Vol. III] [Number 4

JOURNAL

OF THE

CANADIAN BANKERS' ASSOCIATION

JULY—1896

THE POWERS OF DIRECTORS

It would be impossible, within the limits practicable for this article, to make anything like an exhaustive examination of the law upon the subject. What is proposed is, therefore, hardly more than a synopsis or tabulation of certain legal principles which have been judicially applied from time to time to cases involving the powers of directors, and a brief examination and classification of certain statutes, to which reference should be had when considering the existence and extent of such powers in particular cases.

It is, perhaps, hardly necessary to disclaim originality in an article of this kind. The whole ground has been so satisfactorily covered by text writers, notably that distinguished English Judge, Lord Justice Lindley, in his Treatise on the Law of Companies, that originality can hardly be claimed even in the method of arrangement.

The powers and functions of the directors of a company in the conduct of its business are referable to, and are, indeed, an important branch of the law of agency. They are sometimes

spoken of as trusts, delegated by the company to the directors, and exercisable by them in the interest and for the benefit of the company. But it has been doubted whether the word *trustee* accurately describes the relation of a director to his company. Certainly, some of the features of "complete" trusteeship[1] are wanting in the director's position, and, as certainly, he is held, in the exercise of his powers as director or agent, to as strict accountability as a trustee would be, at least to the extent that those powers must not be employed to obtain any private benefit or advantage to himself. Perhaps the true view is that in enforcing and working out his obligations as agent of the company, the law applies by analogy the principles applicable to cases of trusteeship, in aid of the enforcement of that good faith on his part which lies at the foundation of his duty as agent.

Lord Justice Bowen says[2]: "When persons who are directors of a company are from time to time spoken of by judges as agents, trustees or managing partners of the company, it is essential to recollect that such expressions are used, not as exhaustive of the powers or responsibilities of those persons, but only as indicating useful points of view from which they may, for the moment and for the particular purpose, be considered; points of view at which they seem for the moment to be either cutting the circle or falling within the category of the suggested kind. It is not meant that they belong to the category, but that it is useful, for the purpose of the moment, to observe that they fall *pro tanto* within the principles which govern that particular class. . . . These directors are not exactly agents, nor exactly servants—perhaps not servants at all—nor exactly trustees, nor exactly managing partners, if by that is meant that they are nothing more and nothing less. They are persons invested with strictly defined powers of management under the articles of association of a statutory corporation."

The directors being the agents of the company, are entrusted by law with the conduct of the company's business; and while acting

---

[1] Lord Westbury, in discussing a similar question, uses the expression "complete trustee." *Knox v. Gye*, L.R. 5 H.L., 656.

[2] *Imperial, etc., Hotel Co. v. Hampson*, L.R., 23 C.D. 1, at p. 12.

(*a*) in their representative capacity, and

(*b*) within their authority as such agents,

their acts and contracts are the acts and contracts of the company.

The statutes of both Canada and Ontario recognize and apply this law by express enactment to companies subject to the legislative jurisdiction of the Dominion and the Province respectively. The Dominion Companies Act (R.S.C., cap. 119, sec. 35) provides that "the directors of the company may administer the affairs of the company in all things, and make or cause to be made for the company any description of contract which the company may by law enter into." The Dominion Companies Clauses Act (R.S.C., cap. 118, sec. 13) makes a precisely similar provision, in words almost identical. The corresponding Provincial Acts, The Joint Stock Companies Letters Patent Act (R.S.O., cap. 157, sec. 36) and The Joint Stock Companies General Clauses Act (R.S.O., cap. 156, sec. 14), enact provisions which, though couched in slightly different words, are to the same effect.

(*a*) The directors in order to bind the company must be acting in their representative capacity as agents.

Only a word or two need be said in explanation of this requisite. Each director is not, in and by himself, an agent to bind the company. If the affairs of the company are entrusted to a board composed of five directors, they are entrusted to a body composed of five agents, and not severally to each one of five independent agents. In other words, it is the *body* that must act in order to efficiently represent the company. Of course "the majority of a duly convened and duly constituted board of directors can act for the whole board, and bind the company."[1]

(*b*) The directors, in order to bind the company, must be acting within their delegated authority as agents.

It is plain that the important inquiry to be made when considering the validity and binding effect of any given act or contract, done, made or proposed on behalf of a company, by the directors, the company's agents, is whether the act or con-

[1] *Lindley on Companies*, 5th Ed., 156.

tract in question is within the scope of the agent's authority. If it is, the company is bound and responsible. If it is not, the company is not bound nor responsible.

It is, further, clear that the directors can have no authority to bind the company by acts which are beyond the powers of the company itself. The inquiry, therefore, must, in the first place, be whether the transaction in question is one which the company itself has power to engage in. If the company has not such power, its agents cannot be invested with such power by it, nor can the most solemn engagement of its agents give the transaction validity. The powers of the company itself being of limited nature and extent, those limitations, manifestly, cannot be exceeded by the company's agents, nor can the company delegate to its agents powers which it does not possess.

In arriving at an answer to this first question in any given case, care must be taken to examine what may be called the constitution of the particular company. This will be found in its Act of incorporation if incorporated by special Act, its charter or letters patent of incorporation if incorporated under one of the general Acts, and in the provisions of the general Act applicable to the particular company.

A brief summary and classification of the legislation of the Parliament of Canada and of the Legislature of Ontario affecting the creation and powers of companies, may be found useful in this inquiry.

The Dominion legislation upon the subject may be conveniently, though not quite exhaustively, classified as follows:

(1) Banking legislation;
(2) Railway legislation;
(3) Insurance legislation;
(4) General company legislation.

In the first three classes the method or scheme of legislation adopted by Parliament has been to pass general Acts relating to banking, railways and insurance, and in these Acts to define and limit the powers of banks, and of railways and insurance companies subject to the legislative jurisdiction of Parliament. At the present time these Acts are, An Act Respecting Banks and Banking, 53 Vic., cap 31; An Act Respecting Railways,

51 Vic., cap. 29, and An Act Respecting Insurance, R.S.C., cap. 124. These Acts do not create banking, railway and insurance corporations, but are made applicable to them when created. The corporations subject to the provisions of these Acts have been or may be, from time to time, brought into existence by special private Acts of Parliament. In any particular case the special Act of the particular company, as well as the general Act applicable to all companies of its class, must be examined to ascertain the scope and limitations of the particular company's powers. In the general Act dealing with companies of the class will be found defined the powers possessed generally by companies of the class, while in the special Act will be found any special and exclusive powers of the particular company.

Companies within the legislative jurisdiction of the Dominion, and not falling within any of these three classes, are next to be considered, under the 4th head, general company legislation. Such companies may derive their corporate existence either from incorporation by special private Act of Parliament, or from the grant of letters patent of incorporation by the Governor-General-in-Council under the provisions of the Companies Act, R.S.C., cap. 119. If they are incorporated by special Act, they are, of course, possessed of the special powers and subject to the special limitations conferred and imposed by their respective special Acts. They are also made subject to the provisions and limitations of another general Act, the Companies Clauses Act, R.S.C., cap. 118. When a question arises as to the powers of such a company, reference must, therefore, be made to its special Act and also to R.S.C., cap. 118. On the other hand, if the particular company derives its existence from a grant of letters patent by the Governor under R.S.C., cap. 119, a similar question must be determined by an examination of the letters patent so granted, which define the company's particular and special powers, and of R.S.C., cap. 119, which defines its general powers.

The Ontario legislation is somewhat more complex. It makes, in the first place, provision by a general Act, R.S.O., cap. 156, for the cases of all companies incorporated by special

Acts for certain defined purposes. Those purposes are set out in the 4th section of the Act, and are as follows:

1. The carrying on of any kind of manufacturing, shipbuilding, mining, mechanical or chemical business.

2. The erection and maintenance of buildings to be used as mechanics' institutes, public reading or lecture rooms, or for exhibition, educational, library, scientific or religious purposes, or as hotels or baths.

3. The opening and using of petroleum, salt or mineral springs.

4. The carrying on of fisheries within the Province or adjacent waters, and the building and equipping of vessels required therefor.

5. The carrying on of any general forwarding business, and the construction, owning, chartering or leasing ships, wharves, roads or other property required therefor.

6. The supplying of any place with gas or water or both.

7. The construction of telegraph lines.

8. The acquiring or constructing and maintaining of dams, slides, piers, booms or other works, necessary to facilitate the transmission of timber down rivers and streams within the Province, and the blasting of rocks, dredging and otherwise improving the navigation of such streams for such purpose.

9. The acquiring or constructing and maintaining of plank, macadam and gravel roads, or of any bridge, pier, wharf, dry dock or marine railway.

In the case, therefore, of any company incorporated by special Act for any of the foregoing purposes, we must examine the Act in question, the Joint Stock Companies General Clauses Act (R.S.O., cap. 156), to ascertain the general powers of such a company, and we must also look at the particular company's special Act, to ascertain what special and exclusive powers have been conferred upon it.

The Provincial legislation then proceeds to make general provision for the incorporation of companies without special Act, by the Lieutenant-Governor-in-Council. This is done by the Act R.S.O., cap. 157. Under this Act charters, or letters patent of incorporation, may be granted by the Governor-in-Council, creating a company for any purpose or object within

the legislative domain of the Province, except the construction and working of railways and the business of insurance. In the case of a company so brought into existence, we turn, therefore, to its charter so granted, and to the general Act, R.S.O., cap. 157, to ascertain its powers, special and general, respectively.

Railways and insurance companies being excluded from the operation of this general Act, are dealt with by other Acts, also general in their character. There are two general Acts dealing with railways, the Act Respecting Railways, R.S.O., cap. 170, and the Street Railway Act, R.S.O., cap. 171. All railway and street railway companies within the legislative jurisdiction of the Province will be found to owe their existence to special Acts of incorporation, which limit and define their special powers, and a reference to the general Act applicable—the Railway Act or the Street Railway Act, as the case may be—will enable us to determine what powers they possess in common with all companies of their respective classes.

Insurance companies subject to provincial jurisdiction may be incorporated either by special Act, or by the grant of letters patent by the Governor-in-Council, under the provisions of a General Insurance Act, R.S.O., cap. 167; and the provisions of the Companies Clauses Act, R.S.O., cap. 156, and of the Letters Patent Act, R.S.O., cap. 157, both of which have already been spoken of, are made applicable to insurance companies incorporated in either way, except in so far as those provisions are repugnant to the provisions of the Insurance Act itself, or, in the case of a company incorporated by special Act, to the provisions of such special Act.

In the case, therefore, of a Provincial insurance company, we must, in order to ascertain its powers, examine

(*a*) its special Act, if it is so incorporated;

(*b*) or its charter if incorporated by the Governor-in-Council under the Insurance Act;

(*c*) the Insurance Act, R.S.O., cap 167, and its amendments.

(*d*) The two General Acts, R.S.O., cap. 156, and R.S.O., cap. 157.

(There are provisions as to mutual companies, friendly societies, etc., etc., which involve modifications in some respects

of the general Provincial scheme of insurance legislation, but which it is not practicable to deal with in detail within the limits of the present article.)

This is a general, but by no means exhaustive, synopsis of the Provincial legislation to be taken into account, in the consideration of corporate powers generally. There are special provisions with regard to many special classes of companies, for example, telegraph companies, road companies, timber slide companies, wharf, harbour and dry dock companies, mining companies, gas, water, steam and electric companies, co-operative associations, benevolent and provident societies, building societies and cemetery companies, which must be examined when dealing with cases governed by them, but which can only be mentioned here.

Having, then, ascertained by reference to the legislation applicable, that any particular transaction is beyond the powers, or, as is usually said, *ultra vires* of the company whose directors propose to engage in it, we at once conclude that the directors cannot bind their principal, the company, by, or pledge its property to responsibility for the proposed transaction. For example: a mining company, under resolution of its board, issues promissory notes payable to bearer, and circulates them as money. Such notes being *ultra vires* of the company, are not binding upon it, and no act of the directors can make them so. The directors of a railway company, whose Act of incorporation empowers it to construct a railway from Toronto to Hamilton, let a contract in the name of the company for the construction of a line from Toronto to Kingston. The company is not bound by or liable upon such a contract.

Where the directors of a company have power to do a particular thing only with the sanction of the shareholders, as, for example, to issue preference stock (R.S.O., cap. 157, sec. 25), to increase or decrease the number of directors (R.S.O., cap. 157, sec. 35), to issue bonds or debentures, or to mortgage the company's property (R.S.O., cap. 157, sec. 38), the doing of the thing without the required sanction is as ineffective to bind the company as if it had been entirely *ultra vires*. But there is this difference. The shareholders (at all events within cer-

tain limits) may in such a case ratify and confirm, and so render binding upon the company, what the directors have done.[1] On the other hand, if the Act is *ultra vires* of the company under any circumstances, of course no ratification or confirmation by the shareholders, even if they are unanimous, can cure its invalidity.

There has been a difference of opinion as to whether the existence of any particular corporate power is to be presumed in the absence of any expression to the contrary in the constitution of the company, as hereinbefore defined, or whether such power is to be presumed not to exist in the absence from such constitution of any words expressly or by necessary implication conferring it. With regard to trading and similar corporations, Lord Justice Lindley, whose opinion upon the subject is of the highest authority, thinks the latter the correct view, viz.: that all the powers of such corporations must be found in the express language of the legislative grant or documentary constitution, or deduced by necessary implication from such express language, and that, unless so expressly or impliedly conferred, the existence of the particular power must be denied. He thinks this the ne essary result of the decision of the House of Lords in *Ashbury Ry. Co. v. Riche.*[2] But he points out with great clearness that when once you have ascertained what powers are conferred, expressly or by necessary implication, whatever may be fairly regarded as incidental to or consequent upon those powers should, in the absence of some express prohibition, be treated as falling within them.

We have seen that where the sanction of the shareholders is necessary to the valid exercise by directors of any corporate power, the absence of such sanction invalidates the exercise by the directors of that power. Similarly, if the constitution of the company, as above explained, permits the particular power to be exercised by the company only under and subject to certain restrictions, the exercise of the power otherwise, and without regard to such restrictions, is invalid, and does not bind the company. All persons who deal with the company are bound

[1] See judgment of Boyd, C., in *McDougall v. Lindsay, Etc., Co.*, 10 P.R. 247, at p. 252.

[2] L.R., 7 H.L., 653.

at their peril to inquire whether the directors in such a case have properly given themselves authority to exercise the power by compliance with the restrictions regulating its exercise.

This rule, however, must not be understood as requiring persons who deal with the directors as the ostensible and apparent agents of the company, to ascertain, in all cases, that the directors are acting in accordance with rules prescribed by the company. If the company is invested generally by its constitution--again using that word in the sense which has been explained—with the power to do the act in question, and the constitution is silent as to the method of its exercise, the person who deals with the directors as representing the company is not bound to inquire into the scope and limitations of the rules ordained by the company for the regulation of the exercise of the power. In other words, the person so dealing is bound to examine the constitution of the company only, as distinguished from its internal regulations. If that constitution confers the power generally, leaving the method of its exercise to the discretion of the corporators, to be expressed by and embodied in internal regulations, he need go no further, and will be protected in his dealings, at all events if he had no notice of any special limitation placed by rule or by-law upon the exercise of the power by the directors. But if the constitution itself, to which the person so dealing is supposed to have access, and by which he is supposed to guide himself in his dealings, makes the exercise of the power in question by the company or its directors subject to any restrictions, he must go further in his inquiry, and ascertain at his peril whether they have been complied with. Two rules upon this subject are formulated by Mr. Brice in his Treatise upon the Doctrine of *Ultra Vires*. The first is: *Directors have all the authority vested in them by the constating instruments* (meaning the constitution of the company), *except as regards parties actually cognizant of limitations or conditions imposed thereon.* The second is: *When any transactions of a corporation ought to be but are not accompanied with certain formalities, such formalities being directory only, and not essential, the said transactions will be binding upon the corporation as regards persons dealing with it, not having notice, express or implied, of the need of the formality in question.*

The leading English authority upon the subject is *Royal British Bank v. Turquand.*[1]

So far, we have dealt with matters which are beyond the powers, or *ultra vires*, of the company, either generally or unless some precedent condition prescribed by the company's constitution has been complied with. We have seen that any transaction entered into by directors on behalf of the company which falls within either class is not effectual to impose any obligation upon the company. But it by no means necessarily follows, as a universal proposition of law, that the converse is true, viz., that if the act in question is within the powers of the company, either generally or upon performance of the precedent condition, the directors may do the act and thereby bind the company. Whether they may or not depends again upon the constitution of the company. They have no powers which are either expressly or by necessary implication withheld from them by that constitution. This, though a general proposition not to be lost sight of, is not, however, in this Province, in respect to Dominion and Provincial companies, a matter of much practical importance, inasmuch as the general statutes applicable to the vast majority of such companies vest in the directors, as we have seen they do, the power "to administer the affairs of the company in all things." A striking illustration of the extent to which the Courts have gone in affirming the powers of directors under this section to be co-extensive with those of the company itself, is the case of *Whiting v. Hovey*,[2] in which the directors of a manufacturing company, incorporated by Dominion Order-in-Council under what is now The Companies Act (R.S.C., cap. 119), were held to have acted within their powers in making a general assignment of all the property of the company for the benefit of the company's creditors, although in so doing they had acted without the assent or express authority of the shareholders, and although the statute contained no enabling provision upon the subject. In the case of our domestic corporations, therefore, the inquiry

[1] 5 E. & B. 248; 6 E. & B. 327.

[2] 9 O.R., 314; 13 A.R., 7; 14 S.C.R., 515.

what corporate powers are withheld from directors is practically narrowed to the question which of such corporate powers must be exercised under the sanctions prescribed by these statutes.

Some of the principal matters falling within the powers of companies, and in which questions have been raised as to whether the acts of directors, or officers acting under their direction, effectively bound their companies, may now be referred to.

One very important class of such matters is the borrowing of money. And it is first to be observed that all companies have not power to borrow money. In this country all companies incorporated by Order-in-Council, whether Dominion or Provincial, are expressly authorized to borrow money for the purposes of their business by the respective general Dominion and Provincial Acts already referred to—R.S.C., cap. 119, sec. 37, and R.S.O., cap. 157, sec. 38, subject to certain restrictions which will be referred to presently, and, subject to those restrictions, and to any limitation which may be found in the letters patent of incorporation granted by the Order-in-Council, it may be taken as a universal rule with regard to such companies that they have all the borrowing powers necessarily or usually incident to business of the kind in which they are authorized to engage. But there is no similar general provision in either the Dominion or Provincial Companies' Clauses Act. These Acts (R.S.C., cap. 118, and R.S.O., cap. 156), as has already been pointed out, enact general provisions to be applied to certain companies deriving their existence from special Acts of incorporation passed by Parliament and the Legislature respectively. To such special Acts reference must therefore first be had to ascertain whether such companies have borrowing powers or not. If by them such powers are either expressly conferred or expressly withheld, that of course determines the question. If, on the other hand, the special Act is silent upon the subject, as sometimes, though not often, happens, then the question must be determined by a consideration of the purposes and objects of incorporation, the nature of the business authorized, and the necessary and usual incidents of such a business. It may be generally affirmed that all companies incorporated for

manufacturing, trading and similar purposes, have the power to borrow which is necessary or usual in business of the kind.

Where restrictions are placed upon the borrowing powers of such a company by its special Act, any borrowing of money which takes place in excess of the limitations imposed is *ultra vires*, and the company is not bound by such borrowing. The most frequent restrictions are those which limit the amount which may be borrowed, and those which require the assent of the shareholders. It has been repeatedly decided that where the statute fixes a limit to the amount which the company may borrow, loans in excess of such amount are not binding upon the company.[1] Where the statute requires the sanction of the shareholders in order to the validity of the loan, the absence of such sanction is fatal, subject, however, to the qualification that the shareholders may by ratification or confirmation deprive themselves of the right to object. And, indeed, where the amount to which the borrowing power is limited by the Act has been exceeded, as also in the case where borrowing at all is *ultra vires*, although the shareholders cannot by any ratification validate or make the loan binding, yet the amount borrowed, though not a debt, as such, enforcible against the company, has always been held recoverable from the company by the lender to the extent to which he could establish that it was actually applied in payment of *charges validly created* upon the company's property and of *debts and liabilities* of the company *properly incurred*.[2] But this doctrine does not extend so as to permit recovery against the company of any portion of such a loan which has been applied to the payment of a charge or mortgage not validly created, although the moneys raised by such invalid charge were applied to proper purposes of the company.

While we have seen that all companies, whether Dominion or Provincial, incorporated by Order-in-Council under the general Acts providing for that method of bringing corporations into existence, have borrowing powers, yet a restriction is imposed (which is common to both Acts) where security by way

[1] See *Baroness Wenlock v. River Dee Co.*, L.R. 10 A.C., 354.

[2] *Baroness Wenlock v. River Dee Co.*, L.R. 10 A.C., 354: *Bridgewater, etc., Co. v. Murphy*, 23 A.R., 66.

of bond or debenture of the company is intended to be given, or where it is intended to secure the loan by mortgage, hypothecation or pledge of the real or personal property of the company. The directors must in such a case submit a by-law, authorizing the proposed borrowing, to the shareholders at a general meeting, to be duly called for considering the by-law, and the shareholders represented at such meeting must sanction or pass and approve the by-law by a two-thirds majority.

We have already seen that the subsequent confirmation or ratification by the shareholders of a transaction, of the kind contemplated by the sections in question, which has been carried out by the directors without complying with these requirements, will validate such transaction. The transaction is, however, unless the provisions of the respective sections are complied with, beyond the powers or authority of the directors, and the company will not be bound in the absence of subsequent ratification by the shareholders, except that (as we have seen in the case of companies governed by the other general Acts), where the moneys have been actually advanced and applied to the payment of valid charges upon the company's property or of debts of the company properly incurred, the person advancing the moneys is permitted, upon equitable principles, to enforce repayment by the company to the extent to which the moneys have been so applied.

A further restriction is imposed by the general Dominion Act, in respect of such transactions, which is not found in the Act governing Provincial companies. It is that the amount borrowed shall not, at any time, be greater than seventy-five per cent. of the actual paid-up stock of the company. The result of this limitation is to make borrowing beyond the amount fixed entirely *ultra vires* of the company, and the shareholders cannot ratify or confirm such borrowing, though the writer believes that the same equitable doctrine will be recognized and enforced where the moneys are actually applied in payment of the properly incurred debts of the company, as in the cases already mentioned.[1] This statutory limitation does not, however, apply to commercial paper discounted by the company; R.S.C., cap. 119, section 37*b*.

