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NINTH YEAR. WEDNESDAY MORNING, FEBRUARY 1, 1888. PRICE ONE CENT.

A. CAMPBELL IN REBUTTAL

A REPLY TO MESSRS. HOWLAND AND GOODERHAM.

The Impeached Liquidator Makes a Lengthy Statement of Defence—He Denies Having Withheld Correspondence—Also the Story of the Diamonds.

Up to 3 o'clock yesterday afternoon but little had transpired at Osgoode Hall of interest in Central Bank affairs. At that hour Mr. Archibald Campbell's affidavit in answer to the petition of Liquidators Howland and Goederham was filed in the office of Clerk of Records and Writs. Gen. M. Lee. The document is a lengthy one and answers paragraph by paragraph, the charges contained in the petition for Mr. Campbell's removal from the liquidatorship of the bank.

MR. CAMPBELL'S AFFIDAVIT.

He Denies Having Withheld Correspondence and Also the Diamond Story.

Mr. Campbell's affidavit recites as follows:

IN THE HIGH COURT OF JUSTICE.
CHANCERY DIVISION.

In the matter of the Winding-up Act, being chapter 129 of the Revised Statutes of Canada, and of the Central Bank of Canada.

I, Archibald Campbell, of the City of Toronto, in the County of York, accountant, one of the liquidators under the winding-up order in this matter, make oath and say as follows:

1. That I am a practical accountant; I have been engaged in the business of banking as inspector and manager for upwards of sixteen years; I was one of the liquidators of the Exchange Bank of Canada, and acted as a banking liquidator throughout the whole process of liquidation.

2. My experience as an accountant, as a bank inspector and manager, and as a liquidator of the Exchange Bank under a winding-up order similar to the winding-up order in this matter, has been large and practical, extending over a long terms of years and embracing the accounts of business transactions amounting to millions of dollars.

3. The imputations made against me by my co-liquidators, William H. Howland and William Goderham, contained in their petition served upon me and published in the public newspapers, impeaching my official conduct as liquidator and insinuating dishonor against me in the discharge of my official duty, are false and misleading and were published in the newspapers without one single word of complaint from either of them to me, and without one single request for any explanation from me in reference to the matters contained in the petition.

4. I give the most unqualified denial to all the insinuations and innuendoes made against me, and I make the following statement of facts and circumstances for the consideration of this honorable Court:

5. I came from Montreal after the suspension of the bank at the wish of the Board of Directors to assist them to inquire into the state of affairs of the bank and determine upon the most expedient and advisable course to be taken on behalf of the shareholders and creditors of the bank.

6. I have either noticed in some of the numerous newspaper reports or have been informed in some other way that insinuations have been made that I was selected at the instance of E. S. Cox, and I deny any knowledge or intimation whatever of any such suggestion, if it ever was made. I had a mere passing acquaintance with E. S. Cox. I never in my life had a single transaction of any kind with him; I never wrote a letter to or received a letter from him. I did not even know that he was a debtor of the bank until after my appointment, and I further say that I was selected at a regular Board meeting, and I do not believe that the Board of Directors acted on the suggestion of E. S. Cox or of any debtor of the bank in making the selection.

7. A few days after I came to Toronto I was appointed provisional liquidator, and was afterwards unanimously chosen by large meetings of creditors and stockholders to be a permanent liquidator, and I entered upon the discharge of my official duties with a full sense of the great trust and responsibility devolving upon me, and with the earnest determination to perform my duties faithfully, impartially and to the best of my ability.

8. I realized from my examination of the state of affairs of the bank that the management had been very reckless; that the supposed paid-up capital stock was only $500,000, a portion of which, however, had not been paid and could not be realized; that the bank had incurred liabilities to the amount of $2,500,000; that a large proportion of the assets consisted of accounts, notes and bills of a very doubtful character; that there were not sufficient good assets to justify the immediate redemption of the circulation, but that it would be necessary to call and enforce the double liability of stockholders to meet the claims of other creditors.

9. The system of bookkeeping of the bank was the usual system of bookkeeping in the business of banking, and, although several of the accounts for large balances were of the most extraordinary character, all the accounts, including those of the directors, appeared to be entered up in the usual way in the books, from which the balances due in respect of each account could be taken.

