borrow a small sum. In support of Lloyd's view the similarity of the signature on the deposit receipt with admitted signatures of the plaintiff was relied on, and it was true that there was a very remarkable similarity. At the same time the circumstances of the signing rested upon the uncorroborated testimony of Mr.

Lloyd. But the action was not against Lloyd, but against the defendants, and their conduct when the receipt was sent to them was very important. Their manager at Aberayron did not rely upon the signature, but telegraphed "Deposit receipt paid if identity satisfactory," and before any answer was received the money was paid over. To the defence of estoppel, therefore, there was one short answer—viz., that the defendants did not pay on the signature. But estoppel failed on another ground. If it was true that she handed the document to Lloyd for safe custody only, and it was signed for that purpose only, she would not be estopped, for the document was a receipt only and did not purport to be an authority. Lloyd's story that the plaintiff authorized him to receive the money had not been made out. It was impossible to adopt his story. He (the Judge) was not at all satisfied that the plaintiff ever signed the document, but at any rate she did not sign it so as to authorize Lloyd to receive the money, and there was nothing in the facts to prevent the plaintiff from recovering.

Judgment was given for the plaintiff for the full amount with costs.

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QUEEN'S BENCH DIVISION, ENGLAND

Sutton v. Blakey\*

A bill of exchange was materially altered by the drawer. A day after he obtained the acceptor's authority to make such alteration.

*Held*, the plaintiff could not recover on the bill.

This case, which was originally tried before Mr. Justice Lawrance and a common jury, was heard on further consideration of points of law. The action was upon a bill of exchange of which the defendant, Mrs. Blakey, was the acceptor. The bill was dated September 9th, and was originally a three months' bill. It was drawn by one Taylor, the son of Mrs. Blakey, and was for the sum of £115. After it was accepted it was taken back to the office of the defendant's solicitor, when the "three months" was changed by Taylor into "twelve months," the period originally intended by all parties. On the following day Taylor obtained from his mother an authority in the following terms:—"I give to my son Horace R. Taylor the full right to use my name for drawing and accepting promissory notes and bills of exchange, and for all business purposes, or any other

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\**Times Law Reports.*

purpose whatsoever, and to trade in the name of A. Blakey and Sons." It was signed by the defendant, and bore date September 10th. The plaintiff then advanced £100 upon the bill. The defence on the facts set up at the trial was that Mrs. Blakey's signature to the bill had been obtained by the fraud of her son, and that she had never signed the authority at all. The jury found that she did sign the authority, and that she signed the bill as acceptor. The question as to the legal effect of the alteration of the bill stood over for further argument.

Mr. Justice Lawrance said that the point was a very narrow one, the only question being whether the bill was avoided by the alteration. He was very much averse to giving effect to technical defence. There was, however, nothing in the evidence to displace the dates which appeared on the face of the documents, and it was clear, therefore, that the bill was accepted on September 9th, and the authority was given on the following day, while the money was not paid until later still. It was argued that, inasmuch as the authority was given before the money was handed over, there was a sufficient authorization of the alteration. No doubt the alteration was a material one—that was conceded—and the conclusion to which he (the learned Judge) came was that this alteration was made after the bill had been signed by the defendant; that the son had no authority to make it at that time; and that the authority to use the defendant's name, given to him afterwards, did not authorize him to make the alteration so as to bind her. Judgment must therefore be for the defendant.

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#### HIGH COURT OF JUSTICE, ENGLAND

#### Pennington v. Crossley & Sons, Ltd.\*

A cheque remitted in accordance with a practice established between parties having frequent dealings, was stolen in the mails and partly cashed. It was shown that on two previous occasions the creditor had requested that "a cheque" should be sent in payment of accounts.

*Held*, the mailing of the cheque having been proved, that this constituted payment.

The material facts are as follows: On 10th December, 1896 the plaintiff sold goods to the defendants to the value of about £519, subject to a discount of  $1\frac{1}{4}$  per cent. if paid within fourteen days. On 24th December the defendants, who carry on business at Halifax, posted in Halifax a letter addressed to

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\**The Bankers' Magazine.*



the plaintiff at his proper address in Bradford, containing a cheque for £503, which was the amount due after deducting the discount and certain agreed allowances. The cheque was made payable to the order of J. W. Pennington, the plaintiff, and was crossed. The letter never reached the plaintiff, and it appeared that a day or two after the cheque was presented at a branch of a local bank, purporting to be endorsed by the plaintiff, whose signature had, however, been forged. The bank said they could not cash the cheque, but the person who presented it stated that he wanted to open an account with it, whereupon the bank opened an account in the name of J. W. Pennington, and gave him credit for the amount of the cheque. The man at once drew out £200 in gold and decamped, and nothing could be ascertained about him.

From the evidence it appeared that the plaintiff and defendants had had dealings together for years, and that it had been a common course of business between the parties for the defendants to send to the plaintiff by post cheques in payment of their accounts; on the other hand, the plaintiff denied that when he asked the defendants for money he asked that a cheque should be sent; he admitted writing two letters, in one of which, dated several years prior to the present transaction, he said, "Expected to receive your cheque this morning"; and in another, dated December 30th, 1896, "I have been expecting to receive your cheque for some days for the amount of my invoice"; but he contended that it was entirely at the defendants' option as to how they sent the cheque, and stated that he had often received payment from them upon the exchange. It did not necessarily follow that he expected to receive it by post.

Grantham, J., in giving judgment, said in this case he had to determine which of the two parties should suffer the loss of the cheque—or rather of part of a cheque, because the whole of it had not been paid away—through the fraud of some unknown person and the carelessness of some official at the bank in question. He must say he was very much surprised to see that the bank had received this cheque in the way they did, because, if it were customary for banks to treat a crossed cheque in that way, the value of the cross was entirely destroyed by their so doing. Of course, he had nothing to do with that: he only made that remark in passing. The liability of the bank to the drawer of the cheque was quite another matter. He had to

deal with a difficult question as between two innocent persons, and, in his judgment, the plaintiff was the one who must suffer, because the defendants had acted in this instance in a way that had been customary in the carrying on of the trade between the two when the defendants were paying the plaintiff for goods delivered. He should have been prepared to hold that where they had for a long course of years dealt in the same way, and the plaintiff had been paid for all his goods by cheque, the plaintiff and defendants had agreed that the payment should be made by cheque, and that the proof of the posting of the cheque to the plaintiff in the way in which it had been proved in the present instance would be a proof of payment which must hold good in law. But in the present case there was something more to go upon, because it was clear that the plaintiff did request that some of the earlier payments should be made by cheque, and under these circumstances this had been a long course of dealing between the plaintiff and the defendants. He was justified in holding that the letters which the plaintiff wrote—one in 1893 and the other afterwards—in which he made requests for cheques, showed what was the ordinary course of business between these two firms. In this particular case he held that there was a request by the plaintiff to the defendants to pay by cheque, that this was simply a continuance of the customary way of payment and receiving payment, and that the defendants had exonerated themselves from liability by sending a cheque to the Post Office on December 24th, 1896. Several cases had been quoted which had more or less bearing upon the matter. It was somewhat remarkable that the question itself had never been tried in the concrete form in which it was put that day. But he had no doubt that from the authorities mentioned the principle of law to be deduced was that enunciated in his judgment. The learned counsel for the plaintiff, commenting upon two Acts of Parliament relating to the Paymaster-General and the Court of Bankruptcy, and specifying that the posting of a cheque must be taken as payment of dividend or other accounts, had held that the fact of this being specified was proof that if this course were to be accepted it should be by special arrangement. He did not accept the view that it was necessary for these Acts to be passed to authorize that which he now enunciated as being the law. It seemed to him that in both the instances mentioned by the counsel for the plaintiff the persons affected were not persons who had been accustomed to deal together before. He hoped it was not customary for people to constantly become bankrupt or to be constantly acting as creditors in a bankruptcy; and the business of the Paymaster-General, too, was not one of constant transactions with the same persons. They were not in business and customarily trading

together. In the present instance it was a custom of trade carried on throughout the world, and by which millions of pounds changed hands every day. If a person did not wish to run the risk of losing a cheque through the post, he ought to put something on his invoices to say that payment would only be accepted as payment of the account when the cheque was received. If he had done that, the plaintiff in the present action would have been justified in saying that, not having received the cheque, he would not place it to the credit of the sender, who, therefore, still remained his debtor. His judgment would be for the defendants, with costs.