[1] *Baroness Wenlock v. River Dee Co.*, L.R., 10 A.C., 354.

To sum up what has been said upon the power of directors to borrow money and bind their principals to repayment of it:

(1) If borrowing at all is beyond the powers of the company, the directors cannot bind it by so borrowing, though repayment may be enforced of so much of the moneys advanced as was actually applied to the discharge of the company's properly incurred debts.

(2) If the amount which may be borrowed is fixed by the company's constitution, that amount may not be exceeded by the directors; and if it be, the company is not bound by such excess, though the same equitable doctrine may be applied and the same equitable liability may arise from the proper application of the moneys.

(3) In cases of borrowing where the sanction or approval of the shareholders is required, the absence of such sanction or approval prevents the transaction from becoming binding upon the company, unless and until the shareholders have ratified it, which they may do.

(4) Where the directors have acted within the limits of the corporate powers and of their own authority in borrowing money, their company is bound, and, in such case, the lender need not trouble himself with the application of such moneys, as the improper application of them cannot affect his rights.

With regard to bills of exchange, promissory notes and other commercial instruments, the Companies Clauses Acts and the General Letters Patent Acts of both the Dominion and the Province make specific provision. All use the same language. "Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the company, *by any agent, officer or servant* of the company, *in general accordance with his powers as such under the by-laws of the company*, shall be binding upon the company; and in no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law, or special vote or order."

R.S.C., cap. 118, sec. 35, and cap. 119, sec. 76; R.S.O., cap. 156, sec. 33, and cap. 157, sec. 59. This section, therefore, applies to all companies which, being incorporated by special Act, either of the Parliament or the Legislature, are made subject to the respective Companies Clauses Acts, and to all companies incorporated by Order-in-Council, under the General Letters Patent Act, whether of the Dominion or the Province.

The first requisite of this section is that the particular instrument must be made, drawn, accepted or endorsed *on behalf of the company*. Illustrations of some bills, notes and cheques which have, and some which have not, been held to bind the company, may be usefully given:

Cheque drawn on a company's bankers, signed by three directors, countersigned by the secretary, with date-stamp having name of company in a circle round the date. Company held not liable, as the cheque did not purport to be the cheque of the company;[1]

Midland Counties Bldg. Society

We jointly and severally promise to pay, etc.

A. B.,
D. E.,} *Directors*

F. G., *Secretary*

Those signing were held personally liable.[2]

We, the directors of the Isle of Man Slate Co., Limited, do promise to pay J. D., £1,600, etc.

Signed by four directors.

With company's seal.

The directors signing held liable personally.[3]

We, two of the directors of the A. B. Society, by and *on behalf of the society*, promise to pay, etc.

Signed by two directors.

With seal of company.

Held to bind the company.[4]

---

[1] *Serrell v. Derbyshire, etc., Ry. Co.*, 9 C.B., 811.

[2] *Bottomley v. Fisher*, 1 H. & C., 211.

[3] *Dutton v. Marsh*, L.R. 6 Q.B., 361. See also *Bridgewater, etc., Co., v. Murphy*, 23 A.R., 66.

[4] *Aggs v. Nicholson*, 1 H & N., 165.

We, directors of the Royal Bank, for ourselves and other shareholders of the company, jointly and severally promise to pay, etc., *on account of the company.*

Signed by chairman and two directors.

Held the promissory note of the company.[1]

The next requisite of the section is that the bill of exchange, promissory note or cheque is to be drawn, made, accepted, or endorsed by the agent, officer or servant of the company "in general accordance with his powers as such under the by-laws of the company." We may therefore expect to find, and in practice we almost universally do find, that a general by-law of the company exists, authorizing some particular officer or officers to draw, make, accept or endorse the commercial paper of the company. The authority to enact such a by-law is vested in the directors under the 13th and 35th sections of the two Dominion Acts, and the 15th and 37th sections of the two Provincial Acts respectively. By those sections the directors are empowered to make by-laws for the following among other purposes: "The appointment, functions, duties and removal of all agents, officers and servants of the company." The by-laws passed by them under these sections are, however, in the absence of confirmation at a general meeting of the shareholders duly called for that purpose, to be of force only until the next annual shareholders' meeting, when, if not confirmed, their operation is to cease.

It is, therefore, necessary, when dealing with commercial paper issued by a company subject to the provisions of which we are speaking, to ascertain that such paper is drawn, made, accepted or endorsed by some agent, officer or servant who is empowered by valid by-laws in force, to so draw, make, accept or endorse the same. But once the by-law is shown to give such power generally, then the paper, if in general accordance with such power, is binding upon the company, and no inquiry need be made into the existence of any special or specific authority in respect of the particular paper.

In any cases not within these general Acts, and in which the company's constitution throws no light upon the subject,

[1] *Maclae v. Sutherland*, 3 E. & B., 1.

the inquiry whether negotiable commercial paper is within the powers of a company, depends for its answer upon a consideration of the purposes and objects for which the company was incorporated, the business which it has been authorized to carry on, and the necessary or usual incidents of a business of the kind. The power in question, like the power to borrow where the company's constitution is silent (which has been explained at a previous page), may be generally affirmed to exist in the case of manufacturing, trading and similar companies. The business of these companies is business to which commercial paper is a usual, and, indeed, a necessary incident. But if the business in which the company is authorized to engage is a business which is ordinarily carried on without the use of commercial paper, it is doubtful whether the company may, by law, enter into contracts of this class.

It may further be observed, before leaving this section, that the same authority which will validate commercial paper, will also validate all "contracts, agreements, engagements and bargains," subject to the same two requisites, viz., that the act in question must be done "on behalf of the company," and that the officer or agent doing the act must do it "in general accordance with his powers under the by-laws of the company."

It may be useful to summarize briefly the provisions of these general Acts, to which, or some of which, reference must be had when considering the various questions which may arise as to the existence and extent of directors' powers.

The following provisions, with the variations indicated, are found in both Dominion and also in both Provincial Acts. They are, therefore, subject to the slight variations which will be mentioned when stating any particular provision, applicable to all companies which, being incorporated by special Act, whether of Parliament or Legislature, are subject to the General Clauses Act, either of Canada or Ontario, and also to all companies incorporated by Order-in-Council, under the provisions of the Dominion Companies Act, or of the Ontario Companies Letters Patent Act.

(1) Power is conferred to acquire, hold, alienate and convey any real property *necessary or requisite for the carrying on of the company's undertaking.*

(2) The board must be composed of not less than three directors. In companies governed by the Dominion Companies Act the number must not exceed fifteen, and in companies governed by the General Clauses Acts, Dominion and Provincial, it must not exceed nine. No maximum number is named in the Provincial Letters Patent Act. In the case of companies (either Dominion or Provincial) incorporated by Order-in-Council, the directors may pass a by-law for increasing or decreasing the number of directors. The number may not be decreased below the statutory minimum, three, nor, in Dominion companies, may it be increased beyond the statutory maximum, fifteen. Any such by-law must be approved by a two-thirds majority in value of the shareholders.

(3) Directors must be shareholders, owning in their own right, absolutely, stock not in arrear. The majority of a board of directors must, according to the express provisions of both Dominion Acts, be British subjects, resident in Canada. Under the Provincial General Clauses Act there is a similar requirement, but the other Provincial statute omits any requirement as to nationality or residence.

(4) Directors are empowered to elect the president of the company, to fill vacancies occurring in the board between general elections, and to appoint and remove all officers of the company. Directors retain office until their successors are elected, though the term for which they may have been elected has expired.

(5) The directors may administer the affairs of the company in all things (as we have already seen), and make, or cause to be made, any description of contract which the company may, by law, enter into.

(6) The directors have power to make by-laws, subject to confirmation by the shareholders, for the following purposes:

(*a*) Allotting, calling and payment of stock, issuing and registration of stock certificates, and forfeiture and transfer of stock;

(*b*) declaring and paying dividends;

(*c*) regulating the number, term of service, qualification and remuneration of directors;

(*d*) the appointment, functions, duties, removal and remuneration of officers and servants;

(*e*) regulating the holding of annual meetings of the company, the calling of meetings, regular and special, of the board and of the company, the quorum, requirements as to proxies, and procedure at such meetings;

(*f*) the imposition and recovery of penalties and forfeitures;

(*g*) the conduct in all other particulars, of the business of the company.

all of which by-laws are subject to confirmation by the shareholders.

(7) Directors may allow or refuse to allow stock not fully paid up to be transferred, and if they allow such stock to be transferred to persons not apparently of sufficient means, they, or those of them not protesting against the transfer, are personally liable to creditors to the same extent as the transferring holder would have been, had he not transferred.

(8) Certain books must be kept open to inspection, at the peril of forfeiture of the corporate rights, and directors or other officers making untrue entries, refusing inspection, etc., etc., are made civilly and criminally liable.

(9) Powers as to bills, notes and other contracts (already explained).

(10) Prohibition against issuing notes payable to bearer, or intended to circulate as money or bank notes.

(11) Company not bound by notice of trusts upon which shares held.

(12) If directors pay a dividend when the company is insolvent, or the payment of which renders the company insolvent or diminishes its capital, they, or those of them who do not protest in the manner provided, are liable to the company, to the individual shareholders and to creditors, for all the company's debts then existing, and all thereafter contracted during their continuance in office.

(13) Prohibition against loaning to shareholders, and provision making directors and officers making or assenting to such loan liable, to the extent of the loan, both to the company and to creditors becoming such after the date of the loan, until its repayment.

(14) Use of the word "Limited" in all contracts of the company made compulsory upon directors, under penalty of personal liability in respect of such contracts.

(15) Directors personally liable for one year's wages of laborers, servants and apprentices, incurred during their term of office. Only for six months' wages under the Dominion Companies Act.

(16) Prohibition against purchase by company of stock in another company, unless authorized by the special Acts of both companies.

The powers and limitations which have been enumerated are applicable to all companies governed by these general Acts, but there are certain other powers and limitations conferred and imposed by the general Acts relating to incorporation by letters patent under Orders-in-Council, which should be referred to. These powers and limitations will be understood to apply to companies incorporated by Orders-in-Council under either the Dominion or the Provincial Act.

(1) Power is given to the company by resolution, passed by a two-thirds majority of its shareholders at a duly called meeting, to authorize the directors to apply

(*a*) for an extension of the company's powers;

and in the case of Provincial companies,

(*a*) for authority to limit or increase the borrowing powers of the company;

(*b*) for authority to provide a reserve fund;

(*c*) for authority to vary the provisions of the charter;

(*d*) for authority to make provision for any other thing which might have been provided for by the original charter.

(2) Directors may, by by-law,

(*a*) sub-divide existing shares into shares of smaller amount;

(*b*) increase the capital stock; but only after whole stock taken up and fifty per cent. paid in, (D); or after nine-tenths of whole stock taken up and ten per cent. paid in (O);

(*c*) reduce the capital stock; but shareholders shall remain liable to persons who are creditors at the time of reduction, as if capital not reduced.

And in all three cases (*a*), (*b*) and (*c*), such by-law will have

no force unless sanctioned or approved by a two-thirds majority in value of the whole subscribed stock, at a special general meeting duly called for considering the by-law, and unless afterwards confirmed by supplementary letters patent.

(3) Directors may pass by-laws for changing the company's chief place of business, but no such by-law is to be valid until approved by the vote of a two-thirds majority in value of shareholders, at a special meeting duly called for considering the by-law.

(4) Directors may, when authorized by a by-law for that purpose passed by a majority in value of shareholders at a special meeting duly called for considering the by-law, borrow money upon the credit of the company, and issue bonds or debentures for the sums borrowed, or hypothecate, mortgage or pledge the real or personal property of the company to secure sums borrowed. Under the Dominion Act the amount borrowed is not to exceed seventy-five per cent. of the actual paid-up capital.

(5) Under the Ontario Letters Patent Act the directors have a further power which is not found in any of the other Acts, the power to issue preference stock. This power, however, is safe-guarded by making it necessary for the directors to submit the by-law to a special general meeting of shareholders, duly called for its consideration, and by requiring a unanimous vote of the shareholders at such meeting in its favor. Or the directors may pass a by-law without submission to a shareholders' meeting, if they obtain the unanimous sanction of the shareholders in writing thereto. The by-law may provide for giving the holders of such preference stock a controlling voice in the constitution of the board, or otherwise in the affairs of the company. The rights of creditors, however, are not affected in any way by the issue or holding of preference stock.

These are, speaking generally, the express legislative provisions to which reference must usually be had, when the powers of directors of companies subject to these general Acts are to be ascertained.

So far, we have considered the powers of the directors as dependent upon the powers conferred upon the company itself,

and we have seen that where any particular transaction is beyond the company's powers, its directors cannot be authorized to engage in it on the company's behalf. On the other hand, so far as the vast majority of companies acquiring their existence under our laws are concerned, we have seen that where the particular matter is within the scope of the purposes for which the company was created, and within its powers, or *intra vires* of the company, the directors, speaking generally, are by law the company's agents, clothed as such with authority to deal with the particular matter so within the powers of the company. We have also seen that, in certain defined cases, the exercise of the powers of the company by its agents, the directors, is made subject to certain statutory sanctions, and that compliance with those statutory sanctions is made a condition precedent to the company's being bound by its agents' acts.

But we have, so far, viewed the subject only in its bearing upon the contractual relations into which the company may be brought by its agents, in the course of their agency.

It is next to be observed that, although it cannot be said that companies are brought into existence with the object and for the purpose of committing wrongs, and although it is not to be supposed that the agents of companies have any implied authority to commit wrongs, yet it is well settled that the company is responsible to third persons against whom or to whose property wrongs have been committed by the directors or other agents of the company, in the course of their agency, and while engaged in the performance of acts within their authority. It was formerly thought that a corporation could not be liable for a wrong, or *tort*, because its charter did not authorize any wrongdoing by it, and because of the intangible nature of corporate existence. And it was argued that a corporation could only be bound by the acts of its agents within the scope of their authority, and that the corporation, having neither power nor authority nor ability to commit a *tort*, could not authorize or enable its agent to do what was beyond the scope of the corporate authority or ability. It is quite true that the commission of a wrong involves an unauthorized exercise of the corporate power, but it does not follow that the company should not answer for the

wrong. And it is settled that the doctrine of *ultra vires* does not apply to the case of wrongs or *torts*.

But a corporation or company which, viewed as a distinct being, does nothing in its own person, but everything by its agents, is not liable for the acts of those agents unless they are committed in the course of the agents' employment. This is the result of the general law of agency, and is not peculiar to corporations. The rule is that a principal is liable for a wrong "committed by his agent in the performance of the business which he was employed to transact, even though the particular act may have been done without the knowledge, or against the express instructions, of the principal. But a principal is not responsible for an act performed by his agent while in no manner engaged in performing the business of his principal."[1]

Another subject which has given rise to much discussion is the extent to which a company is to be made liable for frauds committed by its agents in the course of their transaction of the company's business. And it is well settled that where the directors or other agents of the company have, in transacting the business of the company, by fraud or misrepresentation, induced third persons to enter into contracts with the company, as the purchase of shares, the persons defrauded have the right, against the company, to rescind such contracts; the company cannot repudiate responsibility for the fraud of the agent, and at the same time retain the advantage reaped from such fraud by the company.

In conclusion, a word or two may be said with regard to the position of directors as trustees. The result of such position is that "a director of a company is precluded from dealing on behalf of the company with himself, and from entering into engagements in which he has a personal interest conflicting, or which possibly may conflict, with the interests of those whom he is bound by fiduciary duty to protect."[2] Speaking generally, then, he cannot, on behalf of the company, sell to or buy from himself. He must not occupy the position of vendor and

---

[1] *Morawetz on Corporations*, 2nd ed., sec. 730.

[2] *N. W. Transportation Co. v. Beatty*, L.R., 12 A.C., 589.

vendee in the same transaction. Nor can he employ his powers as director (which are the corporate powers), or the corporate assets, for his own private profit or advantage, or otherwise than for the benefit of his principal, the company. He is bound not to misapply those powers or those assets, and any object or purpose to which they are put, which is not the object and the purpose of the company, is such a misapplication. But he is not, like a trustee, bound not to risk the company's property. The company's business (if it be a trading company) is to risk its property in the business to carry on which it was formed, and the director is the agent entrusted with embarking the property in the risk. Nor, because he is a director or trustee, is he precluded from using his vote, *as a shareholder*, at a shareholders' meeting, upon a question in which his personal interests are antagonistic to those of the company. He is not trustee for the company of the shares he has purchased in the company. Those shares are his private property, and so is the franchise which the law attaches to them.

GEO. F. SHEPLEY

Toronto, June, 1896

PAST CANADIAN BANKERS

DAVID DAVIDSON

THE records of banking and mercantile history in Canada about the close of the first half of the present century may indeed be studied with both interest and profit, especially when the circumstances prevailing at that period are duly taken into consideration. One feature of great importance at that period was that railway construction was in its infancy, and there were no roads to connect the chief places of the then existing provinces. The Atlantic & St. Lawrence Road was only completed to Island Pond in 1853 and the Grand Trunk Railway to Toronto in 1856, while it was 1858 before the Great Western Railway was completed. Trade was therefore far more centralized than at present, and, under these conditions, the men who had charge of the banking offices at the chief points held positions of great responsibility.

The late Mr. David Davidson, who figured prominently at this period, was not trained in early life as a banker, being engaged in mercantile pursuits, and it was not until his 34th year, in 1842, that he came out to Canada as manager of the Bank of British North America in Montreal, with his mind trained by his experience during somewhat troublous times in Scotland.

At the time of his arrival in Canada there was great depression in the country, many failures occurring in Montreal and Quebec (the latter place being of far more relative importance than it is now), and although for a few years afterwards business revived, there was again in 1849 a curtailment of credits, followed by two years of depression. Business then improved, so that in 1855, when Mr. Davidson severed his connection with the Bank of British North America and entered the service of the Bank of Montreal, he took with him a store of experience of alternate prosperity and depression in the

DAVID DAVIDSON

country, and a thorough knowledge of the resources and requirements of the merchants of Montreal. He was at that time in the prime of his mental vigor, and it was in that institution that he made his chief mark in Canada. He is described by his contemporaries as being a man of commanding presence, slow of speech, and with a reserve of manner which made him appear cold to some people, but withal he had firm friends. Punctilious to a degree himself, he required due observance of decorum on the part of others, and the respect which he inspired was intensified by his decision of character. It was recognized that his "no" to a customer meant an unalterable refusal.

The panic of 1857 struck Canada later than it did the United States, although the early part of the year had been characterized by dullness and contraction. There was a poor harvest in Canada that year, added to which there was depression in the timber trade, at that time a very important factor indeed in Canadian business. The report of the directors of the Bank of British North America as to the business of 1857 speaks of the "all but unprecedented convulsion" during the year. During that time and the succeeding two years of depression there was necessarily much anxiety among Canadian bankers and their clients. From one of the latter we learn that there was then much nervous uncertainty among Montreal merchants as to what discount accommodation would be granted by the banks. It was decided on the part of the banks' representatives, chief among them being Mr. Davidson, that each bank would carry its customers, and our informant states that he never had an easier winter than that of 1857-8. It was considered that the decision of Mr. Davidson and of the other banks at that time saved the country from disaster.

Outside of his banking life, as well as within it, Mr. Davidson's characteristics were such as inspired respect and esteem. Fond of country life, he yet took a keen interest in Montreal affairs, and the High School owed much to his exertions in securing a staff of well qualified teachers, in addition to which he interested himself in the affairs of McGill College.

Returning to Scotland in 1863, he was appointed to the responsible post of Treasurer of the Bank of Scotland, and

thenceforth, until his final retirement from active pursuits in 1878, he was associated with that bank, being instrumental in extending their business in London and in otherwise forwarding their interests. After his retirement in 1878 he resided in London until his death in 1891.

As a banker in Canada his characteristics were those which made for sound business, and, although some of them might be considered old-fashioned in these days, when single-name paper is so much the rule, and when there has been somewhat of a reversal of the relative attitudes of banker and customer, nevertheless he established a first-class business. With him superficial brilliancy carried no weight; his vision was deep and true. It is related of him that on one occasion a customer brought in with other bills an acceptance of a firm which at that time did a large business in Montreal, and had a great reputation, but afterwards failed. Mr. Davidson threw out the bill, to the extreme surprise of his customer, who exclaimed "What! is not ———'s bill good?" "Yes" quietly said Mr. Davidson, "it is quite good if they are going to pay it when it falls due."

With his retirement to Scotland in 1863 Canadian interest in Mr. Davidson ceases, except in so far as his honorable career later on is satisfactory to the country in which he received his training for banking life.

E. S.

SHORT METHODS OF COMPUTATION

He who can easily, rapidly, and accurately add, subtract, multiply and divide, is a computer.—DE MORGAN

THE matter in the paragraphs following is composed of selections from the first pages of "*Computation*,"* a work published by me last year. These selections exemplify fully some general methods of an elementary character for arriving at rapidity of numerical calculation. They involve fundamental changes in the methods generally taught in school courses, and if thoroughly understood would be of considerable assistance to the business man who has much to do with arithmetical calculations. They are not entirely new, and that they are so little known is owing to the circumstance already alluded to, *i.e.*, that in schools due attention has not been paid to arithmetic as an art of computation.

SUBTRACTION

1. The ordinary "school" method of Subtraction should be discarded in favor of the "shop" or "complementary" method; the problem in Subtraction being looked upon as *an inverse question in addition.*

Thus if we are asked to find the remainder when 4789 is taken from 8473, we should state the question to ourselves mentally in the form "what number added to 4789 would make the sum 8473?" and do our work from this point of view, thus:—

8473	9 and $\underline{4}$ make 13, carry 1
4789	9 and $\underline{8}$ make 17, carry 1
3684	8 and $\underline{6}$ make 14, carry 1
	5 and $\underline{3}$ make 8

Setting down the digits underlined just as we say them, and

*London, New York and Bombay; Longmans, Green & Co.

emphasizing the "teen" as indicated by the accent, to prevent our forgetting to carry the 1.

Note that in working the examples we have added *downwards:* consequently we check by adding upwards; 4, 1'3; 9, 1'7; 7, 1'4; 4, 8.

2. The chief object of getting thoroughly used to the above method of doing Subtraction is to be able to extend it subsequently to Long Division. It will serve as an introduction to this extension if the student works a few examples like the following *in one operation.*

(1) *From* 9786453 *take six times* 1432985.