10. There were five or six agencies of the bank still open and I took the necessary proceedings to put an end to the expenses of all the agencies and to make a safe and expeditious transfer of all the books, assets and securities of the agencies to Toronto, and to consolidate the business of the liquidation under my immediate supervision at the head office. The accounts of these several agencies had all to be transferred to and entered upon the books of the head office, thereby increasing the work and for the time being disarranging the accounts while the transfer was in progress.

11. The volume of work performed and superintended by me has been very large, and I had constant anxiety until I became acquainted with the staff of the office and the manner in which they would carry on the work of liquidation. The daily redemption of the circulation, which amounted to about $200,000, was in progress, the depositors were anxious to get opinions of the probable result of the liquidation, and although they occupied much valuable time I felt it my duty to be civil and considerate with them. The numerous debtors of the bank were daily interviewing me with regard to their obligations, the debtors who intended to pay their notes at maturity and who had or could get deposit receipts or other claims against the bank, were offering them by way of set-off. The creditors who were unable or unwilling to pay their notes at maturity (and there is always a large number of this class in the liquidation of a bank) were either seeking renewals or neglecting their paper—the maturing paper had to be watched and presented at various places in and out of the Province, and if necessary protested; correspondence had to be attended to, and a reasonably fair approximate estimate of the care, time and attention necessary to be devoted to the over-due and maturing paper and accounts may be made from the fact that the outstanding accounts, notes and bills at the time of the suspension amounted to about $2,000,000, the greater portion of which matured day by day within three months from that time, and a single mistake about a presentation or notice might have involved me in irreparable loss.

12. The active work of liquidation, which was all performed and superintended by me without any practical assistance whatever from the other liquidators, was far greater and more onerous than the ordinary work of a bank manager in the management of a current business which has been passing under his daily notice and with which he is thoroughly acquainted.

13. Every asset, book and paper which came into my hands has been properly taken care of. I have taxed all my energies, working long hours, and very often working to late hours at the bank in order to get through with the daily necessary work, and I have throughout worked most loyally, faithfully and impartially as liquidator, having due regard to the interests of the creditors and to the careful and economical liquidation of the bank, and I refer to the books and papers of the bank in support of my statements.

14. I was aware from my former experience in liquidation that the great pressure of the work connected with the winding up of the bank, and requiring such close and careful attention would be over in about three months from the time of the suspension, as the chief part of the maturing paper would either be paid or in course of being secured or collected, and I would then be able to employ the staff in the preparation of all necessary statements and accounts which might be required.

15. I now take up the complaints contained in the petition, the first complaint being in the following words: "When your petitioners entered upon their duties they deemed it advisable in the interests of the shareholders and creditors to have an inquiry made into the accounts, not only of large debtors to the bank, but also into the accounts of the directors. On this point a conflict arose between your petitioners and the said Campbell as to the propriety of investigating such accounts with the object of ascertaining how and in what manner the funds of the bank had been misappropriated, the said Archibald Campbell contending that our duty as liquidators was limited to realizing the assets, and did not comprise an inquiry into the circumstances attending past transactions."

16. The accounts which are referred to as accounts of large debtors and of directors of the bank all appear plainly on the books of the bank, as I have heretofore stated, and statements of these accounts would simply be copies of the accounts from the books, and I say that the statement contained in the said complaint that a conflict arose between me and my co-liquidators as to the propriety of investigating such accounts is false and misleading, and is wholly inconsistent with the actual facts which were known to the said William H. Howland and William Goderham, and which are as follows, namely: On Dec. 22 last, immediately after the appointment of the said William H. Howland, William Goderham and myself as permanent liquidators, we employed Mr. Henry Lye, a special accountant, to inquire into and report on such accounts, who had the use of the books of the bank for that purpose except when they were necessarily used by the staff in the business of the liquidation. I never prevented the said Henry Lye or any co-liquidator from using said books or in any way interfered with the prosecution of these inquiries, but, on the contrary, instructed the accountant, who was in charge of the office, to afford him every facility for their prosecution, and I never heard one word of complaint either from my co-liquidators, from Mr. Henry Lye, or from any of the staff of the office in regard to the use of the books or in regard to the prosecution of such inquiries and reports. I signed with my co-liquidators the requests for examinations of parties which were prepared by the solicitors, although I was not in all cases consulted by them about the propriety or necessity of such examinations, and I never interfered with their proceedings.