Stay of execution was granted.

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COURT OF APPEAL, ONTARIO

Hamilton Provident & Loan Society v. Steinhoff\*

Covenant by a firm of private bankers, executed by one partner without the knowledge or consent of the other, to pay the principal and interest of a mortgage on lands the equity of redemption in which had been conveyed to the firm as security for a debt. *Held* to be binding only on the partner who executed it.

The facts in this case, briefly stated, were as follows :

The plaintiffs were mortgagees of the lands of one H. W. Clark. The latter becoming indebted also to the firm of Steinhoff & Lillie, private bankers at Wallaceburg, executed a conveyance of the property to them individually, subject to the mortgage held by the plaintiff company. The mortgage became in default and the company pressed for payment, whereupon the defendant Lillie, without the knowledge or consent of his partner, and in consideration of the company granting an extension of time, executed an agreement in the firm name to pay the principal and interest secured by the mortgage.†

This agreement was afterwards repudiated by Steinhoff as being beyond the scope of Lillie's authority, and the company brought this action. The case was tried at Hamilton in November, 1894, before Rose, J., and judgment rendered in favor

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\**Ontario Appeal Reports.*

†Under the terms of the partnership the management of the business of the firm devolved entirely upon Lillie, Steinhoff being a sleeping partner and taking no part in it.

of the defendant. This judgment was affirmed on appeal to the Court of Appeal. We give following some extracts from the judgments of the latter Court :

HAGARTY, C.J.O.: This (agreement) seems to me to be wholly without the ordinary power of a partner, not sanctioned either by knowledge, course of dealing or articles of partnership. . . .

If we uphold the plaintiffs' claim I think we thereby establish a most dangerous precedent in the law of partnership.

It may well be conceded that a partner may take for his firm a second mortgage as a security for a debt to the firm, but to also enter into an engagement to pay off the first encumbrance seems an addition to his co-partner's liability hardly contemplated or warranted by the partnership contract.

BURTON, J.A.: There is nothing in the articles of partnership expressly prohibiting such a guarantee, for the only paragraph dealing with such matters was evidently intended to prohibit only the making or endorsing accommodation paper outside of the business or becoming surety for other persons.

I quite agree with the argument of the plaintiffs' counsel that notwithstanding any article, however express, in the partnership agreement, a course of conduct by all the partners inconsistent with it would be evidence that they had agreed to vary the terms of the agreement. The maxim "*modus et conventio vincunt legem*" is especially applicable, but his attempt to apply the rule to this case failed upon the evidence, Steinhoff having no knowledge of this dealing.

The case appears to me to be so plain that I have not thought it necessary to consult the authorities to which we were referred.

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HIGH COURT OF JUSTICE, ONTARIO

McQuarrie et al. v. Brand\*

Promissory note—Independent contemporaneous agreement.

This was an appeal to a divisional court consisting of Armour, C. J., and Falconbridge, J., from a judgment of the County Court of Perth.

The defendant was sued as the maker of a promissory note for \$300, by the personal representatives of the payee of the note, and set up the defence that at the time the note was given the payee had verbally agreed with him that on the fulfilment

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\*Ontario Reports

of certain conditions the note was to be regarded as paid. The defendant submitted evidence of the existence of such an agreement and of its terms having been fulfilled.

It was held that the defence was a good one in point of law, and that the evidence in support of it did not vary the terms of the note.

In delivering the judgment of the Court the learned Chief Justice remarked :

If the note had been sued upon before the complete performance by the defendant of his contract, the contract set up by him could not probably have been given in evidence to show that the note was not to be payable till after the performance by the defendant of his contract ; for this would have been an attempt to vary by oral testimony the express terms of the written note, but the contract of the defendant having been completely performed at the time the note is sought to be enforced, this difficulty does not arise, for the defendant is not seeking to vary the terms of the note, but to show that the note has been satisfied by the performance by him of his contract.

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#### HIGH COURT OF JUSTICE, ONTARIO

#### Trusts Corporation of Ontario v. Clue et al.\*

Where the only property possessed by a married woman, without a settlement, consisted of an interest in personal property given her during coverture,

*Held*, that this was separate estate liable for her debts.

This was an appeal from the County Court of Bruce in an action brought against Elizabeth Clue, a married woman, and Charles Clue, her husband, on a promissory note. The note was signed by both defendants, and was made payable to one Emma Pratt, whose administrators the plaintiffs were.

The husband was a laboring man who gave his wages to his wife, who managed the house, purchasing furniture, on one occasion a piano, and generally dealing with his money as she pleased. Subsequent to the giving of the note the husband had received a legacy, which was deposited in a bank in her name, and with which a house was purchased and conveyed to her. She borrowed money from the deceased, for which the note

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\**Ontario Reports.*

sued on was given, and she used the money in paying off a chattel mortgage on the furniture, which had been signed by her. It did not appear whether her husband had signed the chattel mortgage.

On this state of facts the County Court judge found that either solely or jointly with her husband she had an interest in the property when she signed the note, but whether that interest was such separate property as would entitle the plaintiff to a proprietary judgment in this action depended on the construction to be placed on R.S.O. ch. 132, which he decided to be as follows:—

“The only section of the Act which could make it separate property is sec. 4, sub-sec. 4: ‘Such a woman may hold all her personal property as if unmarried, excepting any money received by her during coverture.’

“All this woman's property has been received from her husband during coverture. She says she never earned any money, never received any from anyone except her husband and Mrs. Pratt, and Mrs. Pratt's money she paid to the mortgagee of the furniture; that she never had any money of her own. . . . This woman then having no property, except that received from her husband during coverture, even if married without a marriage settlement, would not have it at the time of signing the note sued on any separate estate, and is therefore not liable upon the note.”

From this judgment the plaintiffs appealed to a Divisional Court, and the appeal was argued on 9th November, 1896, before Armour, C.J., and Falconbridge, J. It was contended by counsel for the plaintiffs that sec. 4, sub-sec. 4 of R.S.O., ch. 132, only excepts property received from the husband as free from his debts, and only applies to his creditors: *Sherratt v. Merchants Bank of Canada*.

The Court allowed the appeal, their judgment being delivered by Armour, C.J., as follows:

We think that there is no doubt that the wife had separate estate in respect of which she could contract, and the learned judge has in effect so found. But he was wrong in holding that she having received it during coverture was incapable of contracting with regard to it.

## HIGH COURT OF JUSTICE, ONTARIO

## Carrique v. Beaty

Promissory note—Signature by new maker after maturity.

This case was tried before Boyd, C., at Milton, in December, 1896. It was an action on a note in favor of the plaintiff, and bearing the names of Wm. C. Beaty, James Beaty and John Albert Beaty. The latter two had signed for the accommodation of the first mentioned, James at the time the note was given, and John Albert after its maturity, to further secure the payee.

The defendant, James Beaty, in entering a defence, pleaded, among other things, that after the issue and delivery of the note it was rendered void by a material alteration, viz., by adding thereto the name of John Albert Beaty as a maker thereof; that the note was not duly presented for payment at maturity, nor did he receive notice of non-payment, although known to the holder to be a surety only; that the plaintiff had extended the time for payment of the note in consideration of John Albert Beaty adding his signature thereto; and that by these acts and omissions this defendant was discharged from all liability to pay the note.

The defendant, John Albert Beaty, set up that he signed the note in June, 1894 (after its due date), merely as a surety for Wm. C. Beaty, and without consideration, which the plaintiff well knew; that when he so signed a new arrangement was made, and the time for payment extended till October, 1894; that the note was not then duly presented for payment, nor did this defendant receive notice of non-payment.

The plaintiff replied that John Albert Beaty became a party to the note with the knowledge of the other defendants for the purpose of giving further security for its payment, or of becoming an endorser thereof, and the note was thereupon delivered to the plaintiff as a collateral or continuing security.