Work thus:—

	6 times 5, 30; and $\underline{3}$; 3'3.
9786453	6 times 8, 48; and $\underline{3}'$; 51 and $\underline{4}$; 5'5.
1432985	6 times 9, 54; and 5'; 59 and $\underline{5}$; 6'4.
1188543	6 times 2, 12; and 6'; 18 and $\underline{8}$; 2'6.
	6 times 3, 18; and 2'; 20 and $\underline{8}$; 2'8.
	6 times 4, 24; and 2'; 26 and $\underline{1}$; 2'7.
	6 times 1, 6: and 2'; 8 and $\underline{1}$; 9.

(2) *From* 6485324 *take away the sum of* 57364, 485972, 2387542, *and* 396485.

Work thus:—

6485324	5, 7, 9, 13 and 1; 1'4.
57364	9, 13, 20, 26 and $\underline{6}$; 3'2.
485972	7, 12, 21, 24 and $\underline{9}$; 3'3.
2387542	9, 16, 21, 28 and $\underline{7}$; 3'5.
396485	12, 20, 28, 33 and $\underline{5}$; 3'8
3157961	6, 9, 13 and $\underline{1}$; 1'4.
	3 and $\underline{3}$; 6.

The method used in (2) may sometimes be applied to advantage in Practice and in Multiplication.

(i) Find the value of 512⅔ things at 16s. 4¾d. each.

Here £1 − 16s. $4\frac{3}{4}$d. = 3s. $7\frac{1}{4}$d.

3s. 4d.	£$\frac{1}{6}$	512·6667
2d.	$\frac{1}{120}$	85·4444
1d.	$\frac{1}{240}$	4·2722
¼d.	$\frac{1}{960}$	2·1361
		·5340
		£420·2800
		5.6
		7·2

Result, £420 5s. 7d.

(ii) Multiply 127·4 by ·9889.

Here ·9889 = 1 − ·0111.

127·4
1·274
·1274
·01274
125·98586

3. One special piece of Subtraction which has often to be done is to obtain the *Arithmetical Complement* of a given number; *i.e.*, to find what must be added to the given number to make up the next higher power of 10.

Thus, by the Arithmetical Complement of 47365281 is meant the number that must be added to it to make up 100000000.

The rule is easily seen to be: *Proceeding from left to right, write under each digit but the last its defect from* 9; *under the last write its defect from* 10.

Thus:—Given number, 47365281.
Arithmetical complement, 52634719.

Similarly the arithmetical complements of

436	28	9	2·3	·72614	
are 564	72	1	7·7	·27386	respectively.

MULTIPLICATION

4. Multiply by the digits of the multiplier successively exactly in the reverse order to that usually taught; *i.e.*, begin with the digit of highest order, and end with that in the units

place. Thus, in multiplying 52367 by 2459 take the digits in order from left to right, 2, 4, 5, 9, and arrange the work thus :—

```
  52367
   2459
---------
 104734
 209468
  261835
   471303
---------
128770453
```

The advantage of this method will become more apparent when the student is learning to *abridge* his work for *approximate* results.

To verify the work use the old method of *casting out the nines*, as follows :—

The remainders, when 52367 and 2459 are divided by 9, are respectively 5 and 2.

The remainder, when the product 10 of these two remainders is divided by 9, is 1 ; this, if the work is correctly done, will be the remainder when 128770453 is divided by 9, and on trial this is found to be the case.

9 is chosen because we can find the remainders most readily ; the remainder left when any number is divided by 9 being the same as that left when the sum of its digits is divided by 9. Thus, taking the numbers 52367, 2459, 128770453, the sums of the digits are respectively 23, 20, 37, and the remainders consequently 5, 2, 1.

5. In multiplying decimals, do not, as it is usual to do, omit the points from the factors and afterwards point off the product, but write the factors down so that point comes under point, and let each partial product be pointed ; this only involves pointing the first partial product correctly, the rest following naturally. Take as an example the product

(i) of 2457·086 and 328·19;
(ii) of 24570·86 and ·032819.

2457·086
328·19

737125·8
49141·72
19656·688
245·7086
221·13774

806391·05434

Here, beginning to multiply by the 3 and saying "3 times 6, 18," we write the 8 not under the 6 from which it is derived, but *two places further to the left*, because the 3 is *two places to the left of the units place*.

24570·86
·032819

737·1258
49.14172
19·656688
·2457086
.22113774

806·39105434

Here the 8 is written *two places further to the right* than the 6 from which it is derived, because the 3 is *two places to the right of the units place*.

6. When the multiplier consists of only two digits the work should be shortened by adding the result of the multiplication of the second digit to that already obtained. Thus in multiplying 52367 by 24, after the multiplication by 2 we should proceed as indicated by the figures.

	$2'\bar{8}$
52367	24, 26, $3'\bar{0}$
24	12, 15, $1'\bar{8}$
104734	8, 9, $1'\bar{6}$
1256808	20, 21, $2'\bar{5}$
	2, $\bar{2}$
	$\bar{1}$

This method can be easily extended to a multiplier with any number of digits. Thus, to return to our first example:

$$\begin{array}{r} 52367 \\ 2459 \\ \hline 104734 \\ 1256808 \\ 12829915 \\ 128770453 \end{array}$$

the second, third and fourth results being respectively 24 times, 245 times, and 2459 times 52367.

It should be noticed that to multiply by a number of two digits of which one is unity, only requires one line of work. The steps being indicated thus:—

$$\begin{array}{r} 52367 \\ 14 \\ \hline 733138 \end{array} \qquad \begin{array}{r} 2'8 \\ 24, 26, 3'\underline{3} \\ 12, 15, 2'\underline{1} \\ 8, 10, 1'\underline{3} \\ 20, 21, 2'\underline{3} \\ \underline{7} \end{array}$$

When first using this method the student is apt to omit the last step. (Here 2 + 5 = 7.)

Excellent examples in combined multiplication and addition can be found in reduction.

Ex. To reduce £5 3s. 7¼d. to farthings.

£	s.	d.
5	3	7¼
	103	1243
		4973 farthings.

7. Special methods, depending on the form of the multiplier, may sometimes be devised for obtaining a product. A few examples are given below.

(i) Multiply 5674 by 999.

Since 999 = 1000 − 1, we obtain the result by the following piece of subtraction.:—

$$\begin{array}{r} 5674000 \\ 5674 \\ \hline 5668326 \end{array}$$

(ii) Multiply 5642 by 9997.

We subtract three times 5642 from 56420000, doing the multiplication and subtraction concurrently as in (i) of paragraph 2.

56420000

56403074

(iii) Multiply 578·643 by 2·987.

Here $2{\cdot}987 = 3 - {\cdot}013$.

578·643

1735·929

5·78643
1·735929

Compare the example worked in example (ii) of paragraph 2, where the same method is used.

1728·406641

(iv) Multiply 89763 by 25.

$$89763 \times 25 = \frac{8976300}{4} = 2244075.$$

Similarly for multiplication by 2·5, ·25, ·025, etc.

(v) Multiply 89763 by 125.

$$89763 \times 125 = \frac{89763000}{8} = 11220375$$

Similarly for multiplication by 12·5, 1·25, ·125, etc.

DIVISION

8. If the student is not provided with a table of multiples of the divisor, he should adopt what is called the "Italian method," which consists in writing down the remainders while doing the multiplication, and omitting the multiples of the divisor, the remainders being obtained by the method of subtraction previously recommended.

E.g., to divide 118603127 by 52739 we work thus, obtaining the first remainder 13125, as follows:—

```
                2248
              ------
52739 ) 118603127     Twice 9, 18, and 5, 2'3
          131251      Twice 3, 6, 8, and 2, 1'0
           257732     Twice 7, 14, 15, and 1, 1'6
            467767    Twice 2, 4, 5, and 3, 8
             45855    Twice 5, 10, and 1, 11
```

then bringing down the next figure, 1, and proceeding as before.

As in multiplication, "casting out nines" may be used for a test of correctness.

9. When the Italian method has been thoroughly learned the computer may occasionally find an advantage in using it in combination with a way of writing down the successive remainders different to that usually employed. It is given in Lang's *Higher Arithmetic*.[1] Thus, in the division of 1248631742953, given below, the successive remainders, 212, 54, 25, 251, 186, 51, 253, 208, 13, 133, are written diagonally instead of across the page, from left to right.

As we proceed, the work *stretches across the paper from left to right*, instead of *lengthening downwards*.

```
259 ) 1248631742953
        245 61383
       152 85501
      2   1 22
      ------------
       4820971980
```

The method allows the quotient to be written figure by figure beneath the rest of the work (*as in Short Division*), an arrangement of considerable advantage when several successive divisions have to be performed, especially when the divisors are short compared with the dividends.

The division of 43825761 by 19 is given below as a further example:—

```
19 ) 43825761
       51 137
        1 1
      ---------
       2306619
```

[1] A similar arrangement is described in O'Gorman's *Intuitive Calculations*.

Here the successive remainders are 5, 1, 12, 11, 3, 17, 0.

The method is specially applicable in finding Present Worth.

10. Special methods, depending on the form of the divisor, may sometimes be devised for obtaining a quotient; a few examples are given below :—

(i) Divide 45326107 by 999.

Since $999 = 1000 - 1$ we obtain the result by the following piece of addition :—

$$\begin{array}{r} 45326\,|\,107 \\ 45\,|\,326 \\ \quad |\,45 \\ \hline 45371\,|\,478 \end{array}$$

the quotient being 45371 and the remainder 478.

If a digit has to be carried from right to left of the vertical line the same digit must be added to the number on the right of it.

Thus, 873635421 ÷ 999 gives quotient 874509 with remainder 930, since unity is carried.

$$\begin{array}{r} 873635\,|\,421 \\ 873\,|\,635 \\ \quad |\,873 \\ \hline 874509\,|\,929 \end{array}$$

(ii) Divide 5674 by 25.

$$\frac{5674}{25} = \frac{5674 \times 4}{100} = 226{\cdot}96$$

(iii) Divide 5674 by 125.

$$\frac{5674}{125} = \frac{5674 \times 8}{1000} = 45{\cdot}392$$

VULGAR FRACTIONS

11. In simplifying complex fractions students should apply the theorem :—

"*The value of a fraction is unaltered by multiplying both numerator and denominator by the same number*" much more directly than they usually venture to do: as directly, in fact, as

they apply the converse principle as to dividing both numerator and denominator when they are reducing fractions to their lowest terms.

Thus the complex fraction $\frac{2\frac{3}{4}}{5\frac{1}{8}}$ should be reduced to the simple equivalent fraction $\frac{22}{41}$ at once by multiplying numerator and denominator by 8, without any recourse to the process:

$$\frac{2\frac{3}{4}}{5\frac{1}{8}} = \frac{11}{4} \div \frac{41}{8} = \frac{11}{4} \times \frac{8}{41} = \frac{22}{41}.$$

As another example: $\dfrac{\frac{1}{3}-\frac{1}{5}}{1+\frac{1}{15}} = \dfrac{5-3}{15+1} = \dfrac{2}{16} = \dfrac{1}{8}$.

The same method frequently applies to fractions in which the numerator and denominator are concrete quantities. Thus:

$$\frac{£4\ 17s.\ 3d.}{£5} = \frac{£19\ 9s.}{£20} = \frac{389}{400}.$$

12. It is usual in school text-books and in school work, to keep vulgar fractions and decimal fractions much too distinct from one another. Each kind has its own special advantage, and it is frequently useful to avail oneself of both *in the same piece of work*. Thus there is no objection to the mixed notation illustrated in the following statements: $\frac{1}{19} = \cdot05\frac{5}{19}$; $\frac{1}{24} = \cdot04\frac{1}{6}$.

Again, in finding the product of two numbers, one of which is expressed as a decimal and the other as a vulgar fraction, it is not only unnecessary, but frequently very inadvisable to do what the ordinary school-boy would be almost certain to do, *i.e.*, express each in the same way before multiplying. For instance, if we have to find the product of 4·7892 and $6\frac{1}{8}$ it is best to arrange the work thus:—

$$\begin{array}{r} 4\cdot7892 \\ \hline 28\cdot7352 \\ 1.5964 \\ \hline 30\cdot3316 \end{array}$$

This example illustrates the general principle that it is advantageous to use *decimal fractions to operate on*, but *vulgar fractions to operate with*.

Special devices in connection with operations like the above may occasionally be adopted with advantage. For instance, if we had to multiply 5·89673 by $4\frac{7}{8}$ it would save trouble to use the identity $4\frac{7}{8} = 5 - \frac{1}{8}$, thus:—

$$\begin{array}{r} 5{\cdot}89673 \\ \hline 29{\cdot}48365 \\ \cdot73709125 \\ \hline 28{\cdot}74655875 \end{array}$$

Sometimes the methods of "Practice" may be usefully employed. Take for examples the product of (i) 43·576 and $5\frac{9}{16}$, (ii) ·02739 and $\frac{1}{32}\frac{3}{4}$.

(i) $\frac{8}{16}\ \frac{1}{2}$	43·576
	217·880
$\frac{1}{16}\ \frac{1}{8}$	21·788
	2·7235
	242·3915

(ii) $\frac{8}{32}\ \frac{1}{4}$	·02739
$\frac{4}{32}\ \frac{1}{2}$	·0068475
$\frac{1}{32}\ \frac{1}{4}$	.00342375
	·0008559375
	·0111271875

Attention is specially directed to the *principle* of "Practice," viz., *the decomposition of a fraction or set of fractions into a series of other fractions, each of which has unity for its numerator.* In ordinary text-books the method is only applied to fractions of *concrete* quantities. Thus when we take "aliquot parts" for 16s. $7\frac{1}{2}$. we replace the set of fractions $\frac{16}{20}+\frac{7\frac{1}{2}}{240}$ by the equivalent set $\frac{1}{2}+\frac{1}{4}+\frac{1}{20}+\frac{1}{40}+\frac{1}{160}$. The following decompositions may be found useful in themselves, and may also serve to suggest others :—

$$\frac{2}{15}=\frac{1}{10}+\frac{1}{30}\ ;\ \frac{18}{25}=\frac{1}{2}+\frac{1}{5}+\frac{1}{50}$$
$$\frac{5}{27}=\frac{1}{6}+\frac{1}{54}\ ;\ \frac{9}{32}=\frac{1}{4}+\frac{1}{32}$$
$$\frac{44}{63}=\frac{1}{2}+\frac{1}{6}+\frac{1}{42}+\frac{1}{126}\ ;\ \frac{2}{55}=\frac{1}{30}+\frac{1}{330}$$
$$\frac{7}{22}=\frac{1}{6}+\frac{1}{11}+\frac{1}{22}+\frac{1}{66}$$

Occasionally differences of such fundamental fractions may be used instead of sums; thus: $\frac{13}{55}=\frac{1}{4}-(\frac{1}{110}+\frac{1}{220})$.

When the student has fully mastered the above, he will be in a position to avail himself of various methods of *abbreviation and approximation* which it would be hopeless for him to attempt unless he has learnt how to perform the elementary processes of arithmetic in a rational way. For these he is referred to "*Computation*" itself. I have merely shown here *how the work is to be done* as a necessary preparation for showing *how it may be cut short.*

EDWARD M. LANGLEY

Modern School, Bedford

THE PEOPLE'S BANKS OF EUROPE

THAT an organization having for its chief aim the lending of capital on the personal credit of individuals not possessed of belongings out of which to furnish suitable security, could prosper or even live, is a proposition which would be sceptically received by our modern banker. What then would be said of the broader proposition that, organized on certain principles, such a business may be made to yield a smaller percentage of bad debts than a carefully conducted loaning business of similar dimensions where tangible security is the sole basis of loans; and further that the methods of a lending society could be such as to promote among its borrowers habits of punctuality, industry and thrift, in so high a degree that the appearance of whole countrysides should be known to change from that of poverty and decay to that of growth, prosperity and comfort?

Yet it is such an accomplishment on the European continent that is related by Henry W. Wolff in his work *People's Banks**.

The book is not of most recent publication, having issued from the London press in 1893. The subject, however, is now attracting attention in Great Britain, and as scarcely anything of it is known on this continent it may still be profitable to sketch here the phenomena of which the book treats.

The people's banks with which the book has to do originated in Germany. To whom the merit belongs of being the first to put the idea of co-operative credit-banking into practical form, has been the subject of a controversy which is said to have at times grown curiously heated. Schulze or Raiffeisen? Both began their work about the same time—the one in the east and the other in the west of Germany—in entire ignorance of each other, so that so far the same credit is due to each. Both were animated by motives of pure philanthropy, and towards

*London and New York: Longmans, Green & Co.

much the same class of the community, but following theories entirely different there has resulted two great systems of people's banks named after their respective founders, neither system antagonistic to the other, and both performing a useful work, though in different degrees. Here, then, in the merits of the respective systems, is to be determined what merit is due to Herr Schulze and what to Herr Raiffeisen.

It is the Raiffeisen Loan Banks which attract our interest. The Schulze system has, from the nature of its organization, attained the greater dimensions, but in the other is to be found the economic development which astonishes. In the history of the Schulze associations, however, organized as they were in the main for the same end as the Raiffeisen banks, and planted in the midst of the same race of people—is also be found an instructive lesson and one which will render possible a more complete demonstration of the proposition indicated in a previous paragraph.

The fundamental difference in the organization of the two systems lies in this, that the Raiffeisen banks put the *borrower's* interest foremost, Schulze's the *lender's;* apparently Schulze felt that it was necessary to the success of his effort to aid the borrower, that the greater inducement should be offered to the lender.

Schulze's first "Credit Association" was formed in 1850. At his death in 1883 there are said to have been no less than 4,000 associations of various sorts established in Germany on the principles he advocated, comprising about 1,200,000 members, disposing of capital of their own of more than £10,000,000, and doing a business calculated at not less than £100,000,000 a year.

Members joining a Schulze association are required to take one share, and are not permitted to take more. The value of the share is advisedly fixed high—the figure originally being £30—which may be paid up by very small instalments. When a member has paid up his share, further savings will be taken from him only on deposit. The associations also seek and have acquired deposits from outsiders to a large amount, but since 1889 they will not lend to any person who has not become a member. They practically ask no questions as to the object for

which a loan is sought, or as to the standing of the borrower; what they look to is the security, of which they allow almost any form—mortgages, pledges, sureties, bills; and provided the security is acceptable they are willing to grant credit to any amount which appears safe. It is a principle to which followers of Schulze tenaciously adhere that all loans must be for *short* dates; three months is the ordinary term, with one renewal permitted but not favored. The rate of interest at the outset was 12 to 14%, and is now 8%. As the borrower was willing to pay, Schulze argued that no wrong was done in taking from him fairly high interest.

The Schulze system recognises practically no districts. The bank sets up its counter in a convenient centre, and invites all who live within accessible distance to come and join it. Hence the Schulze associations have grown comparatively large, and represent far more substantial numbers than do their rivals.

Two other features of the Schulze system remain to be noted, and particularly noted, viz., that the officers are remunerated not only by salary, but also by a commission on the business done, the latter practice, in connection with a business like banking—it is scarcely necessary to remark—a vicious one; and that the surplus earnings are distributed as dividends to shareholders, the dividend in many cases reaching a high percentage.

Such are the main characteristics of the Schulze system of "Credit Associations." They have admittedly been a source of incalculable benefit to the country, but consideration of the basis upon which they have been formed will render clear to what an extent the success of each individual organization must be dependent upon the capability of the officers upon whom the management of its affairs devolves. And so we are quite prepared to learn that out of 1,000 or 1,100 associations belonging to the Schulze Union proper, there were between 1875 and 1886 no less than 36 associations declared bankrupt and 174 placed in liquidation, some of the failures being serious and far-reaching in their effects.

Had we not before us the history of the Schulze "Credit Associations," founded as they were, at the same time, with the

same object in view, and conducting business practically side by side with the Raiffeisen "Loan Banks," we should be inclined to believe that the extraordinary success of the latter must necessarily be due entirely to the character of the race in whose midst they are planted, rather than to the principles upon which the banks are organized. Such unbroken success as they have enjoyed would be remarkable were they conducted on the most approved lines of modern joint-stock banking; it becomes to us extraordinary when consideration is had of the circumstances of their borrowers and the basis upon which their loans are made, for *their chief function is to lend money to the industrious poor on the security alone of their personal character.*

The account of the first beginnings and the growth of the Raiffeisen banks as given by Mr. Wolff, is extremely interesting:

"It was in the position of burgomaster of Flammersfeld "in the Westerwald, that Raiffeisen had the crushing troubles of "the poor peasant cultivators brought vividly before his eyes in "the famine years of 1846 and 1847. It was a poor country to "begin with, with barren soil, scanty means of communication, "bleak surroundings, indifferent markets. Nature had proved a "very stepmother to this inhospitable bit of territory upon which "the half-starved population—ill-clad, ill-housed, ill-fed, ill-"brought up—by hard labor eked out barely enough to keep "body and soul together with the support of the scanty produce "of their little patches of rye, of buckwheat, or potatoes, and "the milk and flesh of half-famished cattle, for the most part "ruinously pledged to the Jews. That reference indicates a pe-"culiarly sore point in the rural economy of western and southern "Germany, which led Raiffeisen to become an economic re-"former. In this country (England) we have no idea of the pest "of remorseless usury which has fastened like a vampire upon "the rural population of those parts. Even the gombeen-man "cannot compare with these hardened blood suckers. The poor "peasantry have long lain helpless in their grasp, suffering in "mute despair the process of gradual exinanition . . . . The "consequence [of the outlawry everywhere proclaimed against "the obnoxious nation before 1848] was that all the poorer Jews "flocked out into the villages, where, being practically debarred "from taking up other callings, they fell back with all the peculiar

"aptitude and ingenuity of their race upon the smaller trade—"the trade in cattle, goods, corn, money, whatever it was—of "which in many places they secured an absolute monopoly. "Whole volumes have been written on the subject in Germany, "after careful enquiry, by men with practical experience, quoting "chapter and verse, and painting all the hideous horrors of the "system in ghastly detail."

Herr Raiffeisen was so touched at the sight of such misery that when, in 1848, he was removed to a larger but equally distressed district, also in the Westerwald, he resolved to take up the cudgels for the oppressed peasants and declare war against the plague of usury. Establishing first a co-operative bakery, and then a co-operative cattle purchasing association, in 1849 he set up his first Loan Bank, and offered to supply the peasantry who would subscribe to his rules, with money for their needs.