17. There never was any difference whatever between me and my co-liquidators about the propriety of investigating the said accounts, and the work of investigation was proceeded with in the office from day to day by the said accountant with the full knowledge and approbation of all the liquidators, and the said investigation was in fact proceeded with as a special branch of work by the special accountant directed and controlled by my co-liquidators while I was devoting my time to the daily process of liquidation which demanded constant care and attention and I expected to take up the result of the investigation when completed and consider it with my co-liquidators.

18. The great distress to a very large number of people of small means who had deposited their money in the bank was brought continually before me in the discharge of my duty, and realizing the actual state of affairs, the wants and necessities of the depositors and the unavoidable delays. I was daily impressed with the conviction that I should not do my immediate prosecution of the work necessary to call and collect double liability and realize all available money to enable a dividend to be paid to the creditors, and as far as possible lighten the burden for a large number of deserving people who had deposited their money in the bank.

19. Having now given the actual facts for the information of this honorable Court, I complain that my co-liquidators have not given the actual ground of difference of opinion between me and them, and have put forward a false and misleading statement of what they describe as a conflict between me and them, etc., and which difference of opinion arose as follows:

20. After the said Henry Lye had been working for about three weeks at the special work of investigation of the accounts, my co-liquidators acted without consulting me and a resolution was prepared to provide for the appointment of the said Henry Lye by the Court as a permanent officer of the liquidation. I did not think that any good purpose would result from the adoption of such a resolution, and the resolution itself was proposed by Mr. Howland at a meeting of the liquidators, assembled at the bank, and although I was dissatisfied with it I allowed it to pass without recording an actual dissent, on the understanding that Mr. Lye's report would be produced for my inspection, which I thought that as Mr. Lye had been engaged on these accounts for some time he should give us some information from which we could judge the necessity for this additional expense.

21. On further reflection I felt that I had erred. I felt that the resolution had been unfairly sprung upon me, and no good purpose, in my opinion, existed for burdening the liquidation by the permanent employment of an expensive additional officer. I knew that Mr. Lye's volume of the work would be over in a few months, and that the said Henry Lye (who was not concerned in the regular work of the liquidation and was not a necessary officer for that purpose) would soon get through with his special work, and I came to the conclusion that it was my duty to withdraw my assent to the resolution and I accordingly wrote the letter of withdrawal referred to in the evidence of Mr. Goderham.

22. The permanent employment of the said Henry Lye, entailing a daily fixed charge against the creditors of an expensive character, was in my judgment unnecessary, although my co-liquidators insisted upon it and the appointment was afterwards sanctioned by the Court.

23. On the day I withdrew my consent to the resolution for the permanent employment of the said Henry Lye, and during the discussion thereupon, I laid before my co-liquidators my opinion of our duty in reference to particular accounts and the investigations of the special accounts.

24. The facts and circumstances within the knowledge of the liquidators in regard to the large accounts, and which were mentioned in general terms by the report of the special accountant, were taken up and discussed by me and my co-liquidators and I stated that my course was to go to the Attorney-General, the responsible officer charged with the administration of criminal justice, and I proposed to my co-liquidators that I should go with them to the Attorney-General and lay all the facts and circumstances within our knowledge before him. I felt that this was the proper way for us to discharge our official duty, and I pointed out to my co-liquidators that the Attorney-General would take charge of the matter, and that all further expenses would be borne by him instead of by the creditors. My co-liquidators dissented from this view, taking the position that the evidence should be taken before the court, and that the court should then lay the case before the Attorney-General for him to act upon. The examinations were proceeded with; publicity was given to the proceedings; although I am not aware that any further important facts were elicited, several of the debtors for large sums whose accounts had been the subject of investigation are report of to have left the country.