Boyd, C.:—Upon the evidence it is very plain that the defendants, Wm. C. Beaty and James Beaty, signed the promissory note sued upon as joint makers. The currency of that note was for a year, which expired in December, 1893. In June, 1894, it is also plain from the evidence that the instrument was signed by the defendant John Albert Beaty in order to give

additional security to the plaintiff. In this respect I cannot distinguish the case from *Ex p. Yates*, where Turner, L.J., says, in language appropriate to this case: "I think the intention of the parties was not to add a new maker of the note, but to add a new person to those already liable. This might be done by adding his name without constituting him a new maker of the note or altering it in any way."

Prior to, as well as under the Bills of Exchange Act, a person so signing is to be regarded as "incurring the liabilities of an endorser:" see Act of 1890, secs. 56 and 88.

I do not find upon the evidence that there was any agreement on the part of the plaintiff to give time for the payment of the note, or that any extension of time was agreed upon when the name of John Albert Beaty was added to the note. There is an absence of evidence sufficient to discharge either of the defendants, if regarded merely as a surety for the payment of the \$500.

Treating the last signer, then, as an endorser on a note payable on demand, the evidence shows that he has not been prejudiced by non-presentment for payment prior to this action. It was expected by him that time would be given for payment—his name was added because it was rumored or supposed that Wm. C. Beaty (who afterwards assigned for creditors in January, 1895) was in a shaky financial condition—and it is evident that nothing would have been collected from Wm. C. Beaty for this endorser in exoneration of his liability, even had the note been earlier presented for payment.

The provisions of the Act now are that when a note payable on demand has been endorsed, it must be presented for payment within a reasonable time of the endorsement, but not if it is delivered as a continuing security; and in determining what is a reasonable time regard shall be had to the nature of the instrument \* \* and the facts of the particular case: sec. 85 (1 and 2).

This instrument was dealt with as a continuing security, though there was no express or binding agreement to give time, and time was in fact given by the holder till the assignment of Wm. C. Beaty precipitated this action. I find no reasonable delay in presentment, and no reason on this head to discharge the last signer.

The result is that judgment should be for the plaintiff against all three defendants.



## HIGH COURT OF JUSTICE, ONTARIO

## Bank of Toronto v. Hamilton\*

## Money paid by mistake

In this action the Bank of Toronto sought to recover certain moneys from the defendant under circumstances alleged in their statement of claim as follows:—That on July 19th, 1895, the plaintiffs received at their office in Montreal from W. G. Elliott \$2,000, who requested them to telegraph it to Toronto to the defendant's credit, with instructions to advise the plaintiffs' branch office at 719 King street west, which was done, but by error in transmitting the message the amount was advised as \$3,000 instead of \$2,000; that subsequently the defendant called at the said branch office and enquired as to any money having been received to his credit, and was then by mistake informed that there was to his credit the sum of \$3,000, and he thereupon drew a cheque for the \$3,000 and received the amount; that shortly afterwards the plaintiffs discovered the mistake, and thereupon notified the defendant thereof and demanded the return of the \$1,000, and the defendant paid part of the \$1,000, but refused to pay the balance, which the plaintiffs now claimed.

The facts as proved at the trial are sufficiently mentioned in the judgment, and on them the defendant relied in his defence. He set up that he had been entitled to receive \$2,827 in respect of a shipment of cattle, that he had a claim on the cattle as security, which in consequence of the payment of the \$3,000 he had released, and pleaded that though he had repaid part of the \$1,000 to which he had no claim as against Halliday, in the judgment mentioned, he declined to return the remainder, because he was in no way a party to the alleged mistake, and had in consequence of the payment made to him surrendered all claim to the cattle, as the purchase money for which the sum was owed to him by Halliday.

The action was tried at the Toronto non-jury sittings before BOYD, C., in October, 1896, and judgment was given in favor of the plaintiffs, as follows:

The advice sent by the bank from Montreal to Toronto was,

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\**The Ontario Reports.*

"Credit I. Hamilton \$2,000, per Elliott; advise King street." The King street agency of the bank was advised, but by a blunder in the transmission by telephone \$3,000 was credited in the King street agency, and this was chequed out to Hamilton about one o'clock on Friday, July 19th, 1895. The bank thus by mistake and in the hurry of business made an overpayment of \$1,000 to the defendant.

At Montreal this was the transaction: Halliday came to Elliott with a shipping bill of cattle (which he had bought from Hamilton) and asked an advance upon that security, and Elliott agreed to advance \$2,000, and this being accepted, he issued a cheque for \$2,000, payable to the Bank of Toronto on account of Hamilton. This being paid in about 11 a.m. on Friday, was wired to the Toronto office, as already stated.

The cattle came to Montreal early on Saturday and were shipped at 7 a.m. on that day. The bank, after using all diligence, were only able to notify Hamilton of the error and overpayment about midnight on the same Saturday, and after the cattle had been shipped.

The private bargain between Hamilton and Halliday was that the cattle should not be shipped unless \$2,827 were paid to Hamilton.† If this money was not obtained and paid to Hamilton he was to have or resume possession of the cattle. This by-bargain, however, was not made known to Elliott or the bank, but the defendant relies upon this as a reason for withholding the money overpaid sufficiently to satisfy his full claim against Halliday.

These are the salient facts. Hamilton had the right to be paid \$2,827 by Halliday. Halliday not disclosing this, arranges for the payment of \$2,000 only to Hamilton—getting that advance from Elliott in exchange for the delivery and possession of the cattle; Elliott pays that amount (\$2,000) into the bank for Hamilton, and the bank by the error of its officers pays out \$3,000 instead of \$2,000 to the defendant Hamilton.

Halliday being entrusted by Hamilton with the shipping bill of the cattle, was able to transfer them to Elliott in consideration of the \$2,000 advance, and the money instead of being

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† In the official report of the case the following note is appended by the reporter:—"The statement of defence stated that after the agreement of sale, the cattle were placed on the cars at Wroxeter for shipment to Montreal, when Halliday alleging himself unable to pay the \$2,827, it was thereupon agreed that the cattle should go forward to Montreal, that the defendant should follow them, and that if Halliday did not transmit the money by telegraph to Toronto to the defendant, the defendant having followed the cattle to Montreal, should there reclaim and resume possession of them, and that until the money was fully paid the cattle should remain the property of the defendant."

paid to him and transmitted to Hamilton, was paid into the bank by Elliott to Hamilton's credit. Hamilton was Halliday's nominee for payment, and as against the bank and Elliott has no higher rights than Halliday. This is one way of viewing the facts, going to show that Hamilton's right to retain the surplus is to be measured by Halliday's right to retain had he received the money, which could not be argued.

In another respect this case seems to fall within the principle laid down by Parke, B., in *Kelly v. Solari* "that where money is paid to another under the influence of a mistake (that is, upon the supposition that a specific fact is true which would entitle the other to the money, but which fact is untrue, and the money would not have been paid if it had been known to the payer that the fact was untrue), an action will lie to recover it back, and it is against conscience to retain it."

The specific fact which induced the action of the bank here was that \$3,000 had been placed to the credit of the defendant by the action of their Montreal branch, only \$2,000 in fact being so placed. Though the defendant may have had the right to more than \$2,000 as against Halliday, that appears to give no equity to retain the proper money of the bank—which to the extent of \$1,000 was paid over to the defendant without consideration. It may be fairly said that there was a common mistake in this case, for the plaintiffs believed that the direction of their agent was to pay \$3,000 to the defendant on account of Halliday, and the defendant believed that Halliday had carried out the private arrangement between them, by which at least \$2,827 was to be obtained in respect of the cattle before they were to be shipped. But the real fact was that only \$2,000 was asked for and obtained by Halliday.

I therefore adhere to the provisional judgment given at close of the case and make it absolute so far as I am concerned.

## HIGH COURT OF JUSTICE, ONTARIO

## Struthers v. Mackenzie\*

The plaintiff sued the officers and directors of a co-operative association, incorporated under R.S.O. ch. 166, for the price of goods sold to it on credit, which, by the statute incorporating it, the association was forbidden to buy in that way:—

*Held*, that he could not recover, as no action could be maintained upon an implied representation or warranty of authority in law to do an act; and, moreover, the plaintiff must be taken to have known of the statutory inability:—

*Held*, also, that although the proceeds of a re-sale of the goods by the association were applied to relieve the defendants from a personal liability for other goods purchased by the association, they could not be said to have derived a personal benefit from the plaintiff's goods, and, therefore, the latter could not recover on this ground:—

*Held*, lastly, that although one of the defendants accepted, on behalf of the association, the plaintiff's drafts drawn on it for the goods, he was not liable upon an implied representation or warranty of authority in law of the association so to accept.