His system at first sped very slowly. It was five years before a second bank was formed, of which Raiffeisen was also the founder, on his removal to the district of Heddesdorf. Not till 1862 was a third established; not till 1868 a fourth. Not till 1874 did the Loan Banks become widely known, and not till 1880 did they begin to multiply perceptibly, from which date forward, however, they spread with astonishing rapidity. By 1885 their number had grown, in Germany alone, to 245, by 1888 to 423, by 1889 to 610, and by 1891 to 885. Wherever they went they succeeded. They are now encouraged and asked for by governments and provincial Diets; "priests and ministers pronounce blessings upon them, and the peasantry love them." There are now more than 1,000 Raiffeisen banks in Germany alone. Including the banks which have seceded from the "Union" on subordinate points, there are said to be about twice that number. "Dr. Schenck in his last annual report, candidly owns that the "largest increase recorded in the returns belongs to them. Both "their spread and their reputation seem deserved, especially since "after forty-three years' experience, they can make it their boast "that by them *neither member nor creditor has ever lost a penny*."

The Schulze associations were primarily for the benefit of townsfolk not of the poorest class. They could not benefit the very poor, nor yet the agriculturists, for whom long credit is absolutely indispensable. These, however, were just the classes

that Herr Raiffeisen sought to benefit. He early concluded that he must exact nothing from members joining, and that long credit must be the rule; calling upon a poor man, joining in order to borrow, to pay down money, to his mind appeared to be mockery. "His very reasonable principle was this: to "make a loan at all serviceable to a poor or embarrassed man, it "must be made to repay itself; to tax other resources for repay- "ment would be, not to help, but to cripple the borrower." According to whether the money was wanted for seed or feeding stuffs, to improve a herd of live stock, to sink a well, build a barn or drain a field, credit must be given for a year, for two years, for five or even ten.

Each Raiffeisen association is confined to a carefully defined district—a parish by preference. Within these territorial limits members are elected, on application, with great care and discrimination, the object being not to secure a large roll but to rigidly exclude everyone who is not really eligible from the standpoint of personal character. A committee of five is charged with the executive work, and a council of supervision —consisting of from six to nine members—checks the work of the committee and overhauls everything done at least once a month; the members of neither body are allowed to draw a farthing of remuneration, and the only paid officer is the secretary, who has no voice in the employment of the money of the association. Their theory on this point is that where an officer in authority is not pecuniarily rewarded there can be no temptation to abuse his power, or to take undue risks, for the sake of either keeping himself in office or gaining business for the association.

In the earlier years both the Schulze and Raiffeisen associations met with a very trying opposition on the part of a Government ill-disposed towards institutions of so democratic a form. One of the arbitrary rulings of Prince Bismarck, while Chancellor, was that there must be shares and dividends. The Raiffeisen banks, however, met this dictation by making their shares as small as possible, generally ten or twelve marks, payable by instalments; and by the members once for all voting their dividend away to the reserve funds. "All through it is one "of the essential features of the organization, that individuals

"are to derive no benefit except the privilege of borrowing, and "every farthing which is left over out of transactions is rigor- "ously claimed for the reserve."

Having set up banks to lend to poor men, Herr Raiffeisen recognized that he must be content with such security as poor men can give. Mortgages he would not have, because they were an inconvenient security; bills of exchange he refused on other grounds; realty, consols, etc., he could not look for from the poor. Therefore he must accept the security to be found in the *character* of the borrowers and their sureties, and in the safeguard afforded by the use to which loans are to be put. One or two sureties are required for each advance made.

"Loan association though the association is, for safety's "sake it deliberately makes borrowing, not easy, but difficult. "Indeed the whole machinery is so framed as to *check* borrowing "rather than encourage it. Money is, indeed, to be found for "everyone who needs it, whatever be the sum; but in every in- "stance he must first make out his case, and prove alike that he "is trustworthy and that his enterprise is economically justified. "There is nothing which the associations more determinedly "set their faces against than mere improvident borrowing, stop- "ping up one hole by making another. And once the money is "granted, to the specific object for which it was asked must it "be conscientiously applied. It is just for the purpose of en- "forcing this that the smallness of the districts adopted by "Herr Raiffeisen is found particularly useful. . . . A man "could not misapply his loan money without his neighbors being "made aware of it. And once every three months the council "of supervision meet for the special object of reviewing the "position of debtors and their sureties, and considering the "employment given to the loan money. Should a surety be "found to have seriously deteriorated in solvency or in trust- "worthiness, a better surety is at once called for in the interests "of the association. And should that demand not be complied "with, or should the debtor be found to have misapplied the "money, under a special clause . . . the loan is at once "called in at four weeks' notice. . . . In another respect the "banks are—wisely—inexorable. Alike, interest and principal, "they insist, must be paid in to the very day . . . and on

"any point rather will the association give way than on that of "prompt and punctual payment."

The Raiffeisen banks are essentially a social institution, and at bottom this is the secret of their success. The existence of unlimited liability on the part of members promotes among them a zealous and active interest in their local association—a distinctive striking feature of the Raiffeisen Loan Banks. The liability incurred on behalf of each other brings home to each member a sense of duty in the direction of watching the interests of the association, and creates a lively interest on the part of them all in the habits and character of those to whom their common funds are loaned. The discipline is made complete by the value set upon thrift and honesty, as the basis of credit. The knowledge that membership is altogether dependent upon perseverance in such virtues has, it is said, an astonishing effect in strengthening the character of the people in whose midst the associations are placed; the idle fast become industrious, and the spendthrift forsakes his extravagance. As to its effect in inculcating high moral principles, we have the confession of a Rhenish parson before a Royal Commission in 1874 that the Raiffeisen bank in his parish had done far more to raise the moral tone of his parishioners than all his ministrations, and the deposition of the presiding judge of the Court at Neuwied, that litigation has materially diminished in his district owing to the principles instilled by the local Raiffeisen Loan Bank. The expectation would naturally follow from all this that the economic development of districts possessed of these agencies would be highly satisfactory. To what extent this is the case the following extract from Mr. Wolff will serve to show:

"To me a particularly interesting case is that of the village "of Mulheim on the Rhine, not very far from Coblentz. . . . "The best among the population, some two hundred and fifty "persons, have joined the bank. Though the soil around is rich "and well watered, the place is said to have been some time ago "rather neglected and not a little pestered with Jews. The latter "have quite disappeared. . . . What Prince Bismarck's "'blood and iron' could not accomplish, co-operative gold has "managed with ease. Whole battalions of these greedy gentry

"have been put to rout, and driven discomfited from the field. ". . . . The old wattle and post-and-pane houses, with their "rickety timbering and ramshackle roofs, have disappeared and "given place to neat and substantial stone buildings. There is "an unmistakable look of plenty, of order, of neighborliness "observable everywhere. . . . The gardens are tidily kept, "the fields and orchards look throughout *bien soignés*, and every-"thing appears prosperous and flourishing."

When we examine the method upon which the business of these associations is conducted, and learn of the work they accomplish as moral reformers, we cease to marvel at the success they have achieved as financial institutions, a success the measure of which is seen in the fact already quoted, that in the forty-three years during which they have been in operation no member or creditor has lost one penny.

That this success has been due to the principles upon which the associations are organized, and not to characteristics peculiar to the German people, is conclusively shown by the fact that the same amazing success has attended the operations of the Italian *Banche Popolari*, which were founded in imitation of the German people's banks, upon lines substantially the same as those of the Raiffeisen Loan Banks; and further, that all attempts at co-operative credit-banking upon lines essentially different from those upon which the Raiffeisen banks are founded, have resulted in failure. In the latter respect the experience of France is instructive. France has contributed more than any other nation to the literature of the subject of co-operation, has expended more money and ingenuity on experiments to create co-operative institutions, and her record in respect of practical application is, notwithstanding, little more than a blank.

B.

NOTES AND MEMORANDA

EVENTS in the United States appear to be at length so shaping as to give promise that the silver question will shortly be brought to an issue.

At the recent Republican convention at St. Louis the "sound money" plank was adopted by a vote in the proportion of 8 for to 1 against. Doubtless before the present number of the JOURNAL issues from the press the Democratic convention assembling at Chicago will have declared the policy of that party upon the money question. Should it decide to go into the November contest under the banner of silver—as now seems not improbable—we have the expressed opinion of Senator W. C. Whitney, perhaps the most distinguished of the Democratic leaders, that the Democratic party will be so wrecked that it may not hope to get into power again in twenty years. On the other hand, should the silver contingent fail to carry the convention, it is expected that they will withdraw from the party and nominate a candidate of their own. In either event, it is almost impossible to believe, in view of the present temper of the people and of the pronounced stand of the Republicans as the party of sound money, that the Republicans can fail to gain a sweeping victory, in which case the stability of the currency should be assured for some years at least.

Nevertheless, in spite of this outlook, the aggressive attitude of the silver men, and the strength which they have shown in the councils of the Democratic party, have been sufficient to cause a feeling of considerable nervousness in the stock markets, the extent of which is best indicated by the recent reaction in the price of Government bonds, after the rise which ensued upon the declaration issued from the St. Louis convention.

ACCORDING to a correspondent of the *St. James Gazette*, one of the results of the judgment in *Langtry v. Union Bank*,[1] is that the English banks are notifying customers seeking to lodge valuables for safe-keeping, that they will not be re-delivered under any circumstances upon a written order, but that the owners must call for their property in person. The natural consequence of this rule will be that the banks will not in future be so frequently called upon to assume a duty which is unremunerative and at the same time involves an extensive and uncertain liability.

—

WE have pleasure in presenting our readers in this issue, which concludes Volume III of the JOURNAL, with an important contribution from the pen of George F. Shepley, Q.C., on "The Powers of Directors." A careful perusal of the article is calculated to render clear what precautions are necessary on the part of bankers in dealing with joint-stock companies, either in the way of making advances to them, or in negotiating bills of exchange issued by, or the title to which comes through, them.

—

THE Editing Committee expect to furnish readers of the JOURNAL, in a later issue, with a sketch of the career of the late E. H. King, formerly General Manager of the Bank of Montreal, whose death at Monte Carlo was recently announced. Its appearance in the present number would have been most appropriate, but in view of the fact that his is a most striking figure—perhaps none more so—in the history of Canadian banking, the Committee have thought it well to take the time necessary to complete arrangements for the preparation of such a sketch as will do justice to the subject.

—

WE have received from Mr. C. L. Benedict, of the Bank of Montreal, Amherst, N.S., a copy of his "Lightning Day Indicator." The Indicator is a card about 12 x 6 inches, containing

[1] See p. 196, Vol. III JOURNAL.

a table of figures and other data so arranged that it is possible at a glance to ascertain—with the one mental effort involved in subtracting one number from another—the number of days from any given date to any other date. The card is scarcely intended to supplant the date book in use in the discount departments of banks in the large centres, but it will no doubt be found a valuable aid in offices where the daily transactions are not sufficiently voluminous to render the more expensive book indispensable.

REVIEWS

The Editing Committee desire it to be understood that the "Reviews" appearing from time to time, even when not over a signature, are contributed, and are not in the nature of Editorial opinion.

"*The History of Currency.*" W. A. Shaw, M.A.

"The purpose of this book," we are told, "is two-fold, —first and foremost to illustrate a question of principle by the aid of historic test and application; secondly, to furnish for the use of historical students an elementary handbook of the currencies of the more important European States from the thirteenth century downwards."

Starting with the revival of gold coinage in Christian Europe, Mr. Shaw divides the history of metallic money (with which alone the book deals) into three periods. The first lasts until the discovery of America. The second extends from 1493 until 1660, whilst the history of the third period is brought down to 1894.

The first modern instance of the minting of gold on a commercial scale among the western nations is placed in Florence in 1252. This, however, is hardly accurate.* There appear to have been gold coinages in Spain, Portugal and Naples as early as 1225, whilst Mr. Shaw himself refers to a passage in De Saulcy, where florins d'or are mentioned from 1180 on.

Then, too, it is hardly correct to say that for all practical purposes gold had gone out of use since the seventh century, although "the presence of gold bezants can be traced here and there at isolated points and dates." The gold coins struck at Constantinople appear to have circulated freely throughout nearly all Europe during the middle ages, and the exchequer rolls show that payments in gold bezants were quite common in England.

This, however, is not a very important point, and we may turn at once to the account of the gradual evolution of our modern monetary systems. Accustomed, as we are, to the smooth and easy working of our monetary machinery, we can hardly grasp the

*Mr. Shaw states that it is open to serious doubt.

extent of the misery caused by the rude and imperfect systems of earlier times. Mediæval legislators really had no systems at all. They found gold and silver equally circulating as money, and their one aim was to so adjust the legal ratio that they might be enabled not only to retain their own stock of coin and bullion, but to abstract more from their neighbors.

The ratio was continually being changed, and was hardly ever the same in any two countries at any one time. For instance, the course of the ratio in France during ten years was

1303	10.26
1305	15.90
1308	14.46
1310	15.64
1311	19.55
1313	14.37

The great variety of ratios prevailing in different countries at the same time afforded ample scope for extensive arbitrage operations, carried on sometimes by Italians, but chiefly by the Jews—operations which sometimes almost stripped a country of its coinage, and which in large measure account for the universal detestation in which the Jews were held. And at the same time a constant depreciation and debasement of the coinage went on, which naturally added to the confusion, which was also intensified by a natural scarcity of the precious metals, due to stationary production in the face of a considerable commercial expansion. But the discovery of America opened up a new era, and "proved the monetary salvation and resurrection of the Old World." Through Spain, then mistress of the New World, gold and silver were poured into the channels of European commerce, and the impetus thus given to trade and manufactures places this period on a distinctly higher level than the previous one.

The Netherlands and England were probably the chief gainers. Antwerp took the place of Florence and Naples as the centre of European exchange, and Holland was for no inconsiderable period enabled to hold her own as a colonial and maritime power with the great nations of Europe. Whilst in England, "on this increased basis of currency was built that commercial and national, yea, even literary growth and expansion, which have made the Elizabethan age the glory of our history."

But once the first flush of progress was over, bimetallic evils once again made themselves felt, with the usual disastrous effects. In Germany, which appears to have profited very little by the inflow of American treasure, the whole period was taken up with fruitless struggles against adverse ratios, until by 1621 there may be said to have been universal commercial ruin.

In England things became almost as bad. With the accession of James I serious troubles began, which continued throughout his reign. In spite of all efforts to the contrary, the country was drained of its coinage. Time after time the ratio was changed, coins were raised in denomination, and the laws against exporting bullion were strictly enforced, but all in vain. The crisis of 1622 was one the like of which has not since been seen, and the disasters and disturbances which it produced appear to have been an appreciable factor in bringing about the revolution in the next reign.

" With the close of the seventeenth century the advantage of the process of altering the denomination of the coinage, of diminishing the contents and reducing the standard of fineness, began to be impugned on theoretic grounds, and in the course of the eighteenth century that process itself fell into disuse. . . a matter of almost incalculable significance in the history of the European monetary system. . . The ceasing of the artificial arbitrary mint rates made way for a naturally determined or *commercial* ratio, and the regulation of the international flow of the precious metals was left to the oscillation of trade balances, and to the action of interest rates and discount."

Out of the old mercantile theory or system of coinage sprang the two modern systems: the monometallic, in which a single metal was made the legal tender, and the bimetallic, in which both metals were equally legal tender at a fixed ratio.

" Modern currency history hinges on the antagonism of these two systems."

In view of the late revival of the bimetallic agitation French monetary history during this period is particularly interesting.

Mr. Shaw conclusively establishes two important facts. One is that no new system was inaugurated in 1803, as is so

often assumed. "The system of Republican France, as established by this law (of 1803) was no more and no less bimetallic than in 1785, than in 1610, or than in the days of Francis I. Theories as such did not occupy the mind of the legislator, and of any conception of a bimetallic system or theory such as we have learned to know, there is no trace."

The other fact is that the legal ratio did not control the market value up to 1873. With the aid of an elaborate diagram, the course of the commercial value is made abundantly clear, whilst tables of the coinage and the bullion movements from 1803 to 1875 show the ebb and flow of the two metals as their respective value changed.

And extracts from official documents prove that it was never expected in France that the ratio of 1803 would be permanent, and that for several years previous to the suspension of free coinage of silver the government had foreseen the necessity of it, and had advised as to the best method of reformation.

The verdict of history on bimetallism is, says Mr. Shaw, clear and crushing and final. "The modern theory of bimetallism is almost the only instance in history of a theory growing not out of practice, but of the failure of practice; resting not on data verified but on data falsified and censure-marked."

The monometallic plan, as exemplified in England, he regards as the best type of monetary system that we have yet seen.

Enough has been said to give an idea of the general argument of the book. Its style is not particularly good; the phraseology is sometimes needlessly technical, and occasionally involved and obscure. But even so, it is very interesting reading. It will be especially useful to the student of monetary history, who will find here, amongst other invaluable information, the coinage statistics and complete lists of the coins of the more important countries, with weights, fineness and comparative values; mint and commercial ratios of the precious metals, with statistics of their production, etc., etc.

An occasional minor error is to be found.

Thus on page 251, in the quotation from Alex. Hamilton's Mint Report, he is made to speak of "the newest dollar of 374 grains." The words "of 374 grains" are not in the original,

which does not at that place give the weight of the dollar referred to. It was, however, about 368 grains. And on page 264, the summary of the 1st section of the Sherman Act is not quite accurate.

But one or two trifling errors cannot detract from the value of the book, which is a perfect mine of information on all questions relating to modern metallic money. An enormous amount of labor must have been expended in gathering, compiling and verifying all this, and the result is a volume which promises for a long time to come to be the ultimate authority on the coinage of the modern world. May we not hope that Mr. Shaw may some day take up in a similar spirit the history of paper money?

F. G. JEMMETT

Computation. By EDWARD M. LANGLEY, M.A. London and New York; Longmans, Green & Co.

THIS is by the contributor of the article "Short Methods of Computation," in the present number of the JOURNAL—indeed the matter contained in the article is entirely embraced in the first section of the above work. The book has three other sections: Section II shows how to abbreviate the processes employed to obtain approximate results, and to estimate the amount of error to which these are liable; it also draws attention to the essentially approximate nature of all physical calculations, and to the consideration, sometimes neglected, that to whatever degree of accuracy the arithmetical operations are carried out, there cannot be a higher degree of accuracy in the results obtained than in the numerical data on which those calculations are founded. Section III deals with logarithms; specimens of various trigonomical tables are given and their uses explained. Section IV illustrates the principles previously explained by applying these to such calculations as actually occur in the office or the laboratory.

As bearing on the value of the work it may be mentioned that the author is senior mathematical master of the Modern School, Bedford, joint editor of the *Harper Euclid*, and editor of the *Mathematical Gazette*.

CORRESPONDENCE

MR. KNIGHT AND THE NOVA SCOTIANS

To the Editing Committee:

DEAR SIRS,—In the April number of the JOURNAL you published an excellent article by Mr. Massey Morris upon the land mortgage companies of Canada. At page 241, Mr. Morris quotes the following sentence from a letter written by me in reply to some questions asked by you about this province in connection with mortgage companies:

"*The Nova Scotian knows more than a little about many things, and thinks he knows everything.*"

When you applied to me for some information about the loan and mortgage companies operating in the province of Nova Scotia, I did not expect you to permit the culling of one sentence from my reply which, stripped of its context and apparently having no bearing upon the subject of Mr. Morris' article, is calculated to make my adopted countrymen misjudge my meaning. Surely you know that it is quite possible to extract a few words, a sentence, or a paragraph from almost any letter, and produce therewith an erroneous and unfavorable opinion of the writer.

I desire to promptly correct my good friend Mr. Morris' idea of what I intended to convey by the quotation from my letter to you.

To *think he knows everything* is far from being a prominent characteristic of the Nova Scotian. On the contrary, I have frequently been highly amused at the surprise evinced by some newly arrived Englishman in Halifax when he, believing in the greatness and glory of Britain and the pre-eminence of her sons in everything, and also deceived by the modesty of the Nova Scotian, discovers that the colonist is, as a rule (even if less thorough in some one particular pursuit, either of business or recreation,) a better *all-round* man than his English brother. Perhaps it is this very quality of *all-roundness* which makes the

colonist appear to an Englishman to "know more than a little about many things."

During the campaign in the North-west (Riel Rebellion) an officer of the Imperial forces attached to General Middleton's staff expressed this opinion of our volunteers: "For all-round usefulness and general knowledge, the Canadians are indeed a remarkable lot."

I humbly submit that you cannot find in my letter to you anything to warrant the publication of the naked sentence in question, unless you also gave your readers its context. The Nova Scotian is not conceited. On the contrary, he is singularly unassuming, and he seldom arrogates to himself the possession of a vast store of knowledge. To his retiring disposition and air of almost ostentatious simplicity, I attribute his proverbial success in getting ahead of other Canadians.

If consulted before the publication of Mr. Morris' article, I would have politely declined to permit the insertion therein of a quotation from my letter which long residence in Nova Scotia cannot excuse or justify.

In answer to one of your questions, I replied, "I don't know that Nova Scotian farmers are *more well-to-do than those in Ontario.*"

But, in my letter, I illustrated what seemed to me to be the reason for the Nova Scotian farmer's apparent dislike to being considered well-to-do: "The Bluenose prefers to be known as crushed beneath the weight of a mortgage rather than as the holder of deposit receipts of a bank, and he will pay five per cent. interest on the former against the smaller interest received on the latter. Perhaps he thinks that the difference in the rate of interest paid and received is a small price to pay for the freedom he enjoys against the incursions of any borrowing neighbors or needy relatives who might reasonably ask assistance from a man whose farm was known to be free from encumbrance." I am quoting from memory of my first epistle upon this subject.

If Mr. Morris had published these extracts from my letter in conjunction with the sentence he prints between inverted commas, the latter would not have looked like the flippant and ill considered utterance of some thoughtless tourist.

Fortunately, my fellow-bankers in Halifax know of my strong liking for the Province of Nova Scotia and its people, and will not accuse me of trying to be smart and Max O'Rellish at the expense of my wife's relations in the land of Evangeline. The people of Ontario may, as Mr. Morris claims, be "restless and enterprising." But if any Ontario banker among your readers should infer from this that because Nova Scotians fight shy of over-indulgence in land mortgage companies, they "live within themselves," and know nothing of the outside world and the advantages of cheap money, he (the Ontario banker) cannot be acquainted with the character of the men who live down here within sight, smell and sound of the Atlantic Ocean.

Nova Scotia has been the birth place of a number of men destined to live in the pages of Canadian history. The matchless eloquence of Joseph Howe, the remarkably brilliant although sadly brief career of good Sir John Thompson, the wit and wisdom of Judge Haliburton, are calculated to make one think that Nova Scotians are the salt of the Dominion of Canada, and it troubles me to find that Mr. Morris has innocently gathered from my letter to you anent mortgage companies a wrong impression of my opinion of this Province and its inhabitants.