This was an action brought by R. C. Struthers & Co., against the manager and directors of the Wyoming Co-operative Association (Limited), to recover the price of goods sold under the circumstances set out in the judgment of Armour, C.J.

The action was tried before Boyd, C., without a jury, at London, on January 13th, 1897, who dismissed the action with costs.

The plaintiffs on February 16th, 1897, moved before the Divisional Court, consisting of Armour, C.J., and Falconbridge, and Street, J.J., by way of appeal from this judgment. The judgment of the Court was delivered by Armour, C. J., as follows:

The Wyoming Co-operative Association (Limited) was incorporated under the provisions of R. S. O. ch. 166, entitled "An Act respecting Co-operative Associations," and the plaintiffs, merchants in London, sold goods to this association on credit to the amount of \$220.50, for \$41.16 part of which they, on April 1st, 1896, drew on the association at four months, and for \$51.77, other part of which they on May 1st, 1896, drew on the said association at five months, which drafts were "accepted for the Co-operative Association," by George Hartley, the treasurer thereof, under general instructions from the board of directors. Subsequently the stock in trade was sold by the association, and the proceeds thereof, together with the other assets of the association, were applied in

\*Ontario Reports.

payment to a bank of certain liabilities of the directors of the association, incurred by them for the purpose of raising money to pay for goods furnished to the association. The plaintiffs being unable by reason of the provisions of R.S.O. ch. 166, to recover against the association, brought this action against Mackenzie the manager, Hartley the treasurer, and the other defendants, as directors of the association, charging that they were personally liable to the plaintiff for the amount of their claim.

The cause was tried by the Chancellor on the 13th of January, 1897, who dismissed the action with costs, delivering the following judgment:

"I cannot see my way to your maintaining this action. We have no bankruptcy law, we have nothing decided. The statute says the transaction is inoperative. There is a contract, goods purchased by the company. Persons who dealt with it, Struthers and the others, knew and had means of knowing the condition of the company, as if it was put in the newspapers. They knew it was a legal entity; and they knew under what law or charter it stands incorporated; and they knew that they were dealing with a concern that could not deal in this way. The directors were not parties to the contract. They were going on in that illegal way also. But it turns out the concern has lost; the moneys they have received have gone to pay the indebtedness, and there is a shortage. There is nothing in their hands I can lay my hands on. I think it will have to be dismissed with costs."

The plaintiffs are precluded from recovering their claim, being for goods sold on credit to the Wyoming Co-operative Association (Limited), from that association, by reason of the provisions of R.S.O. ch. 166, under which that association was incorporated, that the business of the association should be a cash business exclusively, that no credit should be either given or taken, and that everything should be bought and sold for cash only.

No express representation or warranty of the authority of the association to purchase the said goods from the plaintiffs on credit, was ever made or given by the defendants or any of them to the plaintiffs, but the plaintiffs contend that upon the purchase of the said goods from the plaintiffs on credit, there was an implied representation or warranty on the part of the defendants or of some of them, of the authority of the association to purchase the said goods on credit, and that upon this implied representation or warranty, they can maintain this action.

But no action can be maintained upon an implied repre-

sentation or warranty of authority in law to do an act, but only upon an implied representation or warranty of authority in fact to do it.

"But the agent will not be liable in such cases unless the misrepresentation complained of be as to some matter of fact, and a representation by the agent, founded on a mistaken view of the extent of his authority in point of law, will not render him liable to the person to whom such representation was made": Chitty on Contracts, 13th ed., 275.

And in this case the implied representation or warranty of authority was one of law, not of fact, of the authority of the association to purchase goods on credit.

The plaintiffs were selling their goods to the Wyoming Co-operative Association (Limited); they must be taken to have known from its very name that it was a co-operative association, and that it was incorporated, and they must be taken to have known the Public Act, R.S.O. ch. 166, under which it must have been incorporated, and the provisions of that Act, and that it forbade the buying by the association of goods on credit.

The plaintiffs and the defendants having thus equal knowledge of the provision of the law forbidding the purchase by the association of goods on credit, I do not think that any implication of a representation or warranty of authority could arise, but if it could, an action could not be maintained upon it.

It was contended that the defendants having been benefited by the purchase of these goods by the association, should be held liable to account for the value of them, but the defendants derived no personal benefit from these goods.

It is true that they had personally become liable to a bank for money obtained to pay for goods purchased by the association in a similar way, and that the proceeds of these goods with other goods, had gone to pay such liability.

But having obtained no personal benefit from the purchase of these goods, I do not see upon what principle they could be made to account for the value of them.

It was further contended that the defendant Hartley having accepted the drafts of the plaintiffs drawn upon the association for the association, was liable upon the implied representation or warranty of authority in the association to accept such drafts.

But this also, if anything, was an implied representation or warranty of authority in point of law and not actionable.

The motion must be dismissed with costs.

# UNREVISED FOREIGN TRADE RETURNS, CANADA

(ooo omitted)

## IMPORTS

<i>Nine months ending March—</i>		1895-6		1896-7	
Free .....		\$28,915		\$30,250	
Dutiable.....		50,972		50,300	
		<u>\$79,888</u>		<u>\$80,550</u>	
Bullion and Coin .....		4,264	\$84,152	4,553	\$85,103
 <i>Month of April—</i>					
Free .....		\$ 2,382		\$ 2,755	
Dutiable.....		5,339		5,597	
		<u>\$ 7,721</u>		<u>\$ 8,352</u>	
Bullion and Coin.....		189	\$7,910	43	\$ 8,395
 <i>Month of May—</i>					
Free .....		\$ 3,276		\$ 3,701	
Dutiable.....		5,424		5,002	
		<u>\$ 8,700</u>		<u>\$ 8,703</u>	
Bullion and Coin.....		741	\$9,441	42	\$ 8,745
Total for eleven months .....			<u><u>\$101,503</u></u>		<u><u>\$102,243</u></u>

## EXPORTS

<i>Nine months ending March—</i>					
Products of the mine.....		\$ 5,992		\$ 8,392	
"    Fisheries .....		8,619		8,339	
"    Forest .....		19,024		20,977	
Animals and their produce .....		30,870		31,325	
Agricultural produce .....		10,940		12,671	
Manufactures .....		6,794		6,673	
Miscellaneous .....		145		134	
		<u>\$82,387</u>		<u>\$88,514</u>	
Bullion and Coin.....		4,475	\$86,862	3,344	\$91,858
 <i>Month of April—</i>					
Products of the mine.....		\$ 619		\$ 944	
"    Fisheries .....		355		280	
"    Forest .....		1,230		1,940	
Animals and their produce.....		1,165		1,466	
Agricultural produce .....		407		996	
Manufactures .....		774		860	
Miscellaneous .....		17		7	
		<u>\$ 4,570</u>		<u>\$ 6,474</u>	
Bullion and Coin.....		145	\$4,715	52	\$6,529

Month of May—

Products of the mine.....	\$ 663		\$ 825	
"    Fisheries .....	735		528	
"    Forest .....	2,346		2,455	
Animals and their produce.....	2,105		2,313	
Agricultural produce .....	1,739		2,222	
Manufactures .....	842		915	
Miscellaneous .....	16		6	
	<hr/>		<hr/>	
Bullion and Coin.....	\$ 8,428		\$ 9,264	
	29	\$8,457	21	\$9,285
		<hr/>	<hr/>	
		\$100,034		\$107,672
		<hr/>		<hr/>

SUMMARY (in units)

For eleven months—

	1895-6	1896-7
Total imports other than bullion and coin..	\$96,309,000	\$97,605 000
Total exports other than bullion and coin..	95,385,000	104,252,000
	<hr/>	<hr/>
Excess .....	(Imp.) \$924,000	(Exp.) \$6,647,000
Net imports bullion and coin .....	545,000	1,221,000



MONTHLY TOTALS OF BANK CLEARINGS at the cities of Montreal, Toronto, Halifax, Toronto, Halifax, Hamilton  
Winnipeg and St. John

(000 omitted)

	MONTREAL		*TORONTO		HALIFAX		HAMILTON		WINNIPEG		St. JOHN	
	1895-6	1896-7	1895-6	1896-7	1895-6	1896-7	1895-6	1896-7	1895-6	1896-7	1896	1896-7
June ....	\$ 52,353	\$ 43,129	\$ 26,772	\$ 28,384	\$ 5,090	\$ 4,550	\$ 2,913	\$ 2,775	\$ 3,865	\$ 4,094	\$	\$ 2,418
July .....	51,902	44,796	26,838	30,394	5,739	5,407	2,847	2,847	4,038	4,961		2,879
August ...	49,314	41,574	23,235	25,128	6,264	5,556	2,726	2,367	3,937	4,646		2,602
September ..	45,251	44,763	22,543	24,870	4,694	5,036	2,706	2,829	4,008	4,630		2,283
October ..	53,298	48,999	28,437	29,242	5,613	5,387	3,402	3,131	7,911	7,585		2,292
November ..	54,397	50,215	28,633	29,129	5,444	5,063	3,363	2,856	8,503	8,895		2,362
December ..	54,138	51,033	33,728	33,146	5,462	5,547	3,224	3,051	6,641	7,736		2,566
January ..	46,563	43,577	33,095	31,117	5,795	5,135	3,227	2,863	4,977	5,009		2,200
February ..	38,123	38,480	28,544	24,592	4,709	4,208	2,686	2,591	4,052	3,851		2,016
March ...	36,643	40,954	26,087	26,673	4,357	5,215	2,516	2,799	4,286	4,289		2,144
April .....	37,589	45,092	26,111	28,236	4,790	5,077	2,729	2,900	4,032	4,161		2,314
May .....	44,324	46,600	27,796	29,059	5,064	5,270	2,733	2,655	4,246	5,014	2,413	2,430
	563,995	538,912	331,819	339,970	62,931	61,511	35,197	33,664	60,496	64,871	2,413	28,595

\*NOTE.—These totals prior to November, 1895, do not include the Bank of Toronto.

STATEMENT OF BANKS acting under Dominion Government charter for the months of March, April  
and May 1897, and comparison with May, 1896:

LIABILITIES

	31st March, 1897	30th April, 1897	31st May, 1897	31st May, 1896
Capital authorized .....	\$ 73,458,684	\$ 72,958,684	\$ 72,958,684	\$ 73,458,685
Capital paid up .....	61,893,256	61,903,524	61,943,156	62,198,413
Reserve Fund .....	26,728,799	26,785,799	27,020,799	26,318,709
Notes in circulation .....	\$ 31,082,521	\$ 30,814,923	\$ 31,820,445	\$ 29,395,444
Dominion and Provincial Government deposits .....	7,048,128	7,322,510	6,984,898	5,539,154
Public deposits on demand .....	67,456,225	69,730,791	70,183,545	61,881,340
Public deposits after notice .....	126,191,346	126,994,997	129,532,122	121,934,721
Bank loans or deposits from other banks secured .....	5,000	5,000	17,642	35,000
Bank loans or deposits from other banks unsecured .....	2,652,299	2,605,373	2,838,777	2,280,425
Due other banks in Canada in daily exchanges .....	132,577	104,684	113,477	110,966
Due other banks in foreign countries .....	471,211	488,468	320,798	168,273
Due other banks in Great Britain .....	3,534,556	5,024,749	3,373,262	4,945,056
Other liabilities .....	514,556	330,390	958,688	999,471
Total liabilities .....	\$239,088,492	\$243,421,066	\$246,133,727	\$227,295,944

BANK STATEMENT WITH COMPARISON

ASSETS

Specie .....	\$ 8,347,136	\$ 8,653,749	\$ 8,657,293	\$ 8,034,099
Dominion notes .....	15,956,329	15,792,116	15,936,862	13,472,376
Deposits to secure note circulation .....	1,846,218	1,846,218	1,848,493	1,816,833
Notes and cheques of other banks .....	6,902,150	6,813,160	8,519,447	7,169,130
Loans to other banks secured .....	.....	26,053	31,094	30,000
Deposits made with other banks .....	3,431,674	3,373,721	3,679,882	3,120,601
Due from other banks in Canada in daily exchanges .....	102,114	154,491	161,916	198,109
Due from other banks in foreign countries .....	15,486,005	16,401,566	18,763,773	18,564,594
Due from other banks in Great Britain .....	7,965,774	8,287,727	8,981,513	4,932,125
Dominion Government debentures or stock .....	2,794,416	2,794,416	2,800,224	3,007,677
Public municipal and railway securities .....	23,839,495	24,346,027	24,851,672	20,255,209
Call loans on bonds and stocks .....	14,069,277	13,540,564	14,256,608	13,437,452
Current loans and discounts .....	213,232,438	210,284,936	211,759,319	206,970,096
Loans to Dominion and Provincial Governments .....	484,029	847,357	821,469	659,567
Overdue debts .....	3,869,078	3,691,574	3,419,427	3,373,283
Real estate .....	2,040,177	2,016,420	1,989,223	2,105,908
Mortgages on real estate sold .....	508,278	520,113	509,294	569,809
Bank premises .....	5,655,703	5,665,249	5,627,440	5,629,488
Other assets .....	1,947,001	2,301,956	2,086,915	2,165,798
<b>Total assets .....</b>	<b>\$328,471,482</b>	<b>\$333,357,594</b>	<b>\$334,693,054</b>	<b>\$315,212,349</b>
Loans to directors or their firms .....	\$ 8,234,640	\$ 8,452,148	\$ 8,135,095	\$ 7,680,312
Average amount of specie held during the month .....	8,310,380	8,409,038	8,551,022	7,848,521
Average Dominion notes held during the month .....	15,909,960	15,480,868	15,717,060	13,245,455
Greatest amount of notes in circulation during month .....	31,750,563	32,533,897	32,637,933	30,750,314

## 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
Aird, Jas.....	Bank of Montreal
Aird, John.....	Canadian Bank of Commerce
Allan, Andrew .....	Halifax Banking Co.
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
Appleton, L. G. ....	Molsons Bank
Archibald, H. H .....	Halifax Banking Co.
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
Arnaud, F. H. ....	Merchants Bank of Halifax
Arnold, C. M.....	Imperial Bank of Canada
Ashe, F. W .....	Union Bank of Canada
Atkinson, M .....	Bank of Toronto
Austin, Benj .....	Eastern Townships Bank
Austin, H. L. G. ....	Bank of British North America
Babbitt, D. Lee .....	People's Bank of New Brunswick
Babbitt, G. W .....	Bank of Nova Scotia
Bailey, H. A .....	People's Bank of Halifax
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
Barnhardt, 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'Hochelega
Beaven, H. R.	Bank of British Columbia
Beaven, W. J.	Bank of Montreal
Begg, Wm. M.	Bank of Toronto
Bell, F. W.	Merchants Bank of Canada
Bell, J. P.	Bank of Hamilton
Bell, J. P.	Canadian Bank of Commerce
Bell, W	Imperial Bank of Canada
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
Bennett, A. E.	Merchants Bank of Canada
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'Hochelega
Bethune, F. A	Molsons Bank
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
Billingsby, 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, C. A	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
Blanchard, E. R	Banque de St. Hyacinthe
Boak, S. D.	Union Bank of Halifax
Boddy, W. C.	Standard Bank of Canada
Bogert, C. A.	Dominion Bank
Boire, H. N	Banque d'Hochelega
Bonner, G. W. G.	Bank of British North America