To say of a Nova Scotian "he thinks he knows everything" is not very offensive. But people are so prone to misunderstand printed remarks about themselves. Let a story illustrate the danger of being funny. Upon the deck of an excursion steamer approaching a port in the southern seas, a stranger, commenting upon the coast line said, "*This is a low-lying country.*" The facetious captain of the steamer replied, "*Yes, and inhabited by a low lying people.*"

Some months later the stranger (a serious literary man) when publishing his impressions of the said country, named Captain —— as his authority for the statement that the people of —— were notoriously vulgar and unworthy of belief.

The captain in question was not made more miserable by the consequence of his ill-advised levity than I am at being quoted by Mr. Morris as the author of the remark printed at the head of this letter.

However, the use made by my friend, Mr. Morris, of an

ill-chosen sentence from my remarks upon loan and mortgage companies, has afforded me this opportunity for telling you the truth about Nova Scotians, and in this novel and pleasant exercise I find some solace for my previous annoyance.

JOHN KNIGHT

Halifax, N.S., 27th May, 1896

DRAFT FORMS

To The Editing Committee :

DEAR SIRS,—It would be a great boon to collection clerks if all banks would encourage a uniform draft. Some banks seem to try to make trouble, as the figures on some are on the right hand side, others on the left hand side, while it is like looking for a needle in a hay stack to find the date place on some drafts. Could we not have an "Act of Uniformity?" To illustrate this a collection should be made of drafts on the outside desks of Toronto banks.

J. L.

QUESTIONS ON POINTS OF PRACTICAL INTEREST

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

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

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

Warehouse Receipts

QUESTION 34.—Referring to pages 62 and 63, Vol. II, of the JOURNAL, Mr. Lash states: "The distinction between a debt and other liability is well known to the law. For instance, the

liability of a guarantor is not a debt, but should the guarantor supplement his guaranty by payment, a debt would then arise; a bank therefore could not acquire or hold a warehouse receipt or bill of lading as collateral security for a liability which it might incur as the guarantor of a customer."

What is the position of a bank in the following case? The London (Eng.) agent accepts a 60 days draft drawn by some firm there under a credit established by one of the Bank's branches in Canada. The branch gives up the draft and receives a warehouse receipt for the goods. Is the bank a guarantor, no payment having been made at the time of acquiring the warehouse receipt, and the acceptance in London not maturing for some time?

ANSWER.—The question asked is one which it is very difficult to answer definitely. At one time, as stated in the article quoted from, banks were authorized to take the warehouse receipts as security for a liability incurred by the bank on behalf of the holder, etc. This provision was afterwards deliberately dropped, and there is nothing in the present Act which empowers banks to acquire bills of lading or warehouse receipts as security for outstanding drafts drawn under Letters of Credit on which they are liable, and a bank's right to hold the documents must depend upon considerations entirely apart from the warehouse receipt clauses of the Act.

The general clause (section 64) under which banks are authorized to engage in any business pertaining to banking might be regarded as giving them power to acquire security in connection with Letters of Credit, the issue of which is beyond question part of their recognized business, but the concluding part of the section prohibiting the lending of money directly or indirectly on the security of goods, except as provided in the Act, would seem to cut out such transactions from the powers covered by this section.

This question has been up for discussion many times, and the conclusion hitherto has usually been that the bank's rights, though not clear under the Act, are made reasonably certain by the circumstances which ordinarily prevail. The goods are shipped to the bank; they have never become the property of the customer, and could not so become until he pays the relative draft (or rather the title would not pass), and no creditor could attach the goods while the title to them is in the bank. They may be regarded as still subject to the vendors' rights, and the bank represents the vendors, having procured the payment to them of the purchase money and taken over the goods.

This is not very satisfactory, and an effort is not unlikely to be made to amend the Act in this and certain other directions.

There is one point to which we might draw special attention. If the documents were handed to the customer and the goods warehoused in his name, the assignment of the warehouse receipt to the bank might not give it a good title. The best practice would be for the bills of lading to be handed to the railway or shipping company, with instructions to deliver the goods at some warehouse on behalf of the bank, thus keeping the bank's title intact throughout.

Cheque Marked Payable only after a certain Date

QUESTION 35.—Is it obligatory upon a bank to pay a cheque upon presentation, when upon face of same a proviso making it mature fifteen days after date appears? Could such cheque be looked upon as a demand item, and if refused by the bank upon which it is drawn, could it be legally protested? I am assuming that the cheque is presented for payment sometime between the date of same and date of maturity according to proviso.

ANSWER.—Such a cheque as described is in effect a bill of exchange, payable after a certain date, and it is not only not obligatory on the bank to pay it before maturity, but if it did so it would incur a serious risk. If, for instance, before its maturity the drawer were to stop payment, the bank would have no claim on the endorser, because the negotiation of a bill of exchange to the drawee kills remedies of that kind, and it would have no claim on the drawer, as he has a perfect right to countermand his order to pay before it has been acted upon. The bank might acquire any claim which, as between the drawer and payee, the latter might have had on the countermanded cheque, but this, as we said in our note on "Post dated cheques," p. 3, Volume II, would be a very doubtful and shadowy claim.

Writs of Garnishment

QUESTION 36—A Division Court judgment is held against an individual employed as assessor by a municipal corporation at a salary of so much for each year's work. He is, however, in the habit of drawing the amount in instalments at irregular dates on application to his employers. Can the creditor do anything in the way of garnishing his salary?

ANSWER.—The creditor cannot, of course, garnish the salary which has been actually paid, nor can he garnish the salary not yet earned, as salary does not become a debt until earned. All he could do would be to garnish any arrears of salary earned and unpaid, and whether anything could be done in this direction in the case mentioned would depend altogether on the understanding between the corporation and the employee.

Liabilities of Partners—Guarantee Bonds

QUESTION 37.—A gives a bank a guarantee securing advances made to C. A afterwards enters into co-partnership with C under the style of C & Co. How does this affect the guarantee? Is A held for all advances to C previous to the partnership, and equally liable afterwards as a partner with C for the indebtedness of C & Co.? Is his connection as C's partner as equally binding for C & Co.'s debts as his guarantee would be? Does his guarantee carry some additional security after he becomes a partner?

ANSWER.—The formation of the partnership does not affect the guarantee. A continues to be liable as guarantor for C's indebtedness, and becomes liable as one of the principal debtors for the obligations of C & Co. He might also become liable on the same debt as a guarantor or endorser, and the effect of this would be that in the event of an assignment by the partners of their joint and separate estates, the bank would have certain ranking rights against A's personal estate, which might give it a very decided advantage over the creditors of C & Co. who had not A's separate liability * We would therefore certainly think it well, if he has considerable means outside of the partnership assets, to take his guarantee for the firm's debts; this is a very common precaution.

It should be remembered that the partnership estate of C

---

*Note by MR. LASH.—There is a very important difference between the rights of a creditor of a partnership who has recovered a judgment against the firm, when enforcing his execution upon that judgment, and the rights of a creditor holding a claim against the firm when ranking upon the estate in the hands of an assignee for creditors under the Ontario Act respecting Assignments.

A judgment obtained against several partners, or other persons sued jointly, makes each liable to the judgment creditor for the whole amount, and not for a proportionate part of the sum for which judgment has been obtained. The writ of execution founded on such a judgment must be against all, and not against some or one of them only; but, although the writ must be joint in form, the sheriff or other officer may levy under it upon the goods, etc., of all or of any one or more of the persons named in it. The consequence of this is that for a claim against the partnership the creditor may obtain payment out of the separate property of any one or more of the partners as well as out of their partnership property. The important point to observe is that the sheriff is not bound to levy on the goods of the firm before having recourse to the separate properties of its members, and that the defendants cannot require the sheriff to execute the writ in one way rather than in another.

It is generally supposed that, if a partnership owes debts and an individual partner owes debts, the claims shall rank first upon the estate by which the debts they represent were contracted, and shall rank only upon the other after all the creditors of that other have been paid in full. This, however, is not the case under judgments and executions. That rule is applicable only to cases where the partnership and separate estates are being adminis-

& Co. would not be liable for C's indebtedness to the bank, unless there was a novation—that is, unless they agreed with the bank to assume and pay the debt. The mere fact that there was such an understanding between themselves would not make the bank a creditor of C & Co. for advances to C, and under some circumstances this might be an important point.

Collections sent to Private Bankers

QUESTION 38.—A current account customer brings in a note for collection, *made payable at a private banker's office* in a place where there is no chartered bank. He is told that the collection will only be forwarded to the private banker's at his own risk, and the following notice had been placed in his pass book when his account was opened, viz.:

All bills, notes and other securities left with the bank for collection will be collected at the risk and cost of the parties leaving them, the bank only holding itself responsible for the amount actually received by it, and not for any omission, informality or mistake occurring in collecting them.

When the note matures a partial payment is stated to have been made on the note to the private banker who fails to remit the money, and also fails financially, suspending payment the day after the payment was made.

(1) Can the customer bring suit against the bank and recover the amount paid on the note, but not remitted by the private banker?

---

tered in bankruptcy or insolvency, and under certain circumstances when the administration is being proceeded with under an order of the Court. Bankruptcy and insolvency laws usually contain a provision upon the subject. Section 5 of the Ontario Act relating to Assignments by Insolvent Persons, is as follows:—"If any assignor or assignors executing an assignment under this Act for the general benefit of his or their creditors owes or owe debts, both individually and as a member of a co-partnership, or as a member of two different co-partnerships, the claims shall rank first upon the estate by which the debts they represent were contracted, and shall only rank upon the other after all the creditors of that other have been paid in full."

It will be seen from the above that a creditor holding a claim against a partnership cannot, under an assignment for the benefit of creditors made by the partners, covering both the partnership and individual estates, rank upon an individual estate until the individual creditors have been paid in full; whereas the same creditor obtaining a judgment and execution against the partners may levy upon the individual estates of the partners, notwithstanding that there are individual creditors.

It is, therefore, sometimes of great advantage to a creditor of the partnership to obtain for his debt the individual liability of one or more members of the firm, for in case of an assignment, he could not only rank upon the partnership estate, but also upon the estate of the individual partner whose liability he had secured. The provisions of the Act respecting the valuation of securities would, of course, have to be observed—for instance, if the creditor had the note of the firm endorsed by one partner he would, in proving against the partner's estate, have to place a value upon the liability of the firm.

(2) Would not the customer have a chance to recover the amount from the maker of the note? In making the note payable at this private banker's office, did he by so doing appoint him the collecting agent?

The note was returned to the customer, and of course no charge was made by the bank.

ANSWER.—(1) If the understanding with the customer was clearly that stated, then he must be taken to have authorized the employment of the private banker as his agent to make the collection, and must bear any loss that may result therefrom. On proof of the conditions upon which the collection was received the customer's suit against the bank must fail.

(2) The customer has no remedy against the maker of the note. Having authorized the employment of the private banker to collect the note, anything paid the latter by the maker is in effect payment to the customer.

The fact that the note was made payable at the private banker's office is immaterial. The liability is placed upon the customer by the parole agreement, etc., at the time the note was handed in.

We might add that the law is quite clear that where a bank selects a collecting agent of its own accord, without asking the customer for instructions, or putting on him the risks involved, it is responsible for the agent's acts.

Where a customer discounts with a bank bills which can only be collected by sending them to a private banker, it might seem reasonable that, as the sending of them to such agent is a course forced upon the bank by its customer's manner of doing business, he should be responsible, but the law is clearly otherwise, and most banks, we think, now take the precaution of requiring customers who discount or lodge for collection bills payable at such points, to give a letter of indemnity on the lines suggested by the notice clipped from the pass book.

Transfer of Stocks held in Trust

QUESTION 39.—In Mr. MacLaren's work on banking, just published, in commenting on section 43 of the Bank Act, he says: "The person who stands in the books of the bank as the registered owner of shares, has the right to deal with them and transfer them. If, however, he holds them in trust, to the knowledge of the directors or officers of the bank, and is about to commit a breach of trust they should notify the *cestui que trust* in order that he may take steps to prevent it by injunction, or otherwise."

In this connection I should like to ask the Editing Committee of the JOURNAL the following:

(1) Would the bank have the right to absolutely refuse to transfer pending action by the *cestui que trust?*

(2) If the *cestui que trust* were a minor, or a person not having exercise of his rights, or if the bank had no knowledge of his whereabouts, would they have the right to refuse to transfer?

ANSWER.—We think that Mr. MacLaren's statement above quoted is too wide if, in saying that the bank should notify the *cestui que trust*, it is meant that it is the bank's duty to do so. Probably all Mr. Maclaren meant was that it would be a prudent or proper thing for the bank to do; not that it was under any legal obligation to do so.

Section 43 of the Bank Act declares that "the bank shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any share of its stock is subject." In commenting upon the same words in the charter of the Molsons Bank, the Privy Council, in the case of *Simpson v. Molsons Bank**, reported in L.R., App. C. 1895, p. 270, say: "This language is general and comprehensive. It cannot be construed as referring to trusts of which the bank had not notice, for it would require no legislative provision to save the bank from responsibility for not seeing to the execution of a trust, the existence of which had not in some way been brought to their knowledge. The provision seems to be directly applicable to trusts, of which the bank had knowledge or notice, and in regard to these the bank, it is declared, are not to be bound to see to their execution."

We do not see how it could be held, in the face of the express provision that the bank shall not be bound to see to the execution of any trust, and in the face of the decision of the Privy Council, that this provision is directly applicable to trusts of which the bank has knowledge, that the bank is bound to interfere with any transfer which the shareholder sees fit to make.

Dealing with the case apart from the provision of the statute, and this is the way in which Mr. Maclaren evidently has dealt with it, the Privy Council say: "It may be that notice to the bank of the existence of a trust affecting the shares would have cast upon them the duty of ascertaining what were the terms of the trust. . . . Assuming this point in favor of the appellants, their Lordships, however, see no reason to doubt that by the clause in question the bank are relieved of the duty of making enquiry, and that they cannot be held responsible for registering the transfer, unless it were shown that they were at the time possessed of actual knowledge which made it improper

* See p. 544, Vol. II, JOURNAL.

for them to do so, until at least they had taken care to give the beneficiaries an opportunity of protecting their rights." It will be observed that this is "apart from the provision of the statute."

Answering our correspondent's first question, we would point out that the statute, although relieving the bank from the obligation to see to the execution of any trust, does not deprive the bank of any right which as a corporation it would have with respect to the transfer of its shares, and if it possessed actual knowledge that the proposed transfer would be a breach of trust, it would, we think, have the right to refuse to allow the transfer to be made, until at all events the *cestui que trust* had an opportunity of protecting his rights, and this would be a prudent and proper thing to do; but, should it turn out that the bank's opinion as to the breach of trust was unfounded, it would have to take the consequences of refusing to allow the transfer.

With reference to the second question, we think that the bank's right to refuse the transfer would depend upon whether a breach of trust would be committed or not. The fact that the *cestui que trust* was a minor, etc., or that the bank had no knowledge of his whereabouts, would not affect the question one way or the other.

It is possible that, notwithstanding the statute, the bank might incur a liability if the circumstances connected with the transfer and the breach of trust were such as to warrant the Court in holding that the bank really and knowingly joined in committing the breach, but short of this we think it could not be made liable for permitting the transfer to be made.

Security held by a Private Banker pertaining to Notes lodged as Collateral with a Chartered Bank

QUESTION 40.—A private banker advanced a farmer money, taking notes which he pledged to a chartered bank. Later he took a deed of the farmer's land, giving a letter saying he would re-convey land on payment of a certain sum by a certain date.

The private banker claims that he is a trustee for the chartered bank, and that the bank can follow the land in his, the private banker's, name.

Could the bank follow the land, or would it be only an ordinary creditor against the private banker?

If the consideration stated in the deed was the payment of certain notes, would the chartered bank be a preferred creditor?

How could the private banker be made a preferred creditor?

No mention of the notes was made in the deed.

ANSWER.—The security which a private banker takes for notes discounted by him for his customer, on which notes he has obtained an advance from a chartered bank, would be held by him in trust for the bank, and the transfer of the security could probably be enforced by action at law.

The assignee in insolvency of the private banker (if there were one) could not realize on the security held, and regard the money as part of the general estate.

Whether or not the particular security enquired about attached to the notes held by the chartered bank, would be altogether a question of fact. If the chartered bank held all the paper given by the farmer, whose land had been given to the private banker as security, it would seem to be clear that the land was held to secure the bank.

The custom in some banks is to require a short memorandum to be attached to each note given to the bank as security by a private banker, for which he in turn holds security from the debtor, declaring that he holds such security in trust for the bank.

LEGAL DECISIONS AFFECTING BANKERS

NOTES

Closing a Customer's Account.— We call the special attention of our readers to the case of *Buckingham v. London & Midland Bank*, of which we give a full report in this number. In this case it was held that a bank could not cancel a line of credit granted to a customer without reasonable notice, and the London & Midland was assessed in damages for having refused cheques drawn against funds deposited in an ordinary drawing account, the balance at credit of which had been transferred by the bank to cover an overdraft in a second account, without the consent of its customer. It is not the practice in Canada to open loan accounts as well as drawing accounts, but the transaction out of which the suit arose was in effect the same as would be the charging to a customer's account, without notice, of a sum due in respect of a demand loan. This is an operation which most bankers here would think quite permissible, but it is clear from this judgment that a customer might have a valid claim for damages, if such a course were adopted in a way that worked serious injustice to the customer.

The judgment has a very direct bearing on the practice in Canada of granting "season" credits to customers of various kinds, especially those engaged in milling or produce business. Perhaps it ought to be made a little clearer than it now is that such credits are only continued at the discretion of the bank; that undoubtedly is the practice, and the basis on which the banks grant such credits.

In *Ellesmere Brewery Co. Ltd. v. Cooper et al.*, the danger of taking a guarantee bond without careful consideration of, and exact compliance with, its terms, is again shown.

Payment of a bill advised in error by collecting agent.—In the case of *Deutsche Bank v. Beriro*, judgment of the Court of Appeal has now been rendered affirming the decision of the Queen's Bench Division, reported on p. 125 of the present volume of the JOURNAL.

—

The judgment of the Queen's Bench Division in *Molsons Bank v. Cooper*, published in the January issue of the JOURNAL, has been reversed by the Court of Appeal. A further appeal has been argued before the Supreme Court and stands for judgment.

—

Since the publication of the report on *Bridgwater Cheese Co. v. Murphy*, also in our January number, the case has been carried through the Court of Appeal to the Supreme Court, resulting in a dismissal of the appeal in both Courts.

HOUSE OF LORDS

Henry Smith and Co. vs. the Bedouin Steam Navigation Company, Ltd.*

A bill of lading is *prima facie* evidence of the quantity of goods shipped, and throws upon the shipowner the onus of showing that the whole or any part of them were not, in fact, shipped.

This was an appeal from a decision of the Second Division of the Court of Session in Scotland reversing an interlocutor of the Lord Ordinary, and finding the defenders (the now appellants) liable to the pursuers (the now respondents) in the sum of £35 7s. 2d., less the sum of £3 3s. The facts of the case are as follows:—The appellants are jute manufacturers in Dundee. On October 6, 1893, they purchased from Messrs. Soutar M'Nicol & Co., of Dundee, 1,000 bales of jute bearing certain marks, and received from the sellers two bills of lading, each for 500 bales of jute, to arrive by the respondents' steamship Emir. The bills of lading were signed by the master of the ship, and were to the effect that the 1,000 bales of jute therein specified were shipped in good order and condition on board the vessel at Calcutta, and were to be delivered in like good order and condition at the port of Dundee to order

**From the fuller report in* THE TIMES LAW REPORTS.

or assigns. The Emir arrived at Dundee on October 24, 1893, and proceeded to discharge her cargo, which consisted of upwards of 25,000 bales of jute. The appellants presented their bills of lading, but they only received 988 bales instead of the 1,000 mentioned in the bills of lading. The ship thus failed to deliver 12 of the bales contained in the bills of lading, and in settling the freight the appellants retained the value of these bales. The present action was then brought by the respondents, the shipowners, to recover the balance of freight which they alleged to be due to them. In answer to the appellants' claim of set off the respondents pleaded that in point of fact they had delivered to the appellants at Dundee the whole of the 1,000 bales contained in the bills of lading, and alternatively, that, if they had not delivered the whole of the 1,000 bales, the bills of lading were incorrect and that only 988 bales were put on board at Calcutta. The Lord Ordinary decided in favor of the appellants, but his judgment was reversed by the Second Division of the Court of Session, who, while finding that only 988 bales were delivered to the appellants at Dundee, sustained the respondents' contention that the bills of lading were incorrect and that only 988 bales were put on board at Calcutta. The evidence showed that the bales were brought alongside the Emir in boats from the mills in Calcutta where they were pressed. At the mills documents were made out called boat notes, specifying the number of bales in each boat. On the arrival at the ship the bales were hoisted on board in slings, four bales at a time. The bales being large objects, it was contended that no mistake could occur in counting them, and as they were slung up they were tallied by tallymen appointed by the ship. These tallies were compared with the boat notes by the first officer, who then signed the mate's receipts for the quantities, and it was from these mate's receipts that the bills of lading were made out, the whole operation being most carefully conducted. The evidence adduced by the respondents was directed to prove that when the ship arrived at Dundee the holds were found to be full, and they contended that this was a proof that no bales had been taken out of them after they were stowed. The appellants submitted, on the other hand, that this evidence did not negative the possibility that the missing bales

might have been made away with after they had been put on board the ship. The appellants now sought to have the decision of the Second Division set aside and that of the Lord Ordinary restored.

The Lord Chancellor said that the question in this case was one of pure fact. In such cases as these he objected to laying down any general rules, because each case must be determined according to its particular facts. It had been contended by the respondents that the bills of lading in question were merely *prima facie* evidence, and that such evidence might be displaced. *Prima facie* evidence, however, might be very weak or it might be very strong. Lord Wensleydale had said that when a man was seen cutting a tree in a field that was *prima facie* evidence that the man was the owner of the land; but, of course, such *prima facie* evidence of ownership might be easily displaced by showing that the man was acting under the orders of the real owner. In the present case, unless the *prima facie* evidence afforded by the bills of lading were displaced, due effect must be given to it. In his opinion, no evidence had been adduced which would justify their Lordships in disregarding that derived from those bills of lading. Mere conjecture as to how the goods had been lost would not be sufficient to invalidate the bills of lading. As the respondents had failed to give evidence in support of their contention that the bills of lading were incorrect, the decision of the Court of Session must be reversed and that of the Lord Ordinary restored. The respondents must pay the appellants their costs here and below.

Lord Watson said that the rule of law applicable to this case appeared to him to be settled beyond dispute. The master of a ship had no authority to grant bills of lading for goods which were not put on board his vessel, but when he signed a bill acknowledging the receipt of a specific quantity of goods the shipowner was bound to deliver the full amount specified unless he could show that the whole or any part of them were not shipped. If the shipowner was able to satisfy that onus by proving a short shipment, he was to that extent relieved from the obligation which would otherwise attach to him under the bill of lading. The question of shipment or non-shipment must be determined according to the evidence.

Lord Davey said that the bills of lading were *prima facie* evidence in favor of the appellants, and they threw upon the respondents the onus of displacing that evidence by showing that the full quantity of goods was not shipped. He concurred in the view of the Lord Chancellor.

Lord Shand concurred.

PRIVY COUNCIL

Ogilvie vs. The West Australian Mortgage and Agency Corporation, Ltd.*

Where a bank cashed a forged cheque drawn on a customer's account and knowledge of the forgery came to the bank's manager before it was discovered by the customer, it was held that the bank was not entitled to be freed from obligation to make good the amount because of the customer's action in giving acquiescence to the manager's request that the matter should not be reported to the directors of the bank for a certain length of time, in order that the forger might have an opportunity to make restitution.

This was an appeal from an order of the Supreme Court of Western Australia of June 30, 1893, whereby certain findings of a jury and a judgment for £1,462 and costs obtained by the appellant at the trial of an action in May, 1893, before Mr. Justice Hensman, were set aside and judgment entered for the respondents.

The action was brought by the appellant, Mr. Andrew Jameson Ogilvie, a grazier and sheep farmer at Murchison River, against the respondents, who are bankers and financial agents at Perth, Western Australia, to recover £1,587 and interest, being moneys which he alleged they had improperly debited and charged to his account, they having irregularly paid certain forged cheques and orders purporting to bear his signature. The respondents denied these allegations and submitted that the appellant ought not to be allowed to dispute the validity of the cheques or his liability upon them, because if they were forged and debited to his account he had neglected to inform the respondents, and by his conduct and silence ratified the forgeries, and enabled the offender to abscond and escape from prosecution. To that the appellant replied that in all matters concerning the forgeries he acted for the benefit of the respondents and at the request of their duly authorized officer, for whose acts they were responsible. The action originally came for trial before Chief Justice Onslow, who non-suited the appellant on the grounds that he was estopped from denying that the signatures to the forged cheques were genuine, and that by his acts he had ratified what the forger had done, and consequently that there was no evidence to go to

**From the fuller report in* THE TIMES LAW REPORTS.

the jury. The full Court set aside that non-suit, and the case was heard on its merits before Mr. Justice Hensman, with the result that the jury found a verdict for the appellant for $1,462 and costs. That verdict was subsequently set aside, on appeal, by the Supreme Court – Mr. Justice Hensman dissenting—and judgment entered for the respondents.

The facts were singular. The appellant, who was up country, sheep farming, kept a banking account with the respondents at Perth In May, 1891, on receiving his pass-book, he found that a large sum of money—over £1,400—had been wrongfully debited to his account. He saw Mr. Edmund Canning, an official of the bank, who, after inquiries, ascertained that the forger was Armstrong, a clerk in the office. The appellant at first wished to disclose the matter to the directors, but was earnestly entreated by Mr. Edmund Canning not to do so, and eventually agreed to say nothing about it for six weeks. Mr. Edmund Canning represented that by that time Armstrong, who was about to proceed to England, would send out the amount of his forgeries to the bank, and it would be placed to the appellant's credit. The appellant so acted, feeling sure of the security of his claim against the bank and with the desire to spare the feelings of Mr. Alfred Canning, the managing director, the father of Edmund Canning. It was not suggested that the appellant ever saw the forger or knew of the forgeries until he examined his pass book. In consequence of that arrangement, the forger left the colony for England, and did so openly, no one but young Canning and the appellant being aware of his delinquencies. He took with him, it was said, a considerable sum of money. At the end of the six weeks, the period for which the secret was to be kept, the appellant wrote a letter to the managing director on the subject, but that letter was said never to have reached him. Receiving no answer he telegraphed to Mr. Alfred Canning—"Did you receive a letter from me relative to my account last month? Have received no reply." To that a telegram was sent purporting to be signed by Mr. Alfred Canning, stating, "Yes, account now all right." Mr. Alfred Canning did not recollect receiving the telegram, but the son said that his father did receive it, but that he understood it—not having received the previous letter—as asking

whether he might draw on his account for more money, and that, assenting, his son sent the reply in his name. The appellant, on the other hand, interpreted the answer to mean that his account had been rectified by crediting him with the amount of the forged cheques, and being satisfied on that score he took no further steps. In the following December the appellant, who was at his sheep station, saw his pass book again and found that the forged cheques were still debited to him, and upon that he proceeded to Perth, where he saw Mr. Alfred Canning, and communicated the whole matter to him. Mr. Alfred Canning, up to then, alleged that he had been in ignorance of it. The directors of the bank ware immediately informed, but they refused to admit any claim by the appellant, and the present action was brought, with the results indicated. From the judgment of the Supreme Court Mr. Ogilvie now appealed.

The appeal to the Supreme Court, it appears, was taken upon two grounds. In the first place, they alleged misdirection by the Judge, inasmuch as there was no evidence to go to the jury upon the 8th and the 9th of the questions submitted to them—namely, (8) whether, assuming that the plaintiff acted wrongfully towards the defendants or that there was negligence on the plaintiff's part, the defendants waived such wrongful conduct or negligence, and (9) whether the defendants ratified or adopted the action of Edmund Canning in permitting the forger to go to England. The jury had answered both in the affirmative. In the second place, they alleged that the answers of the jury on these and question 7, "Was the conduct or silence of the plaintiff the cause of damage to the defendants?" which last question they had answered in the negative, were against the weight of evidence and perverse. They stated no objection, whatever, either in law or fact, to any of the findings of the jury on the other six questions. The full Court (Mr. Justice Hensman dissenting) set aside the seventh, eighth, and ninth findings of the jury, and reversed the judgment entered by the presiding Judge, entering judgment for the bank and condemning the appellant in costs.

Lord Watson, in delivering their Lordships' judgment, pointed out that the Court was not empowered when and because it had set aside one or more findings which had been

made matter of objection, to disregard or negative other findings of the jury which had not been objected to. In this case the findings of the jury in answer to questions 8 and 9 related to issues of fact which were not involved in the first six questions. The answers returned to the latter appeared to their Lordships to exhaust the issues of fact upon which those two questions turned—(1) whether the cheques were forged by a bank clerk, and were therefore not chargeable to the appellant's account; and (2) whether, if they were forged, the appellant was by his own conduct estopped from asserting that fact, in a question with the bank. The findings in answer to the eighth and ninth questions related to an issue which did not arise unless the previous findings of the jury, which had not been challenged, were such as to raise an estoppel against the appellant. Reviewing the findings, their Lordships said the jury had found, in answer to question 4, that Canning, jun., was held out to the public by the bank as their accredited agent, and that he had knowledge of the forgeries before the appellant. Those findings had never been objected to, and were conclusive against the bank. Had Canning, jun.'s, statement to him been confined to the fact that the cheques had been forged by Armstrong, it was hardly conceivable that the appellant would have been under any duty to reconvey to the bank the information which he had received from their own agent. In that case the customer could not have been reasonably held responsible for a failure on the part of the bank's officer to impart his information to the bank, unless he had good cause to suspect that such a breach of duty was contemplated by the officer and assisted in its concealment. In their Lordships' opinion the only question which it was open to the bank to raise on the terms of the fourth finding of the jury was this—whether the request for silence which accompanied the information given to him by Canning, jun., with respect to the forgeries, was in itself sufficient to impose upon the appellant the duty of taking the unusual step of informing the directors of the course which their agent meant to pursue, professedly in the interest of the bank. If that request had been calculated to create in the mind of a person of ordinary intelligence a suspicion or belief that the agent meant to betray the bank's interests, their Lordships thought it would have been the duty of the appellant to lay the whole matter before the directors for their consideration. But any imputation of that kind was excluded by the finding of the jury that the appellant had acted honestly and with a view to what he believed to be the interest of the bank. The respondent's counsel were unable to refer to any rule of law which, in the absence of any suspicion or belief, imposed a duty upon the appellant to carry the information which he had

received to the directors of the bank, and it did not appear to their Lordships that any such duty was required of him by the rules of fair dealing between man and man. Their Lordships had accordingly come to the conclusion that on the first six findings of the jury, which stood unimpeached, the bank's defence of estoppel failed, and the appellant was entitled to the judgment which was entered for him by the learned Judge before whom the case was tried. Their Lordships would humbly advise her Majesty to reverse the judgment of the full Court, to restore the judgment entered for the appellant by the Judge who presided at the trial, and to order the respondents to pay to the appellant the costs incurred by him in the Courts below from and after the date of the judgment so restored, and also the appellant's costs of this appeal.

COURT OF APPEAL, ENGLAND

Stagg, Mantle & Co. vs. Brodrick*

A bill of exchange bore an endorsement to the effect that in case of non-payment by the acceptors the bill was to be presented to the defendant. This endorsement was signed by defendant.
Held, that he could not be sued as endorser, but was liable as a guarantor.

This was an application for a new trial of an action tried before Mr. Justice Grantham and a special jury. The action was brought on a bill of exchange for £288 6s., of which the plaintiffs were the drawers. The bill was dated London, April 5, 1892, and was addressed to the Globe Theatrical Syndicate, Johannesburg, and the defendant, Albert Brodrick. The bill was accepted on behalf of the syndicate by Joseph Lewis Goodman, their sole manager. The bill bore an endorsement to the effect that in case of non-payment by the Globe Theatrical Syndicate, the bill was to be presented to Mr. Brodrick. This endorsement was signed by the defendant. It appeared that the bill was given in payment of goods supplied by the plaintiffs to the syndicate, the invoices being made out to Goodman. The plaintiffs said that they would not have supplied the goods except on the understanding that the defendant was making himself liable for payment of the price. The bill was presented at Johannesburg, and was dishonored. The plaintiffs sued the defendant as the endorser of the bill of exchange, and, in the alternative, as a guarantor. The defendant

*From the fuller report in THE TIMES LAW REPORTS.

contended that he only made himself liable to the extent of moneys of the syndicate which he might have in his hands from time to time, and at the trial he gave evidence as to the circumstances under which he signed the endorsement. The jury returned a verdict for the plaintiffs, and the learned Judge gave judgment accordingly for the amount of the bill and interest. The defendant now asked for a new trial on the ground that, though the learned Judge had admitted evidence as to the circumstances of the signing of the document, he had practically told the jury that they ought to disregard that evidence. Parol evidence to show the conditions under which the defendant was to be liable was perfectly admissible.

The Court dismissed the application.

The Master of the Rolls said that the plaintiffs must forego their claim for interest, but that the verdict and judgment must stand for the sum of £288 6s. The endorsement which the defendant had signed was not a part of the bill of exchange, and therefore he could not be sued as endorser, but it was clear that he was liable as a guarantor.

Kay and A. L. Smith, L.JJ., also concurred.

Fontaine-Besson vs. Parr's Banking Company and Alliance Bank, Ltd.*

The Court set aside an injunction restraining a bank from honoring drafts drawn under a letter of credit issued by it.

This was an appeal by the defendants from an order by Mr. Justice Lawrence at Chambers, granting an interim injunction restraining the defendants from honoring drafts drawn by Mrs. Fontaine-Besson against a letter of credit for £11,150. The action was by the plaintiff, a French subject, to recover a sum of £11,150 deposited with the defendants by his wife, the plaintiff alleging that his wife had stolen certain bonds belonging to him, which she had converted into this money. When the wife deposited the money with the defendants they gave her a letter of credit authorizing her to draw upon them up to the amount of £11,150. It appeared that the plaintiff was now prosecuting his wife for larceny. The wife was not a party to the action.

**From the fuller report in* THE TIMES LAW REPORTS.

The Court allowed the appeal.

The Master of the Rolls said that the injunction had been inadvertently granted by the learned Judge. There was no authority or power to make this order. In the first place it might do irreparable injury to the bank, and in the second place it would be interfering between the bank and its customer without the customer being before the Court.

Lord Justice Kay concurred. Even if the plaintiff's wife were before the Court, the only order that could be made would be to restrain her from drawing drafts, and not to restrain the bank from honoring drafts already drawn. The injunction was altogether wrong.

QUEENS' BENCH DIVISION, ENGLAND

Buckingham & Co. vs. The London and Midland Bank, Ltd*

This was an action brought by a customer against his bankers to recover damages for a breach of duty in improperly closing his account, whereby he alleged he was injured in his business and credit.

The evidence of the plaintiff was to the following effect: He had been 17 years in business at the same address as a straw hat manufacturer. He had banked with defendants for 20 years. Twelve years ago he bought three leasehold houses for £1,200. About five years ago he required a loan of £600 from defendants, and executed a charge on the houses. He got a further £300 upon the same security. The loan account was kept separate from the drawing account. On March, 1895, a bill came forward unaccepted, and he went to the bank and asked for an overdraft pending acceptance. The bank manager said he would let witness know. On March 19 he went to Mr. Kurtz, his principal creditor, and got from him a cheque for £300. He went to the bank with a cheque for £300 and other documents, making in all £642 15s. 7d. When he went to the bank he saw the manager, Mr. Marks, who said that he had had witness's houses resurveyed, and they found the bank had overadvanced upon them and that his account was closed, and therefore he could not cash any cheques or honor any more of his acceptances. Witness said, "What! is that the best you can do for an old customer of 20 years' standing?" Mr. Marks

---

**From* THE TIMES LAW REPORTS.

said, "Yes. I am very sorry, but I cannot help you in this matter." He said he had had always a large amount on current account, and to-morrow was his pay-day, and it might mean his ruin; that cheques had been drawn which would be dishonored; and that bills were falling due the next day. Mr. Marks said he was sorry, but could not help him. He told Mr. Marks he was about to pay in between £600 and £700. Mr. Marks said he could not accept it and advised him to open an account with another bank. He told Mr. Marks that that was impossible, as the bills were made payable at the London and Midland Bank. He took three or four days to take stock. He employed a Mr. Childs, an accountant, to go through his accounts, with the result that he had a surplus of £1,100. On March 20 he received a message to call on the manager. Mr. Childs went with him to the bank. Mr. Marks said he wanted witness to draw a cheque on his current account for £150 to be applied towards his loan account, and his open account would go on in the usual way. His balance on that day was £160. He told Mr. Marks it was no use, as his cheques and bills had been dishonored. The bank gave Mr. Childs a list of the cheques and bills which had been dishonored. There were two cheques and two bills. He had an application from a debt-collecting agency in respect of a dishonored cheque. The matter was talked about and he could not get such advantageous terms with his customers. Some people he was in the custom of drawing upon insisted upon his paying monthly.

Cross-examined.—He had been short of money this year. He had not been seeking to get loans on security of his stock. He gave a second charge on the houses. That was in 1890. The bank had notice of that charge, and complained, and asked him to try and get the second charge withdrawn. He did that on March 14, 1895. On February 22, 1895, he wrote to Mr. Gardner, the bank manager, asking him if he knew any one who would advance £1,000, and that he would pay 7½ per cent. The bank replied that they did not know of any one who would do that. On February 20 and 23 bills were referred to the bank. On March 11 he wrote the bank for an overdraft. The bank replied that it could not be done until the second charge on the property had been withdrawn. On March 18 he

wrote to the bank asking for assistance. Next day he had an interview with the manager, and was told the houses were only worth £550. Mr. Marks knew that he had a cheque for £300 from a friend to tide him over his difficulty. Mr. Marks never told him that his cheques falling due could be presented at another bank.

Mr. Childs, examined, confirmed the account of the interview between the plaintiff and Mr. Marks, and further said he did not know that the account had been re-opened.

Mr. Marks, examined, said he was the London manager of the defendant bank. In February two bills came in, and they got a request to present them at another bank. The plaintiff only asked for an explanation, and he said he had to get the drawers to renew them. The bills were due, and there was insufficient balance to meet them. He told plaintiff that the second charge must be withdrawn upon the houses, and that he must have a balance-sheet for the last three years. He then came to the conclusion that the plaintiff's business was not improving, and they could not make him a further advance. He had the houses revalued, and he was told that the houses would not sell at a forced sale for £500. He asked the plaintiff to call. The plaintiff did not tell witness that he had £700 to pay in. He explained to plaintiff that he should go to another bank and request that bank to apply to defendants for the bills and cheques when they were presented. It was an ordinary operation to transfer the account from one bank to another. He saw Mr. Childs and plaintiff the following morning, and told them that they would carry on the account and apply £150 towards the reduction of the loan. He said he would have a further valuation made. He thought the proposal had been accepted and replaced to the credit of the current account the surplus over £150.

Cross-examined.—He transferred to the loan account the whole balance, and told plaintiff the bank would not honor any cheques. The plaintiff said there were outstanding cheques, and he told him they would not be paid.

Mr. G. W. Amos Tucker, manager of the Union Bank, said he was not aware of any custom by which a customer was entitled to notice before his account was closed. It was the

custom for bankers to close the account for reasons which to them seemed sufficient. It was very likely that the customer knew that his account was going to be closed.

Mr. A. F. Simpson, examined, said he was inspector of the Capital and Counties Bank. There was no obligation to give notice before closing an account. They would ask the customer to call and tell him that the account was closed.

This closed the evidence.

Counsel having addressed the jury,

Mr. Justice Mathew summed up to the jury, and said that the case for the plaintiff was that the course of business between himself and the bank was to honor his cheques and drafts without reference to the loan account, and that to transfer the loan account to the open account, without giving him notice, was not the course of business agreed upon between them. On the other hand the bank said there was no duty upon them to give notice, and the bank could at any time close the account. His Lordship reviewed the facts of the case and said there remained the question of damages. The jury must deal temperately with the bank. It was true that the plaintiff was in difficulties, and the jury ought not to discard the fact that the plaintiff was not carrying on a large business. The plaintiff was still going on, but had difficulties, and could not get the same credit as before. He appeared to have behaved in an extremely honorable way, and his credit would not be much damaged by the trial. They must not go beyond what would indemnify him for the loss he had sustained, and set him up in the estimation of his fellow business men. The learned judge left the following questions to the jury:—Was it the course of dealing between the plaintiff and defendants that plaintiff was to be allowed to draw upon his open account without reference to his loan account? 2. If yes, then was the plaintiff entitled to a reasonable notice that that course of business would be discontinued? 3. Was such a reasonable notice given?

The jury answered the first two in the affirmative and the last in the negative, and assessed the damages at £500.

Upon those findings the learned judge directed a verdict for the plaintiff and judgment accordingly.

QUEEN'S BENCH DIVISION, ENGLAND

Munkittrick vs. Perryman and Another*

Company for benefit of two persons—*Broderip v. Salomon*, distinguished.

This was an appeal from the decision of the County Court Judge at the Westminster Court.

The action was brought by Mr. Howard Munkittrick, otherwise Talbot, against Major Hand and Mr. Perryman to recover a sum of £42 for musical work which he did under an agreement of September 11, 1894, in connection with bringing out a burlesque at the Trafalgar Theatre. Major Hand and Mr. Perryman had determined to go into partnership in the matter of bringing out a play. Three thousand pounds was the estimated sum required. Major Hand was prepared to go £1,500 if Mr. Perryman would go the other £1,500. They desired that that should be the limit of liability. Accordingly a company of seven was formed, of which the defendants took all the shares except seven, one contributing £1,500 and the other £1,493. The company was duly formed and registered. The play, however, proved a failure, and the company went into voluntary liquidation in December, 1894. The question now arose whether these two gentlemen were liable personally to the plaintiff, or whether he had his remedy only against the company. The County Court Judge gave judgment for the plaintiff. He held that this syndicate was similar to that in *Broderip v. Salomon*, and that the principle of that case applied. In that case the Court of Appeal held that a "one-man company" was no real company—not, in fact, the sort of company that was contemplated by the statute. The test appeared to be whether there were distinct substantial shareholders, substantial directors, and substantial interests of the company. He thought that the doctrine of an undisclosed principal being liable to be sued as soon as he was ascertained, applied, and that, therefore, Mr. Talbot, the plaintiff, might sue the defendants. He thought there was no evidence that Mr. Talbot knew who the real principals were and elected to give credit to the company. The Judge gave judgment for £42.

Mr. Justice Wills said the County Court Judge was wrong.

**From the fuller report in* THE TIMES LAW REPORTS.

It was suggested that there was no company at all, and many of the general observations of the Judges in the case of *Broderip v. Salomon* pointed in that direction; but so long as the company was duly incorporated in accordance with statute the learned Judge could not say there was no company. The general observations in the cases cited were of no great assistance in this. Another suggestion was that it was a case of principal and agent. That was not so, however, on the facts. Judgment could not be enforced against the defendants in the absence of the company.

Mr. Justice Wright concurred. As a rule contracts with corporations were not contracts with the individuals comprising it, and an action to enforce a contract with a corporation could not in general be brought against individual members. In this case there never was a contract with the individual defendants. The contract was with the company and that was what was always intended. The principles laid down in the case were inapplicable because the parties were not before the Court. This was an ordinary money action brought against the defendants personally in the County Court. The Judge was not entitled to brush away the company altogether as he had done. He (Mr. Justice Wright) would express no opinion as to what might have taken place if the action had been brought against the company as co-defendants with the present defendants. Under the circumstances as they were the appeal must be allowed.

Ellesmere Brewery Company, Ltd., vs. Cooper and Others*

Four persons entered into a bond of £150 as security for the agent of a brewery company. The bond recited that the liability of A and B was limited to £50 each, and of C and D to £25 each.

A was the last to sign the bond, and in doing so added to his signature the words "Twenty-five pounds only."

Held, that none of the co-sureties was liable on the bond.

The facts and arguments of this case sufficiently appear from the following considered judgment of the Court, which was delivered by the Lord Chief Justice.