Borden, A. M	Bank of Nova Scotia
Borden, E. A	People's Bank of Halifax
Botsford, W. M	Merchants Bank of Halifax
Boulton, E. K	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
Breedon, H. M	Bank of British North America
Brent, C. J	Merchants Bank of Canada
Brewer, H. C	Molsons Bank
Brock, W. F	Canadian Bank of Commerce
Brodie, F. A	Bank of Toronto
Brodrick, A. B	Molsons Bank
Brodrick, P. W. D	Molsons Bank
Brough, John M	Halifax Banking Co.
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'Hochelega
Brydon, James	Canadian Bank of Commerce
Buchan, E	Bank of Hamilton
Buchan, J. L	Canadian Bank of Commerce
Buchanan, J. O	Union Bank of Canada
Burchell, John E	Merchants Bank of Halifax
Burn, Geo	Bank of Ottawa
Burns, G. H	Bank of British North America
Burns, W. H	Bank of Nova Scotia
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. Martin	Ontario Bank
Cadenhead, J	Imperial Bank of Canada
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
Cant, Joseph	Bank of British North America
Capreol, A. R	Imperial Bank of Canada
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, L. S. ....	Bank of Montreal
Cassels, D. S. ....	Bank of Hamilton
Cassels, L. G. ....	Dominion Bank
Cassels, R. ....	Canadian Bank of Commerce
Chadwick, J. W. ....	Bank of Toronto
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. ....	Bank of Nova Scotia
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
Clarke, C. H. Stanley. ....	Imperial Bank of Canada
Clarke, D. R. ....	People's Bank of Halifax
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
Clawson, J. ....	Bank of New Brunswick
Clement, A. ....	Banque Nationale
Clinch, C. W. ....	Molsons Bank
Clouston, W. S. ....	Bank of Montreal
Clouston, E. S. ....	Bank of Montreal
Cloutier, C. ....	Banque Nationale
Cochran, E. J. ....	People's Bank of Halifax
Cochrane, Ernest B. ....	Eastern Townships Bank
Codd, Selby ....	Bank of Ottawa
Cogswell, A. E. ....	Halifax Banking Co.
Cole, Francis. ....	Bank of Ottawa
Coleman, H. J. ....	Traders Bank of Canada
Collard, W. H. ....	Imperial Bank of Canada
Complin, H. Y. ....	Bank of Ottawa
Conolly, R. G. W. ....	Canadian Bank of Commerce
Conolly, W. S. ....	Molsons Bank
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. ....	People's Bank of Halifax
Cooper, W. F. ....	Bank of Toronto
Copeland, W. A. ....	Bank of Toronto
Cornish, R. P. ....	Canadian Bank of Commerce
Cotton, F. M. ....	Bank of Montreal
Couét, L. ....	Banque Nationale
Coulson, D. ....	Bank of Toronto
Coulthard, W. B. ....	People's Bank of New Brunswick

Counsell, C. E .....	Bank of Montreal
Cowdry, E.....	Canadian Bank of Commerce
Craig, H. J .....	Western Bank of Canada
Craig, Will.....	Bank of Toronto
Cran, J .....	Bank of British North America
Crawford, F. L .....	Canadian Bank of Commerce
Creighton, J. S .....	People's 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
Crookall, C. J .....	Merchants Bank of Canada
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, 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
Dawson, W. J .....	Union Bank of Canada
Deacon, C. F.....	Bank of British North America
Dean, H. A .....	Bank of Montreal
Deans, H. G. P.....	Bank of British North America
de Gex, L. M. ....	Canadian Bank of Commerce
DeGuise, L .....	Banque Nationale
Delmege, A. C. E.....	Merchants Bank of Canada
de Martigny, J. P.....	Banque Jacques Cartier
de Mille, F. W.....	Halifax Banking Co.
Dench, F. E .....	Canadian Bank of Commerce
De Veber, Boies ..	Halifax Banking Co.
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
Dingman, H. J. S. ....	Canadian Bank of Commerce
Dinning, Neil .....	Eastern Townships Bank
Dixon, F. J.....	Bank of British North America
Doig, D .....	Bank of British North America
Douglas, Geo. H .....	Imperial Bank of Canada
Douglas, H. S .....	Imperial Bank of Canada
Dowding, C. E.....	Molsons Bank



Draper, W. H .....	Molsons Bank
Drouin, L .....	Banque Nationale
Drynan, W. R .....	Canadian Bank of Commerce
Dubuc, J. E. A.....	Banque Nationale
Duff, J. M.....	Canadian Bank of Commerce
Dumoulin, P. B.....	Quebec Bank
Duncan, D. H .....	Merchants Bank of Halifax
Dunn, E. Edward.....	Bank of Toronto
Dunlop, Fred .....	Molsons Bank
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
Duthie, E .....	Bank of Montreal
Dykes, P .....	Merchants Bank of Canada
Earle, Ernest A .....	Merchants Bank of Halifax
Easson, C. H.....	Bank of Nova Scotia
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
Eliot, W. L .....	Bank of Montreal
Elliot, James.....	Molsons Bank
Elliot, R.....	Molsons Bank
Elliott, John .....	Standard Bank of Canada
Ellis, A. E.....	Bank of British North America
Emery, F. B.....	Union Bank of Canada
Evans, H. P .....	Molsons Bank
Farwell, Wm.....	Eastern Townships Bank
Fee, Jas. K .....	Bank of Toronto
Ferguson, D. A .....	Molsons Bank
Ferguson, J. H.....	Merchants Bank of Halifax
Fetherstonhaugh, E. J.....	Canadian Bank of Commerce
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
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 Co.
Forrest, C .....	Imperial Bank of Canada
Forrest, S. L.....	Union Bank of Canada

Forsayeth, B.	Bank of Hamilton
Fortier, S	Banque d'Hochelega
Foster, G. C	Imperial Bank of Canada
Foster, R. P	Merchants Bank of Halifax
Fothergill, C.	Bank of Montreal
Fowler, Percy B	Bank of British Columbia
Fox, Chas. J	Western Bank of Canada
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'Hochelega
Frost, Henry.	Banque Ville-Marie
Fuller, E. H.	Bank of Toronto
Fuller, S. B	Imperial Bank of Canada
Fullerton, L. A.	Bank of Nova Scotia
Fulton, J. R	Imperial Bank of Canada
Fyshe, Thos	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
Gamble, R. D	Dominion Bank
Gaudet, J. E	People's Bank of Halifax
Gault, John	Merchants Bank of Canada
Geddes, H. M	Molsons Bank
Gibb, J. S	Imperial Bank of Canada
Gibbs, G. M	Canadian Bank of Commerce
Gilbert, M. A	Imperial Bank of Canada
Gill, Robert	Canadian Bank of Commerce
Gillard, J. H	Bank of British North America
Gilleland, L. J	Traders Bank of Canada
Giroux, C. A	Banque d'Hochelega
Girvan, Samuel	Bank of New Brunswick
Glazebrook, A. J.	Bank of British North America
Glennie, G. G.	Bank of Nova Scotia
Godfrey, W	Bank of British North America
Godwin, C. B.	Quebec Bank
Gordon, W.	Imperial Bank of Canada
Gould, R. J	Bank of Toronto
Gower, E. P	Canadian Bank of Commerce
Graburn, K. F. A.	Merchants Bank of Canada
Graham, C. B	Bank of Ottawa
Graham, Percy	People's Bank of Halifax
Graham, S. R	Molsons Bank
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-Armytage, H. R. G .....	Imperial Bank of Canada
Greenhill, G. V. J.....	Merchants Bank of Canada
Greentree, Chas. H. C.....	Bank of Montreal
Griffin, Geo. H .....	Bank of Montreal
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'Hochelega
Guptill, L. H.....	Bank of Nova Scotia
Hague, Geo .....	Merchants Bank of Canada
Hague, F .....	Merchants Bank of Canada
Hague, Geo .....	Merchants Bank of Canada
Hague, Geo. E.....	Merchants Bank of Canada
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
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, W. C .....	Union Bank of Halifax
Haun, A. W .....	Bank of Hamilton
Hawkins, G. N. C.....	People's Bank of Halifax
Hay, E.....	Imperial Bank of Canada
Hearn, A. R. B.....	Imperial Bank of Canada
Heathcote, Bruce.....	Bank of British Columbia
Hebblewhite, W. A .....	Imperial Bank of Canada
Hebden, E. F .....	Merchants Bank of Canada
Heffel, H. R.....	Bank of British North America
Hegan, C. R .....	Bank of Ottawa
Helsby, E. C.....	People's Bank of Halifax
Henderson, F. D .....	Bank of British North America
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
Herring, B. A.....	Bank of Ottawa
Hespeler, Jacob.....	Molsons Bank
Hetherington, James .....	Eastern Townships Bank