His Lordship said,—This was an action against Cooper and four other defendants who had signed a bond as sureties for Cooper. At the trial before the learned County Court Judge of No. 27 Circuit, judgment was given for the plaintiffs as against Cooper, and judgment given for the four remaining defendants —the sureties. The facts were that Cooper, having become agent and traveller for the plaintiffs, was called upon to give them some security. He accordingly gave the bond in question,

---

**From the fuller report in* THE TIMES LAW REPORTS.

in which he was joined by the four other defendants. The bond is dated April 30, 1894. By its terms the five defendants are jointly and severally bound to the plaintiffs in the sum of £150. It then recites that Cooper had been appointed agent for the company, and states the condition of the bond to be that if Cooper duly accounted for all moneys received by him for the plaintiffs, and otherwise performed the duties of his agency, the bond should be void. It then provided that the liability of Nunnerley and Emberton (two of the defendants) should be limited to £50 each, and that of Pay and Bromfield (two other of the defendants) to £25. The effect, therefore, of the bond, as drawn, was that the principal and the sureties were jointly and severally bound in the sum of £150, but that liability could not be enforced against any of the sureties beyond the limit of the sum specified as to each of them. Nunnerley was the last to sign, and his signature thus appears on the bond—"Walter Nunnerley, Twenty-five pounds only." The witness to the execution of each of the signatories was Mr. Bruce, the plaintiff's manager, who, so far as appears, took the bond without making any objection to the manner of Nunnerley's execution; nor was it suggested that Nunnerley had surreptitiously added the qualification of "twenty-five pounds only" to his signature. As no evidence was given on the point it cannot be assumed that Nunnerley in bad faith sought, by the form of his execution of the bond, to limit any liability he had previously agreed to undertake. The probability is that in giving particulars of his sureties Cooper had erroneously stated that Nunnerley had agreed to undertake liability to the extent of £50, whereas he had done so only to the extent of £25. Subsequently, Cooper, the principal, received moneys for the plaintiffs to the amount of £48 for which he had failed to account, and judgment was given against him at the trial for that amount. The contested question was the liability of the other defendants—the sureties. The learned County Court Judge held that no one of them was liable, and gave judgment for them accordingly. The present appeal is against that judgment. It was argued for the plaintiffs—(1) That the form of Nunnerley's execution did not constitute an alteration of the bond so as to discharge from liability the three prior executing sureties; (2) that, if an alteration, it was not a material alteration, and, therefore, did not discharge such sureties; and lastly (3) that in any case Nunnerley was liable to the extent of £50, or, if not of £50, at least to the extent of £25. In my judgment no one of these contentions is well founded. I think the effect of Nunnerley's mode of execution, on the facts of this case, is substantially the same as if the proviso in the body of the bond had been altered by him before execution by him by striking out £50 and inserting instead £25. It was therefore an alteration; its effect I shall presently dis-

cuss. The argument of the learned counsel for the appellant was that the loss in question was to be divided into fourths, and that so long as each fourth did not exceed the sum for which each surety had become liable, each of them was bound to pay and without any right of contribution from his co-sureties, whether the fixed limit of his liability was for the greater or the smaller amount. Here it was said the one-fourth of the loss was £12, and as Nunnerley had clearly intended to make himself liable, as also had Pay and Bromfield for £25 each, it was immaterial whether Nunnerley signed for £25 or for £50. Each, it was contended, was bound to pay £12, and Emberton was bound to bear no more of the loss than the others. In my judgment this contention is founded on a misapprehension of the law. It renders it necessary to consider the principle upon which liability of sureties *inter se* rests. That principle is that sureties for the same principal and for the same engagement, even although bound by different instruments and for different amounts, have a common interest and a common burden, so that if one surety who is directly liable to the creditor pays such creditor, he can claim contribution from his co-sureties whose obligations to the creditor he has discharged. But how is the amount of the claim to be determined? According to the argument of the learned counsel for the plaintiffs it is to be determined by the number of the sureties. Thus, if there are four sureties and one of them pays all, he can recover one-fourth, and one-fourth only, of his payment from each of the other three co-sureties. But this is not in all cases true even where each of the sureties has made himself liable for the same amount. Thus, where four sureties are jointly and severally bound in a surety bond, and one of them pays the amount of the bond, but one of the remaining three sureties is insolvent, the right to contribution against the two other sureties is for thirds, not for fourths, of the sum paid. But how where, although the sureties are jointly and severally bound, there are different limits of liability, as in this case? It is clear that where the full amount of the bond is due and payable to the creditor, that liability can only be enforced against each surety to the limit of the liability fixed in the instrument. In such case there would be no right of contribution, for each had paid to the limit of his liability. But suppose only half of the amount of the bond is due and payable to the creditor, and such amount is paid by one only of the sureties, who has fixed the limit of his liability at one-half the amount of the bond, could it be said that he had no right to any contribution from his co-sureties? Surely not. The burden is a common burden of all, but unequally distributed. By his payment of the loss of one-half the surety has discharged a liability which might have been enforced against the other sureties up to the fixed limit. It would

be against all equitable principles that in such a case the other sureties should go free because it happened that the creditor had enforced payment against one only. . . Assume the bond to have been executed according to its original tenor without qualification or alteration. The total loss being £48, Emberton, having subscribed for £50 out of the total of £150, would be liable for one-third; and if he paid no more would have no claim for contribution; if he paid to the plaintiff more than one-third, he could claim contribution from his co-sureties in the proportion of their subscription. Stated as a sum in proportion Emberton's liability would be arrived at thus:—As 150 is to 50, so is 48 to the result. So worked out, Emberton would be liable for £16 only, and if he paid more would have a claim for contribution. In like manner Pay and Bromfield would be liable for £8 each and Nunnerley for £16. Now, to appreciate the materiality of the alteration, let us consider its effect upon the liability of Nunnerley. He explicitly says, I execute the bond only on the terms of my liability being limited to £25. He could not, therefore, in any case be made liable for more (whether he can be made liable for the £25 I shall presently consider). What, then, is the effect of the altered limitation to £25 by Nunnerley upon the position of the other three sureties? Take Emberton's position. For simplicity assume that the total liability to the plaintiff company for £48 had been paid by Emberton. According to the tenor of the bond without the alteration Emberton would have to bear two sixths, equal to one-third of the loss; Nunnerley two-sixths, equal to one-third; and Pay and Bromfield one-sixth each. But by the alteration it is manifest that Emberton, who has paid, would not have the same right of contribution against Nunnerley; and if Nunnerley is not bound at all, would have no right of contribution against him. The alteration, then, was clearly material. It is unnecessary to give similar illustrations as to Pay and Bromfield. The result, therefore, is, that neither Emberton, Pay, nor Bromfield can be made liable on this bond. Each of them is entitled to say,—The contract on which I entered was on the basis of Nunnerley being a party to it with a liability of £50. That is not the contract as it now appears from the bond, and I am, therefore, not bound by it. Their position would be still stronger if Nunnerley is not bound by the bond at all. The remaining question then is, Is Nunnerley bound at all? I have already intimated that as he has expressly said, I shall be liable only for £25, he cannot be made liable for £50; but is he liable even for the £25? I think he is not. He, in good faith, as must be assumed, expressly limits his liability to £25, but he undertakes that liability not as a separate or independent liability, but as part of a contract, in which three other sureties are joining him, against whom in

certain eventualities he will have rights of recourse, between whom and himself a common burthen is to be borne, although unequally distributed. But if, in fact, such other sureties are not bound by the contract—and I have adjudged that they are not—Nunnerley is entitled to say, This is not the contract into which I have entered, and I am not bound by it. The judgment of the learned County Court Judge must stand, and the appeal will, therefore be dismissed with costs.

SUPREME COURT OF CANADA*

Gorman (defendant) appellant, and Dixon (plaintiff) respondent

Where a creditor gives his debtor an extension of time for payment, a formal agreement is not required to reserve his rights against a surety, but such reservation may be made out from what took place when the extension was given.

This was an appeal from a decision of the Supreme Court of Prince Edward Island, sustaining a verdict for the plaintiff at the trial. The material facts of the case are fully set out in the following judgment of the majority of the Court, delivered by the Chief Justice:

This was an appeal from a decision of the Supreme Court of Prince Edward Island, refusing to grant a rule *nisi* for a new trial. The action was brought to recover $160 as an unpaid balance on a promissory note for $200, dated the 18th of October, 1892, and made by the appellant, James Gorman, and one John Gorman, his brother, jointly and severally, payable to the Merchants Bank of Halifax, three months after date. This note was discounted by the Merchants Bank for John Gorman, who received the proceeds. James Gorman, the appellant, became a party to the note as surety for his brother.

When this note became due in January, 1893, it was dishonored and remained in the bank unpaid. On the 31st January, 1893, the respondent as surety for John Gorman became a party to another joint and several note for $160 made by John Gorman and himself at three months, which was also discounted by the Merchants Bank. The proceeds of this discount were retained by the bank, and in addition the sum of forty dollars was paid to the bank, together with the interest accrued on the first note and the discount on the second note, by John Gorman, the principal debtor; the first note, that for $200, was not, however, given up, but was retained by the bank manager, Mr. Arnaud, who pinned it to the new note and put them away in the bill case. Mr. Arnaud's account of what occurred is as follows:

**From the fuller report in the* SUPREME COURT REPORTS.

The arrangement made was that the old note should be left in the bank and that the new note be held as collateral security till the old one was paid. I undertook to hand back the new note to Dixon when the old note was paid. I took the two notes and pinned them together and put them away in the bill case. It is not the practice to retain the old note when a new one is given in payment or settlement. This was done after old note due. No reason otherwise to hold old note. I kept the two notes in the bank till the $160 became due. Dixon's solicitor paid the new note and I gave him both notes endorsing the old one to him. John Gorman and Dixon were both present and undoubtedly heard what I said. I don't remember John asking me for the old note. I pinned them together in his presence.

This evidence was to some extent contradicted by John Gorman. This transaction undoubtedly amounted to a giving of time to John Gorman, the principal debtor in respect of the first note; the debt being, to the extent of $160 the same on both notes, and the interest on the second note having been paid in advance by Mr. Gorman, the bank was not in a position to sue him during the currency of that note. It is, however, the law that if the creditor giving time to the principal debtor reserves his remedies against the surety the latter is not discharged. The respondent insists that such a reservation is by the evidence of Mr. Arnaud proved to have been made in the present case. I am of opinion that the evidence of Mr. Arnaud does show that the remedies against the appellant were so reserved, and it was therefore a question for the jury whether they would give credit to Mr. Arnaud's testimony or to that of the principal debtor, John Gorman. No formal agreement is essential to effect the reservation of the right to sue the surety and thus to counteract the effect of giving time which would otherwise discharge the surety. This is well established by the case of *Wyke v. Rogers*, a case of the highest authority decided by Lord St. Leonards in 1852. There the principal debtor and the surety had joined in a joint and several bond, and this bond having become due, the creditor took from the principal debtor a promissory note for part of the money due, payable two months after date. The report of the case states that:

The Master found that there was a general understanding between the creditor and the principal debtor that the creditor's remedy on the bond was not to be taken away; but he found that there was no written, nor beyond the general understanding before mentioned, any distinct parol, agreement respecting the bond between the creditor and the principal debtor.

Upon this finding Lord St. Leonards held the surety not discharged.

The jury in this case having, after a proper charge from the learned Chief Justice, found for the plaintiff, must be taken to have given credit to Mr. Arnaud's evidence. The present case is therefore as regards the law on all fours with that of *Wyke v. Rogers*, and must be ruled by it.

Gwynne, J., dissented.

UNREVISED FOREIGN TRADE RETURNS, CANADA

(000 omitted)

IMPORTS

Nine months ending March—	1894-5		1895-6	
Free	$31,014		$28,915	
Dutiable	42,979		50,972	
	$73,994		$79,888	
Bullion and Coin	4,452	$78,446	4,264	$84,152
Month of April—				
Free	$ 3,135		$ 2,382	
Dutiable	4,920		5,339	
	$ 8,055		$ 7,721	
Bullion and Coin	96	$ 8,151	189	$ 7,910
Month of May—				
Free	$ 4,285		$ 3,276	
Dutiable	4,792		5,424	
	$9,077		$8,700	
Bullion and Coin	78	$ 9,155	741	$ 9,441
Total for eleven months		$95,752		$101,503

EXPORTS

Nine months ending March—				
Products of the mine	$ 4,864		$ 5,992	
" Fisheries	8,667		8,619	
" Forest	17,586		19,024	
Animals and their produce	28,300		30,870	
Agricultural products	14,306		10,940	
Manufactures	5,455		6,794	
Miscellaneous	111		145	
	$79,293		$82,387	
Bullion and Coin	2,397	$81,690	4,475	$86,862
Month of April—				
Products of the mine	$ 502		$ 619	
" Fisheries	299		355	
" Forest	814		1,230	
Animals and their produce	653		1,165	
Agricultural products	463		407	
Manufactures	610		774	
Miscellaneous	11		17	
	$3,353		$4,570	
Bullion and Coin	301	$3,654	145	$4,715

Month of May—				
Products of the mine	$ 551		$ 663	
" Fisheries	533		735	
" Forest	2,093		2,346	
Animals and their produce	2,120		2,105	
Agricultural produce	1,004		1,739	
Manufactures	628		842	
Miscellaneous	15		16	
	$6,944		$8,428	
Bullion and Coin	126	$7,070	29	$8,457
		$92,414		$100,034

SUMMARY (IN UNITS)

For eleven months—	1894-95	1895-6
Total imports other than bullion and coin	$91,126,000	$96,309,000
Total exports other than bullion and coin	89,590,000	95,385,000
Excess of imports	$1,536,000	$924,000
Net imports bullion and coin	1,803,000	545,000

STATEMENT OF BANKS acting under Dominion Government charter for the months of March, April May, 1896, and comparison with May, 1895:

LIABILITIES

	31st March, 1896	30th April, 1896	31st May, 1896	31st May, 1895
Capital authorized	$ 73,458,685	$ 73,458,685	$ 73,458,685	$ 73,458,685
Capital paid up	62,196,536	62,198,413	62,198,413	61,700,835
Reserve Fund	26,458,799	26,463,799	26,318,799	27,043,799
Notes in circulation	$ 30,789,457	$ 29,654,973	$ 29,395,444	$ 28,429,134
Dominion and Provincial Government deposits	6,316,801	5,740,579	5,539,154	7,826,795
Public deposits on demand	59,874,493	60,859,928	61,881,340	65,643,834
Public deposits after notice	120,699,562	120,644,617	121,934,721	115,058,980
Bank loans or deposits from other banks secured	20,500	12,438	35,000	121,046
Bank loans or deposits from other banks unsecured	2,502,104	2,229,816	2,280,425	2,021,755
Due other banks in Canada in daily exchanges	83,321	77,885	116,966	91,808
Due other banks in foreign countries	135,817	165,531	168,273	247,043
Due other banks in Great Britain	5,052,394	5,858,794	4,945,056	4,696,056
Other liabilities	596,296	421,839	999,471	902,657
Total liabilities	$226,070,832	$225,666,491	$227,295,944	$225,039,194

ASSETS

Specie	$ 7,797,099	$ 7,807,640	$ 8,034,099	$ 7,669,575
Dominion notes	12,737,996	13,558,304	13,472,376	14,044,513
Deposits to secure note circulation	1,816,011	1,814,624	1,816,833	1,812,892
Notes and cheques of other banks	6,341,636	6,356,607	7,169,130	7,502,348
Loans to other banks secured	15,500	12,806	30,000	121,045
Deposits made with other banks	3,273,695	2,950,317	3,120,601	2,851,600
Due from other banks in Canada in daily exchanges	107,153	153,451	198,109	146,130
Due from other banks in foreign countries	16,400,267	16,435,061	18,564,594	19,320,837
Due from other banks in Great Britain	4,417,380	5,036,575	4,632,125	3,853,444
Dominion Government debentures or stock	2,991,549	2 993,003	3,007,677	2,706,189
Public municipal and railway securities	19,877,893	19,804,426	20,255,209	18,348,780
Call loans on bonds and stocks	13,849,628	13,371,072	13,437,452	16,818,764
Current loans and discounts	211,603,718	210,292,087	206,970,096	203,572,324
Loans to Dominion and Provincial Governments	462,743	564,286	659,567	1,344,297
Overdue debts	4,344,192	3,706,184	3,373,283	2,283,272
Real estate	1,485,358	2,152,048	2,105,908	1,052,521
Mortgages on real estate sold	582,288	557,781	569,809	595,181
Bank premises	5,655,524	5,652,483	5,629,488	5,448,489
Other assets	1,931,452	2,191,847	2,165,798	1,795,553
Total assets	$315,691,276	$315,410,893	$315,212,349	$311,287,952
Average amount of specie held during the month	$ 7,780,843	$ 7,830,507	$ 7,848,521	$ 7,484,083
Average Dominion notes held during the month	12,787,159	12,801,770	13,245,455	14,016,340
Loans to directors or their firms	7,936,789	7,942,639	7,680,312	8,441,590
Greatest amount of notes in circulation during month	31,521,232	31,828,032	30,750,314	30,142,474

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

(000 omitted)

	MONTREAL		*TORONTO		HALIFAX		HAMILTON		WINNIPEG		ST. JOHN
	1894-5	1895-6	1894-5	1895-6	1894-5	1895-6	1894-5	1895-6	1894-5	1895-6	1896
	$	$	$	$	$	$	$	$	$	$	$
June	44,704	52,353	21,965	26,772	4,471	5,090	2,753	2,913	3,329	3,865	
July.....	45,223	51,902	23,763	26,838	5,492	5,739	2,682	2,972	3,570	4,038	
August ..	44,383	49,314	21,779	23,235	5,407	6,264	2,546	2,726	3,695	3,937	
September	46,855	45,251	20,078	22,543	5,062	4,694	2,686	2,706	3,975	4,008	
October ..	55,730	53,298	25,750	28,437	5,452	5,613	3,155	3,402	6,786	7,911	
November	51,838	54,397	25,214	28,633	5,021	5,444	3,092	3,363	6,607	8,503	
December	47,351	54,138	25,700	33,728	4,874	5,462	2,834	3,224	5,199	6,641	
January ..	48,376	46,663	27,961	33,095	4,997	5,705	2,831	3,227	4,067	4,977	
February	37,793	38,123	20,493	28,544	4,118	4,709	2,461	2,686	2,721	4,052	
March ...	42,464	36,643	22,332	26,087	4,174	4,357	2,462	2,516	2,929	4,286	
April	41,905	37,589	21,960	26,111	4,413	4,790	2,610	2,729	3,093	4,032	
May	51,969	44,324	25,698	27,796	4,964	5,064	2,704	2,733	4,156	4,246	2,413
	558,591	563,995	282,693	331,869	58,445	62,931	32,816	35,197	50,127	60,496	

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

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, John .....Canadian Bank of Commerce
Allan, Arch'd.....Merchants Bank of Canada
Allan, Andrew .....Halifax Banking Co.
Allan, W. A. .....Merchants Bank of Canada
Alley, J. A. M. .....Traders Bank of Canada
Allin, A. E.....Western Bank of Canada
Ambridge, H. A.....Molsons Bank
Ambrose, E. S.....Bank of Hamilton
Ambrose, H. S.....Bank of Montreal
Ambrose, J. R.....Bank of British North America
Anderson, A. Y.....Imperial Bank of Canada
Anderson, J.....Bank of British North America
Anderson, J. P.....Union Bank of Canada
Anderson, M. A.....Union Bank of Canada
Anderson, R. H.....Bank of Nova Scotia
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
Ardagh, J. C.....Bank of Toronto
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 Township Bank
Bangs, John A.....Bank of Ottawa
Banks, A. P.....Canadian Bank of Commerce
Banks, D. W.....Union Bank of Canada
Banque Nationale .....Quebec
Barker, A. B.....Bank of Toronto
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, E. N.....Imperial Bank of Canada
Battersby, J. P.....Canadian Bank of Commerce
Bayly, N. .....Bank of British North America
Beaudoin, J. L.....Banque d'Hochelaga
Beaven, H. R.....Bank of British Columbia
Beaven, W. J.....Bank of Montreal
Begg, Wm. M. .....Bank of Toronto
Bell, J. P.....Bank of Hamilton
Bell, W. .....Imperial Bank of Canada
Bellhouse, Wm. A.....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
Bethune, F. A.....Molsons Bank
Bienvenu Tancrede.....Banque Jacques Cartier
Bienvenu, T.....Banque Jacques Cartier
Biette, F.....Western Bank of Canada
Bignell, A. E.....Merchants Bank of Canada
Billett, J. Glanville .....Union Bank of Canada
Billings, J. jr.....Bank of Hamilton
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
Blackburn, Russell .....Bank of Ottawa
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
Bleau, J. A.....Banque du Peuple
Boak, S. D. .....Union Bank of Halifax
Boddy, W. C.....Standard Bank of Canada
Boivin, N. A.....Banque Nationale
Boire, H. N. .....Banque d'Hochelaga
Bonner, G. W. G.....Bank of British North America
Borden, A. M.....Bank of Nova Scotia
Borden, F. W. .....Halifax Banking Co.
Botsford, W. M.....Merchants Bank of Halifax
Boultbee, E. K. .....Imperial Bank of Canada
Boulton, J. D.....Molsons Bank
Bourinot, E. W.....Union Bank of Canada
Boyd, B. C. Barclay .....Bank of New Brunswick
Boyle, J. A.....Imperial Bank of Canada

Breedon, H. M.....Bank of British North America
Brent, C. J.....Merchants Bank of Canada
Brent, Geo. W.....Bank of Hamilton
Brewer, H. C.....Molsons Bank
Brock, Jas. T.....Bank of Ottawa
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, C.....Bank of Montreal
Brough, John M. .....Halifax Banking Co.
Brown, G. C.....Imperial Bank of Canada
Brown, T. H.....Bank of Hamilton
Brown, Vere C.....Canadian Bank of Commerce
Browne, W. G.....Canadian Bank of Commerce
Bryce, Geo. M.....Bank of Toronto
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, N. R.....Union Bank of Halifax
Burrows, W. A.....Merchants Bank of Canada
Butler, W.....Imperial Bank of Canada
Butler, W. E.....Merchants Bank of Canada
Butt, R. .....Bank of British North America
Butterfield, J.....Bank of Hamilton