Heward, E. H	Merchants Bank of Canada
Hill, E. W. R.	Molsons Bank
Hill, G. N. T.	Canadian Bank of Commerce
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
Hoare, S. F.	Bank of British North America
Hodder, M. S.	Merchants Bank of Canada
Hodgetts, G. W.	Bank of Toronto
Hodgetts, Thos	Bank of Toronto
Hogg, A. B.	Bank of Ottawa
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, Adam	Canadian Bank of Commerce
Hope, F.	Bank of British North America
Horne, G. H.	Canadian Bank of Commerce
Hornsby, O. H.	Merchants Bank of Halifax
Houseman, J. E.	Molsons Bank
Houston, E. S.	Imperial Bank of Canada
Howard, H.	Ontario Bank
Howard, L. W.	Molsons Bank
Howe, S. J.	Union Bank of Halifax
Hoyt, G. E.	Bank of Nova Scotia
Hurdon, N. D.	Molsons Bank
Hutcheson, S. M.	Western Bank of Canada

Imrie, James	Bank of Nova Scotia
Inglis, R.	Bank of British North America
Inglis, John	Merchants Bank of Canada
Innes, Chas. B.	Bank of British Columbia
Ireland, A. H.	Canadian Bank of Commerce
Ireland, A. S.	Bank of British North America
Irvine, J. H.	Bank of Ottawa

Jackson, E. C.	Traders Bank of Canada
Jaffray, W. G.	Imperial Bank of Canada
James, Victor C.	Merchants Bank of Canada
Jarvis, Arthur S.	Union 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
Kavanagh, C. R .....	Bank of Ottawa
Kelly, J. ....	Standard Bank of Canada
Kelly, J. E.....	Merchants Bank of Canada
Kemp, Donald .....	Merchants Bank of Halifax
Kemp, J. C.....	Canadian Bank of Commerce
Kennedy, C. A .....	Bank of Nova Scotia
Kennedy, F .....	Bank of Nova Scotia
Kenny, C. H .....	Bank of Ottawa
Kessen, R. Blaikie .....	Bank of Ottawa
Ketchum, C. V.....	Bank of Toronto
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
Kingsmill, Wm.....	Bank of Ottawa
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
Kivell, W. J .....	Canadian Bank of Commerce
Knight, John.....	People's Bank of Halifax
Knight, A. S.....	Bank of Nova Scotia
Kohl, E. F.....	Molsons Bank
Kortright, E. A.....	Bank of Toronto
Kydd, Geo .....	Bank of British North America
Labadie, P. A .....	Banque Nationale
Lacoursiere, F. X. O .....	Banque d'Hochelega
Laframboise, J .....	Eastern Townships Bank
Lafrance, P. G .....	Banque Nationale
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'Hochelega
Langmuir, J. A.....	Imperial Bank of Canada
Larocque, A. A.....	Banque d'Hochelega
Latimer, C. R .....	Bank of Toronto
Lavoie, N .....	Banque Nationale
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
Le Mesurier, G. G .....	Imperial Bank of Canada
Leslie, A.....	Bank of British North America
Leslie, C. F .....	Bank of Hamilton
Leslie, E. V .....	Bank of Montreal
Leslie, J.....	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
Lightbourn, D. B.....	Molsons Bank
Lister, F. A. W.....	Merchants Bank of Canada
Little, J. A.....	Molsons Bank
Livingstone, N. M .....	Bank of Hamilton
Lloyd, C. H .....	Ontario Bank
Lockie, Everard J. ....	Canadian Bank of Commerce
Lockwood, H .....	Bank of Montreal
Lockwood, H .....	Molsons Bank
Logan, A. H .....	Bank of Ottawa
Lombard, J. H .....	Bank of Nova Scotia
Loosemore, H. H.....	Standard Bank of Canada
Lund, W. A .....	Halifax Banking Co.
Lyon, R. A .....	Imperial Bank of Canada
Macbeth, F .....	Molsons Bank
Macdonald, R. H.....	People's Bank of Halifax
Macdonald, W .....	Imperial Bank of Canada
Macdonell, A. J .....	Ontario Bank
MacEwan, 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
Mackelvie, N. B .....	Bank of Nova Scotia
MacKenzie, E. E .....	Merchants Bank of Halifax
MacKenzie, J. M .....	Imperial Bank of Canada
Mackenzie, H. B .....	Bank of British North America
Mackinnon, Jas.....	Eastern Townships Bank
Mackintosh, A. St. L .....	Merchants Bank of Canada
Mackintosh, C. D.....	Canadian Bank of Commerce
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
McBrine, Jas. H .....	Bank of Toronto
McCaffry, Thos. F .....	Union Bank of Canada
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
McCulley, C. C.....	Bank of Nova Scotia
McCurdy, E. A.....	Merchants Bank of Halifax
McCurdy, F. B.....	Halifax Banking Co.
McDonald, Arthur .....	Bank of New Brunswick
McDougall, Thomas .....	Quebec Bank
McDougall, Allan.....	Quebec Bank
McDougall, F .....	Merchants Bank of Halifax
McGill, W .....	Western Bank of Canada
McGillivray, A .....	Bank of Toronto
McGregor, D.....	Canadian Bank of Commerce
McGregor, George C .....	Molsons Bank
McHarrie, R. C.....	Canadian Bank of Commerce
McInnes, D .....	Banque d'Hochelaga
McIsaac, John A .....	Merchants Bank of Halifax
McKane, John .....	Merchants Bank of Halifax
McKee, G. W .....	Canadian Bank of Commerce
McKeen, John .....	Bank of Nova Scotia
McLaggan, C. E .....	Bank of Nova Scotia
McLean, A. D .....	Merchants Bank of Canada
McLean, Neil .....	Bank of Montreal
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
McLoughlin, J. W .....	Eastern Townships Bank
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
McPhail, J. A .....	Imperial Bank of Canada
McRae, A. D.....	Union Bank of Halifax
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
Mann, F. A .....	Merchants Bank of Canada
Manning, C. M.....	Bank of Nova Scotia
Manning, M. J .....	Merchants Bank of Canada
Manson, Wm .....	Canadian Bank of Commerce
Marler, W. L .....	Merchants Bank of Canada
Marsh, F. H .....	Imperial Bank of Canada
Marshall, S. E .....	Commercial Bank of Windsor
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
Masters, G. A .....	Bank of Nova Scotia
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
Metzler, R. H.....	Halifax Banking Co.
Michie, G. W.....	Union Bank of Canada
Middeton, W. E.....	Ontario Bank
Millar, J. E.....	Canadian Bank of Commerce
Miller, D.....	Merchants Bank of Canada
Minty, F. C. G.....	Canadian Bank of Commerce
Minty, H. J.....	Canadian Bank of Commerce
Mitchell, W. F.....	Merchants Bank of Halifax
Moffat, A. C.....	Canadian Bank of Commerce
Moffat, W.....	Imperial Bank of Canada
Moffatt, G. G.....	Bank of Nova Scotia
Molson, H. Markland.....	Molsons Bank
Molson, J. D.....	Molsons Bank
Monk, A. B.....	Bank of Montreal
Monk, John Benning.....	Bank of Ottawa
Montgomery, R. J.....	Canadian Bank of Commerce
Montizambert, H. St. J.....	Imperial Bank of Canada
Mooney, Andrew.....	Bank of Nova Scotia
Mooney, B.....	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 Co.
Morrison, J. J.....	Bank of British North America
Morrison, P. W.....	Merchants Bank of Halifax
Morrison, R. P.....	Halifax Banking Co.
Morson, W. C. T.....	Canadian Bank of Commerce
Morton, W. D.....	Bank of Toronto
Mowat, John.....	Bank of Nova Scotia
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.....	People's Bank of Halifax
Murray, A. S.....	Exchange Bank of Yarmouth
Murray, F. L.....	Halifax Banking Co.



Murray, J. McE .....	Canadian Bank of Commerce
Murray, William .....	Bank of British Columbia
Mussen, R. T .....	Canadian Bank of Commerce
Naftel, F. J .....	Bank of Montreal
Nash, A. E .....	Bank of Montreal
Nay, J. W.....	Canadian Bank of Commerce
Naylor, W. S.....	Molsons Bank
Neeve, C. G .....	Merchants Bank of Canada
Neeve, J. H .....	Bank of Ottawa
Nevill, C. D .....	Bank of British North America
Niblett, E. R.....	Bank of Hamilton
Nicoll, J. C.....	Bank of British North America
Nichol, John D.....	Bank of Hamilton
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, 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
Padden, J. A.....	Bank of Montreal
Pambrun, W. H .....	Banque d'Hochelaga
Park, D. R.....	Merchants Bank of Halifax
Parker, A. D.....	Canadian Bank of Commerce
Parker, E. G.....	Bank of Ottawa
Parker, F. A .....	Merchants Bank of Canada
Parker, W. D .....	Ontario Bank
Parkes, C. M.....	Bank of Toronto
Parkes, T. G. A .....	Merchants Bank of Halifax
Parris, J. R .....	Bank of Ottawa
Pashby, R .....	Bank of Toronto
Paterson, J. C .....	Merchants Bank of Canada
Patterson, A. B .....	Merchants Bank of Canada
Patterson, C. A.....	Bank of Hamilton
Patterson, E. L. Stewart.....	Eastern Townships Bank
Patterson, G. B.....	Molsons Bank
Patton, F. L.....	Union Bank of Canada
Patton, R. C .....	Quebec 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
Phipps, A. R.....	Canadian Bank of Commerce
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
Pratt, Edward C .....	Molsons Bank
Pratt, W. H .....	Molsons Bank
Prendergast, M. J. A .....	Banque d'Hochelaga
Pringle, John.....	Bank of Toronto
Pringle, W.....	Merchants Bank of Canada
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
Racey, W. R.....	Merchants Bank of Halifax
Ramsden, F. G.....	Bank of Toronto
Ransom, Wm. Bayly .....	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
Reed, R. L Baynes .....	Molsons Bank
Reeve, R. F .....	Bank of Montreal
Reid, E. R.....	Commercial Bank of Windsor
Reid, Geo. P.....	Standard Bank of Canada
Renshaw, H. A. C .....	Merchants Bank of Canada
Rent, R. G.....	Union Bank of Halifax
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
Richey, M. S. L .....	Bank of Montreal
Ridout, A. H.....	Bank of Hamilton
Ridout, A. W .....	Canadian Bank of Commerce
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, H. E .....	People's Bank of Halifax
Robertson, W. J.....	Canadian Bank of Commerce
Robinson, Edwd N .....	Eastern Townships Bank
Robinson, F. M.....	Bank of Hamilton
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
Rogers, F. J .....	Bank of Montreal
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, Carl.....	Canadian Bank of Commerce
Rumsey, C. S.....	Traders Bank of Canada
Rumsey, Reginald, A .....	Canadian Bank of Commerce
Russell, J. A .....	Halifax Banking Co.
Ryan, J. W.....	Union Bank of Halifax
Sanson, D. M.....	Canadian Bank of Commerce
Saunders, E. M.....	Canadian Bank of Commerce
Saunderson, Geo. ....	Bank of Nova Scotia
Savage, W. J.....	Canadian Bank of Commerce
Schofield, Geo. A.....	Bank of New Brunswick
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 Co.
Shannon, W. T.....	Standard Bank of Canada
Shaw, G. H .....	Quebec Bank
Shaw, Robert .....	Merchants Bank of Canada
Shepherd, D .....	Molsons Bank
Sherman, F. J .....	Merchants Bank of Halifax
Short, F. T.....	Bank of British North America

Short, H. H .....	Bank of Ottawa
Simpson, A.....	Ontario Bank
Simpson, C. E. St. C .....	Canadian Bank of Commerce
Simpson, D .....	Bank of British North America
Skeaff, Jno. 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
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
Spurden, J. W .....	People's 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 Co.
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
Stikeman, H .....	Bank of British North America
Stork, C. M .....	Canadian Bank of Commerce
Strathy, Frank W .....	Union Bank of Canada
Strathy, H. S.....	Traders Bank of Canada
Strathy, Stuart.....	Traders Bank of Canada
Strickland, C. N. S .....	Union Bank of Halifax
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
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, Geo. 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
Taylor, W. H Norton .....	Bank of Montreal
Thomas, R. Wolferstan .....	Bank of British North America
Thomas, F. Wolferstan .....	Molsons Bank
Thomas, Wm. S .....	Bank of New Brunswick
Thompson, L. P .....	Merchants Bank of Canada
Thomson, A. A .....	Bank of Nova Scotia
Thomson, A. H .....	Canadian Bank of Commerce
Thomson, G. A .....	Halifax Banking Co.
Thomson, H. A .....	Molsons Bank
Thomson, W. H .....	Imperial Bank of Canada
Thornton, A. S .....	Canadian Bank of Commerce
Thorne, E. L .....	Union Bank of Halifax
Tofield, H. A .....	Merchants Bank of Canada
Torrance, W. B .....	Merchants Bank of Halifax
Townshend, A. S .....	Halifax Banking Co.
Trainor, John .....	Merchants Bank of Halifax
Travers, W. R .....	Merchants Bank of Canada
Trepanier, J .....	Banque d'Hochelega
Trigge, A. St. L .....	Canadian Bank of Commerce
Tupper, W. S .....	Merchants Bank of Halifax
Turnbull, J .....	Bank of Hamilton
Turnbull, James .....	Halifax Banking Co.
Turnbull, T. M .....	Canadian Bank of Commerce
Turner, J. H .....	Bank of Nova Scotia
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
Wadsworth, W. R .....	Bank of Toronto
Wainwright, G. C .....	Bank of Ottawa
Wainwright, J. R .....	Molsons Bank
Walcot, C. W .....	Merchants Bank of Canada
Walker, B. E .....	Canadian Bank of Commerce
Walker, H. B .....	Canadian Bank of Commerce

Walker, J .....	Quebec Bank
Wallace, H. N .....	Halifax Banking Co.
Wallace, Jas. B.....	Merchants Bank of Canada
Wallace, R. G .....	Bank of Nova Scotia
Wallace, R. R .....	Bank of Montreal
Wallace, Wm. ....	Molsons Bank
Wallace, W. J .....	Bank of Montreal
Walsh, Ed .....	Merchants Bank of Halifax
Ward, W. C .....	Bank of British Columbia
Ward, E. E .....	Molsons Bank
Ward, Frank B.....	Bank of British Columbia
Ward, Harry M .....	Eastern Townships Bank
Warden, W. M.....	Bank of Toronto
Waterbury, W. B.....	Merchants Bank of Canada
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, W. W.....	Bank of Nova Scotia
Watt, G. D .....	Bank of British North America
Watt, J. Nelson.....	Bank of Hamilton
Waud, B. H .....	Molsons Bank
Waud, E. W.....	Molsons Bank
Webbe, R. J. M .....	Molsons Bank
Webb, E. E .....	Union Bank of Canada
Wedd, G. M .....	Canadian Bank of Commerce
Wedd, L. E .....	Bank of Hamilton
Weelands, E.....	Molsons Bank
Weir, W.....	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
Whelan, Chas. P.....	Dominion Bank
White, Chas .....	Imperial Bank of Canada
White, G. A .....	People's Bank of Halifax
Whitely, A. L.....	Imperial Bank of Canada
Wickson, Arthur .....	Merchants Bank of Canada
Wiggins, C. Malcolm .....	Ontario Bank
Wilkie, D. R.....	Imperial Bank of Canada
Williams, A. E.....	Bank of Nova Scotia
Williams, H. F.....	Eastern Townships Bank
Williams, R. S.....	Canadian Bank of Commerce
Williams, Thos.....	Bank of Toronto
Wills, H. T .....	Canadian Bank of Commerce
Willis, J. M .....	Ontario Bank
Willmott, J. S .....	Merchants Bank of Canada
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. 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.....	People's Bank of Halifax
Woolcombe, F.....	Union Bank of Canada
Wrenshall, C. M.....	Merchants Bank of Canada
Wright, H. O.....	Bank of Montreal
Wright, R. C.....	Union Bank of Halifax
Würtele, Carl F.....	Quebec Bank
Würtele, H. N.....	Merchants Bank of Canada
Wyld, O. A.....	Bank of British Columbia
Yarwood, C. St. G.....	Canadian Bank of Commerce
Yeo, Lowman.....	Bank of Nova Scotia
Young, J. E.....	Commercial Bank of Windsor
Young, W. C.....	Merchants Bank of Canada