Cadenhead, J. .....Imperial Bank of Canada
Caldwell, A. D.....Bank of Nova Scotia
Caldwell, W.....Bank of Nova Scotia
Cameron, Duncan .....Merchants Bank of Halifax
Cameron, D. A.....Canadian Bank of Commerce
Cameron, D. E.....Canadian Bank of Commerce
Cameron, Jas.....Bank of Toronto
Campbell, A. J. D.....Bank of British North America
Campbell, E. A.....Bank of Hamilton
Campbell, J. M.....Bank of Hamilton
Campbell, P.....Bank of Toronto
Cant, Joseph.....Bank of British North America
Capreol, A. R.....Imperial Bank of Canada
Carlyle, Thos. W.....Bank of Toronto
Carruthers, George.....Merchants Bank of Canada
Carter, E. H.....Canadian Bank of Commerce
Cartwright, L. S.....Bank of Montreal
Cassels, D. S.....Bank of Hamilton
Cassels, L. G.....Dominion Bank
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
Clark, J. S.....Bank of Hamilton
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
Clinch, C. W.....Molsons Bank
Clouston, E. S.....Bank of Montreal
Cochran, E. J. .....People's Bank of Halifax
Cogswell, A. E.....Halifax Banking Company
Cole, Francis .....Bank of Ottawa
Collard, W. H.....Imperial Bank of Canada
Connolly, W. S.....Molsons Bank
Conolly, R. G. W.....Canadian Bank of Commerce
Cook, C.....Standard Bank of Canada
Cooke, Wm.....Merchants Bank of Canada.
Cooper, W. F. .....Bank of Toronto
Copeland, W. A. .....Bank of Toronto
Cotton, F. M.....Bank of Montreal
Coulson, D. .....Bank of Toronto
Coulson, F. L.....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. M.....Union Bank of Halifax
Creighton, J. S.....People's 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
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

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
Day, Martin S.....Union Bank of Canada
Deacon, C. F.....Bank of British North America
Deans, H. G. P. .....Bank of British North America
de Gex, L. M.....Canadian Bank of Commerce
DeGuise, L. .....Banque Nationale
DeMartigny, Louis .....Banque Jacques Cartier
deMille, F. W. .....Halifax Banking Co.
Dench, F. E.....Canadian Bank of Commerce
Desy, W. L. M.....Banque d'Hochelaga
De Veber, Boies .....Halifax Banking Co.
Dewar, D. B.....Canadian Bank of Commerce
Dick, John M. .....Bank of New Brunswick
Dickie, M.....Merchants Bank of Halifax
Dickins, A. H. .....Bank of Ottawa
Dickinson, Wm. .....Merchants Bank of Halifax
Dimock, R. V.....Merchants Bank of Halifax
Dinning. Neil .....Eastern Townships Bank
Dixon, F. J. .....Bank of British North America
Doig, D.....Bank of British North America
Douglas, Archibald.....Canadian Bank of Commerce
Douglas, Geo. .....Imperial Bank of Canada
Douglas, H. S. .....Imperial Bank of Canada
Dowding, C. E.....Molsons Bank
Draper, W. H. .....Molsons Bank
Drury, Le B. M.....Bank of Montreal
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
Dunlop, Fred .....Molsons Bank
Dunn, E. Edward .....Bank of Toronto
Dunsford, C. R.....Union Bank of Canada
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

Elliott, R. .....Molsons Bank
Elliot, James.....Molsons Bank
Elliott, John .....Standard Bank of Canada
Eliot, W. L. .....Bank of Montreal
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
Fenton, T. R.....Imperial Bank of Canada
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. A.....Bank of Montreal
Finlaison, E. O.....Bank of British North America
Finnie, D. M.....Bank of Otttawa
Finucane, F. J.....Bank of Montreal
Fisher, Guy A. .....Union Bank of Canada
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
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'Hochelaga
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
Fraser, Hector .....Bank of Ottawa
Fraser, Wm. D.....Eastern Townships Bank
Freeman, C. D.....Bank of Nova Scotia
Fripp, Geo. M.....Merchants Bank of Halifax
Frost, Henry.....Banque Ville-Marie
Fuller, E. H.....Bank of Toronto
Fuller, S. B.....Imperial Bank of Canada
Fulton, J. R.....Imperial Bank of Canada
Fyshe, Thos.....Bank of Nova Scotia

Gagnon, Arthur .....Banque Du Peuple
Gallagher, James.....Ontario Bank
Galletly, A. J. C.....Bank of Montreal
Galbraith, R. S.....Imperial Bank of Canada
Gamble, R. D. .....Dominion Bank
Gamon, John C.....Bank of Toronto
Gardiner, H. J.....Merchants Bank of Halifax
Gault, John .....Merchants Bank of Canada
Geddes, H. M.....Molsons Bank

Gibb, J. S.....Imperial Bank of Canada
Gill, Robert .....Canadian Bank of Commerce
Gillard, J. H.....Bank of British North America
Gilbert, M. A.....Imperial Bank of Canada
Gilleland, L. J.....Traders Bank of Canada
Giroux, C. A. .....Banque d'Hochelaga
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
Gould, R. J. .....Bank of Toronto
Gossip, W. H.....People's Bank of Halifax
Gower, E. P.....Canadian Bank of Commerce
Graburn, K. F. A.....Merchants Bank of Canada
Graham, Percy.....People's Bank of Halifax
Graham, S. R.....Molsons Bank
Grant, J. N. S.....Union Bank of Halifax
Grasett, H. J.....Canadian Bank of Commerce
Gray, Fred H.....Standard Bank of Canada
Gray, J. E.....Standard Bank of Canada
Gray, V. G.....Bank of British North America
Gray, W. N.....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
Grindlay, Wm. .....Bank of British North America
Grindley, H. S.....Molsons Bank
Grubbe, R. W.....Bank of Toronto
Guimond, L. E.....Banque d'Hochelaga
Guptill, L. H.....Bank of Nova Scotia

Hague, Frederic .....Merchants Bank of Canada
Hague, Geo. .....Merchants Bank of Canada
Hague, Geo. E.....Merchants Bank of Canada
Hague, Henry.....Merchants Bank of Canada
Hale, Jeffery. .....Canadian Bank of Commerce
Haliburton, Wm.....Bank of Nova Scotia
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
Hargreave, 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
Hartt, A. W.....Molsons Bank
Harvey, H. A.....Bank of British North America
Harvey, P. G. W. H.....Bank of Montreal

Harvey, W. C.....Union Bank of Halifax
Hawkins, G. N. C.....Peoples 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
Hegan, C. R.....Bank of Ottawa
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
Hespeler, Jacob .....Molsons Bank
Hetherington, James .....Eastern Townships Bank
Heward, E. H.....Merchants Bank of Canada
Hill, E. W. R.....Molsons Bank
Hillary, W.....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
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
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, L. W.....Molsons Bank
Howe, S. J.....Union Bank of Halifax
Hughes, Frank T.....Imperial Bank of Canada
Hunt, W. P.....Bank of Nova Scotia
Hurdon, N. D.....Molsons Bank
Hutcheson, S. M.....Western Bank of Canada
Hutchinson, F. W. .....Canadian Bank of Commerce

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
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. M.....Quebec Bank
Jones, A. F. H.....Traders' Bank of Canada
Jones, E. C.....Bank of Montreal
Jones, H. V. F.....Canadian Bank of Commerce
Jones, R. L. Y.....Quebec Bank
Jukes, A.....Imperial Bank of Canada

Kavanagh, C. R.....Bank of Ottawa
Keith, J. W.....Union Bank of Halifax
Keith, W. L.....Bank of Nova Scotia
Kelly, J. E.....Merchants Bank of Canada
Kemp, Donald.....Merchants Bank of Halifax
Kemp, J. C.....Canadian Bank of Commerce
Kent, R. G.....Union Bank of Halifax
Kennedy, C. A.....Bank of Nova Scotia
Kennedy, F.....Bank of Nova Scotia
Kenny, C. H.....Bank of Ottawa
Kessen, R. Blakie.....Bank of Ottawa
Ketchum, C. V.....Bank of Toronto
Kilgour, W. A.....Canadian Bank of Commerce
Kilvert, F. E. jr.....Bank of Hamilton
Kimball, F. E.....Bank of Toronto
King, W. B.....Halifax Banking Co.
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, C.....Merchants Bank of Canada
Kirkpatrick, W. R.....Bank of Toronto
Knight, A. S.....Bank of Nova Scotia
Knight, John.....People's Bank of Halifax
Kohl, E. F.....Molsons Bank
Kortright, E. A.....Bank of Toronto
Kydd, Geo.....Bank of British North America

Lacoursiere, F. X. O.....Banque d'Hochelaga
Laframboise, J.....Eastern Townships Bank
Lafrance, P. G.....Banque Nationale
Laing, C. L.....Bank of Hamilton
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
Lane, M. J. ..... Merchants Bank of Halifax
Langmuir, J. A. ..... Imperial Bank of Canada
Larocque, A. A. ..... Banque d'Hochelaga
Latimer, C. R. ..... Bank of Toronto
Latornell, W. U. ..... Molsons Bank
Lavoie, N. ..... Banque Nationale
Lawson, L. G. B. ..... Bank of Nova Scotia
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
Leefe, B. W. ..... Canadian Bank of Commerce
Leitch, W. B. ..... Merchants Bank of Canada
Le Mesurier, G. G. ..... Imperial Bank of Canada
Leslie, A. ..... Bank of British North America
Leslie, C. F. ..... Imperial Bank of Canada
Leslie, John ..... Bank of Montreal
Lewer, M. W. ..... Bank of British North America
Lewin, Hon. Senator ..... Bank of New Brunswick
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
Lockwood, H. ..... Bank of Montreal
Lockwood, H. ..... Molsons Bank
Lockie, Everard J. ..... Canadian Bank of Commerce
Logan, A. H. ..... Bank of Ottawa
Lombard, J. H. ..... Bank of Nova Scotia
Loosemore, H. H. ..... Standard Bank of Canada
Lyon, R. A. ..... Imperial Bank of Canada

Mabon, E. J. ..... Bank of Nova Scotia
Mabon, S. W. ..... Bank of Nova Scotia
Macbeth, F. ..... Molsons Bank
Macdonald, W. ..... Imperial Bank of Canada
Machaffie, W. A. ..... Merchants Bank of Canada
MacGachen, F. L. ..... Merchants Bank of Canada
MacGillivray, D. ..... Canadian Bank of Commerce
MacGowan, W. J. ..... Merchants Bank of Canada
Mackelvie, N. B. ..... Bank of Nova Scotia
Mackenzie, H. B. ..... Bank of British North America
MacKenzie, J. M. ..... Imperial Bank of Canada
Mackinnon, Jas. ..... Eastern Townships Bank
Mackintosh, A. St. L. ..... Merchants Bank of Canada
Mackintosh, C. D. ..... Canadian Bank of Commerce

Macleod, B. M.....Bank of Nova Scotia
MacMahon, H. P.. .....Traders Bank of Canada
MacMillan, D. A.....Merchants Bank of Canada
MacNamara, D. .....Bank of Ottawa
Macpherson, R. C. .....Canadian Bank of Commerce
Magee, J E.....Merchants Bank of Canada
Mair, Geo.....Traders 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
Merrett, T. E..... .....Merchants Bank of Canada
Mickle, A. E.....Imperial Bank of Canada
Middleton, 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
Moffatt, G. G.....Bank of Nova Scotia
Moffat, W.....Imperial Bank of Canada
Molson, H. Markland.....Molsons Bank
Molson, J. D.....Molsons Bank
Monk, John Benning .....Bank of Ottawa
Monk, Wm.....Molsons Bank
Montgomery, R. J.....Canadian Bank of Commerce
Mooney, B..... .....Bank of Nova Scotia
Moore, E. A.....Bank of Montreal
Moore, W. S.....Bank of Nova Scotia
More, John C.....Merchants Bank of Canada
Morden, H. J.....Standard Bank of Canada
Morehouse, W. E.....Eastern Townships Bank
Moreau, W. A.....Banque de St. Hyacinthe
Morey, Samuel F.....Eastern Townships Bank
Morgan C. G. .....Merchants Bank of Canada
Morris, H. H.....Canadian Bank of Commerce
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. .....Peoples Bank of Halifax
Munro, John S.....Bank of British Columbia
Murray, A. S. .....Exchange Bank of Yarmouth
Murray, F. L.....Halifax Banking Co.
Murray, J. McM .....Canadian Bank of Commerce
Murray, William .....Bank of British Columbia
Mussen, R. T. .....Canadian Bank of Commerce
McBrine, Jas. H.....Bank of Toronto
McCaffry, Thos. F.....Union Bank of Canada
McCord, A. S. .....Eastern Townships Bank
McCosh, R. G. .....Canadian Bank of Commerce
McCuaig, C. M.....Molsons Bank
McCulley, C.C.....Bank of Nova Scotia
McCurdy, D. A.....Halifax Banking Co.
McCurdy, E. A.....Merchants Bank of Halifax
McCurdy, F. B.....Halifax Banking Co.
McCurdy, J. B.....Merchants Bank of Halifax
McDonald, Arthur .....Bank of New Brunswick
McDougall, Allan .....Quebec Bank
McDougall, F.....Merchants Bank of Halifax
McDougall. Thomas .....Quebec Bank
McEwen, A. E.....Bank of Ottawa
McGill, W.....Western Bank of Canada
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, A. S. .....Canadian Bank of Commerce
McLelland, E. J.....Merchants Bank of Canada
McLennan, D. .....Canadian Bank of Commerce
McLeod, J. A. .....Bank of Nova Scotia
McLimont, R. .....Merchants Bank of Canada
McMahon, C. A.....Canadian Bank of Commerce
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

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

O'Grady, G. deC.....Canadian Bank of Commerce
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
Owens, J. R.....Molsons Bank
Owen, L. C.....Bank of Ottawa

Paddon, J. A.....Bank of Montreal
Pambrun, W. H.....Banque d'Hochelaga
Park, D. R.....Merchants Bank of Halifax
Parker, E. G.....Bank of Ottawa
Parker, F. A.....Merchants Bank of Canada
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
Patterson, A. B.....Merchants Bank of Canada
Patterson, C. A.....Bank of Hamilton
Patterson, E. L. Stewart.....Eastern Townships Bank
Patterson, J. C.....Merchants Bank of Canada
Patteson, G. B.....Molsons Bank
Patton, F. L.....Union Bank of Canada
Patton, R. C.....Quebec Bank
Pease, Edson L.....Merchants Bank of Halifax
Peat, J. B.....Canadian Bank of Commerce
Pegram, W. H.....Bank of British Columbia
Peiler, H. L.....Bank of British North America
Pemberton, G. C. T.....Canadian Bank of Commerce
Penfold, J.....Bank British North America
Pennington, Wm. J. G.....Bank of British North America
Pennock, C. G.....Bank of Ottawa
People's Bank of New Brunswick...Fredericton
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.....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.
Plummer, Thos.....Bank of Montreal
Polson, Hugh .....Canadian Bank of Commerce
Pool, John.....Traders Bank of Canada
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
Price, F. E.....Molsons Bank
Pringle, A. D.....Merchants Bank of Canada
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
Pyke, John G.....Canadian Bank of Commerce

Racey, E. F.....Bank of British North America
Racey, W. R.....Merchants Bank of Halifax
Rae, H. C.....Canadian Bank of Commerce
Ramsay, Wm. M.....Merchants Bank of Halifax
Ransom, Wm. Bayly .....Bank of British Columbia
Raymond, S. D. .....Imperial Bank of Canada
Read, Chas N.....Merchants Bank of Canada
Read, Hector .....Bank of Toronto
Read, L. B. .....Merchants Bank of Halifax
Reed, E. R. .....Commercial Bank of Windsor
Reed, R. L. Baynes .....Molsons Bank
Reeve, R. F.....Bank of Montreal
Reid, Geo. P.....Standard Bank of Canada
Reynolds, W. P. .....Molsons Bank
Rice, O. F.....Imperial Bank of Canada
Richardson, H. A. .....Bank of Nova Scotia
Richardson, J. A.....Imperial Bank of Canada
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
Roberts, E. C.....Imperial Bank of Canada
Roberts, J. P. .....Bank of British North America
Roberts, Wm. .....Canadian Bank of Commerce
Robertson, Alex.....Bank of British North America
Robertson, A.....Bank of Nova Scotia

Robertson, Blair .....Bank of Nova Scotia
Robertson, D. .....Bank of British North America
Robertson, David.....Bank of Ottawa
Robertson, W. J.....Canadian Bank of Commerce
Robinson, F. M.....Bank of Hamilton
Robinson, G. Ludlow .....Bank of New Brunswick
Robinson, Edwd. N.....Eastern Townships Bank
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
Ross, R.....Dominion Bank
Ross, W. D.....Bank of Nova Scotia
Rothwell, H. L.....Canadian Bank of Commerce
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
Rudderham, H. E.....Peoples Bank of Halifax
Rumsey, C. S.....Traders Bank of Canada
Rumsey, Reginald A. .....Canadian Bank of Commerce
Russell, J. A.....Halifax Banking Co.
Rutherford, Jas. McG.....Merchants Bank of Halifax

Sanson, D. M. .....Canadian Bank of Commerce
Saunders, E. M.....Canadian Bank of Commerce
Schofield, Geo. A.....Bank of New Brunswick
Scholfield, G. P. .....Standard Bank of Canada
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
Shannon, E. G.....Halifax Banking Co.
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
Simpson, C. E. St. C.....Canadian Bank of Commerce
Simpson, D.....Bank of British North America
Simpson, Douglas .....Canadian Bank of Commerce
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
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, Hon. Sir Donald A.....85 St. Peter Street, Montreal
Smith, Edward F.....Merchants Bank of Halifax
Smith, Fred W.....Union Bank of Canada
Smith, J. E. .....Union Bank of Halifax
Smith, Lyndon .....Merchants Bank of Canada
Smith, Wm. .....Merchants Bank of Canada
Smith, W. H.....Ontario Bank
Smith, W. Thomson .....Traders Bank of Canada
Smythe, J. W. H.....Canadian Bank of Commerce
Snyder, L. P.....Traders Bank of Canada
Soutar, Fred.....Bank of British Columbia
Spencer, W. A.....Merchants Bank of Halifax
Spier, Wm.....Eastern Townships Bank
Spink, G. A. .....Merchants Bank of Halifax
Sproat, Jno. .....Bank of Hamilton
Spurden, J. W.....People's Bank of New Brunswick
Standly, P.....Imperial Bank of Canada
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, H. S.....Bank of Hamilton
Stevenson, H. H.....Molsons Bank
Stevenson, P. C. .....Canadian Bank of Commerce
Stewart, D. M.....Canadian Bank of Commerce
Stewart, J. A.....Standard Bank of Canada
Stewart, J. P. L. .....Halifax Banking Co.
Stewart, Malcolm.....Bank of British Columbia
Stewart, W. J.....Standard Bank of Canada
St. Mars, H.....Banque du Peuple
Stidston, J. H.....Imperial Bank of Canada
Stikeman, H.....Bank of British North America
Stork, C. M.....Canadian Bank of Commerce
Stow, H. F.....Bank of British North America
Strachan, James .....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
Swinford, A.....Bank of Ottawa
Sylvestre, C. A.....Banque d'Hochelaga

Taillon, A. A.....Banque Nationale
Tapper, W. H. .....Bank of Nova Scotia
Tate, J. M.....Canadian Bank of Commerce
Tate, L. E.....Molsons Bank
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, F. Wolferstan ..... Molsons Bank
Thomas, R. Wolferstan ..... Bank of British North America
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'Hochelaga
Trigge, A. St L. ..... Canadian Bank of Commerce
Tupper, W. S. ..... Merchants Bank of Halifax
Turnbull, J. ..... Bank of Hamilton
Turnbull, T. M. ..... Canadian Bank of Commerce

Van Dusen, F. E. ..... Molsons Bank
Van Felson, A. B. ..... Quebec Bank
Veasey, G. ..... Union Bank of Canada
Vibert, Philip ..... Union Bank of Canada

Wadsworth, W. R. ..... Bank of Toronto
Wainwright, J. R. ..... Molsons Bank
Wainwright, G. C. ..... Bank of Ottawa
Walcot, C. W. ..... Merchants Bank of Canada
Walker, H. B. ..... Canadian Bank of Commerce
Walker, J. ..... Quebec Bank
Walker, B. E. ..... Canadian Bank of Commerce
Wallace, H. N. ..... Halifax Banking Co.
Wallace, Jas. B. ..... Merchants Bank of Canada
Wallace, Wm. ..... Molsons Bank
Wallace, R. G. ..... Bank of Nova Scotia
Wallace, W. J. ..... Bank of Montreal
Wallace, W. S. ..... Bank of Hamilton
Wallace, R. R. ..... Bank of Montreal
Walsh, Ed. ..... Merchants Bank of Halifax
Wanzer, H. P. ..... Bank of Hamilton
Ward, E. E. ..... Molsons Bank
Ward, Frank B. ..... Bank of British Columbia
Ward, W. C. ..... Bank of British Columbia
Warden, W. M. ..... Bank of Toronto
Waterbury, W. B. ..... Merchants Bank of Canada
Waters, D. ..... Bank of Nova Scotia
Watson, Jas. ..... Union Bank of Canada
Watson, H. M. ..... Bank of Hamilton

Watson, Jas.....Traders Bank of Canada
Watson, W. W.....Bank of Nova Scotia
Watt, G. D.....Bank of British North America
Waud, E. W.....Molsons Bank
Waud, B. H.....Molsons Bank
Webb, E. E. .....Union Bank of Canada
Webbe, R. J. M. .....Molsons Bank
Wedd, G. M.....Canadian Bank of Commerce
Wedd, L. E.....Bank of Hamilton
Weelands, E.....Molsons Bank
Weir, W. A. .....Imperial Bank of Canada
Weir, W. .....Banque Ville-Marie
Wemyss, J. M. ....Imperial Bank of Canada
West, S. J... .....Merchants Bank of Canada
Wethey, C. H.....Imperial Bank of Canada
Wetmore, V.....Union 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
Wilkie, D. R.....Imperial Bank of Canada
Williams, A. E.....Bank of Nova Scotia
Williams, H. F.....Eastern Townships Bank
Williams, O. H.....Bank of British North America
Williams, R. S.....Canadian Bank of Commerce
Williams, Thos.....Bank of Toronto
Willis, J. M. .....Ontario Bank
Willmott, J. S. .....Merchants Bank of Canada
Wilson, Alex.....Bank of Nova Scotia
Wilson, Geo.....Imperial Bank of Canada
Wilson, G. M. .....Merchants Bank of Canada
Wilson, H. B. .....Molsons Bank
Wilson, J. H.....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
Wood, J. W. H. .....Canadian Bank of Commerce
Woodill, R. A. .....People's Bank of Halifax
Woollcombe, F.....Union Bank of Canada
Worthington, H. S.....Molsons Bank
Wrenshall, C. M.....Merchants Bank of Canada
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. .....Imperial Bank of Canada
Young, W. C. .....Merchants Bank of Canada