25. I now take up the third paragraph of the said petition, alleging that "correspondence and memoranda" therein referred to had been in my possession, "which indicated that extensive frauds had been committed against the bank by certain parties," etc., and "that the correspondence disclosed that I had close business relations with some of the parties to the correspondence. The said correspondence now before the court and published in the newspapers does not show that I had close business relations with the parties referred to therein, and the actual facts connected with the possession of the correspondence and memoranda are as follows, namely: When I was acting as interim liquidator or shortly before, I received oblique from Mr. Allen or Mr. O'Brien, I cannot remember which, the bundle of papers which is referred to (the contents of which were then unknown to me), and I placed them along with other papers in a tin box in the vault for safe keeping. At or about the time I received them I had a conversation with Mr. Henry O'Brien, the solicitor, about their contents, and he informed me that he had consulted with counsel on the subject, and that there might be a chance of making something out of criminal proceedings in regard to some checks amounting to about $14,000, but he left the impression on me that prosecutions would be doubtful. I did not think that any duty was cast on me as interim liquidator to initiate doubtful criminal proceedings. The matters would properly be dealt with by permanent liquidators, and, as soon as the permanent liquidation was organized and solicitor appointed, and the matters of the correspondence laid before us, I handed over the papers in the same shape in which I received them, and I say that the delay from the time I received the correspondence until it was handed over to the solicitor did not prejudice the liquidation on any proceedings in respect thereof in any manner whatsoever.

26. I distinctly and positively deny that I withheld the correspondence and memoranda in the said petition referred to from my said co-liquidators or the said solicitor, and I say that I have always been ready and willing and anxious to give all the information in my power to the said solicitor and my co-liquidators referring to any matters relating to the bank or its affairs. The said bundle of papers were handed to the said solicitor for his perusal and for the purpose of his advising thereon.

27. Referring again to the correspondence and memoranda mentioned before the court it will be seen that only two letters were written by me, both addressed to Mr. Allen, the cashier, bearing date respectively Aug. 29, 1885, and Aug. 7, 1885, and only one letter from the cashier to me in answer to my first communication to him. The facts relating to the acceptance therein referred to are that I have been in the habit of purchasing from time to time business paper from various brokers and others as the same was offered to me, and I had funds to invest; that in the end of May or beginning of June, 1885, James Baxter, who was carrying on a discounting and brokerage business in the City of Montreal, offered to sell me the acceptance in my letter referred to, which I purchased in the ordinary course of business, having no knowledge or information that there was anything wrong connected with the paper. The acceptance in question being payable in New York, I thought it might be equally convenient to the acceptors the Central Bank to pay the money either in Toronto or Montreal, and I accordingly wrote the letter of July 29, 1885, above referred to. On its maturity it was paid in the ordinary course of business, and I have been informed that about that time another acceptance drawn and accepted by the same parties about the same date was discounted by a bank in Toronto, and was, I believe, also paid by the Central Bank. I would, on application of my co-liquidators, or of the solicitor, or in fact of any other person who wanted any explanation from me, have given full information connected with the said transaction, and I deny in the most decided manner that I ever had even the slightest suspicion of any irregularity or improper dealing of the bank or any of its officers in reference to the said acceptance until I received the letter of the said A. M. Allen, and I say further that there is not the slightest ground for the suggestion contained in the said third and fourth paragraphs of the petition that any embarrassment whatsoever has arisen, or even can arise, in the liquidation or any matter connected with it by reason of my having had the collection of the said acceptance, or for any other reason whatsoever insinuated in either the third or fourth paragraph of the said petition. In fact, I am just as free and clear of any improper conduct in regard to Central Bank affairs, or neglect of duty of any kind or manner or description, in reference to Central Bank affairs, as either of my co-liquidators or the solicitor, and there is not and never has been the slightest thing to affect or prejudice in any manner whatsoever my full and sufficient discharge of duty to the creditors, the shareholders and the public in all matters connected with or arising in any way out of the liquidation. I never had any dealings with Cox & Co., Burnett or Davis.

28. I now take up the fifth paragraph of the said petition alleging that "a large amount of the circulation of the bank was burnt prior to the suspension of the bank in my presence," and I say that the entries contained in the books of the bank in reference to the burning of the said circulation have been withheld by my said co-liquidators with the manifest intention to hurt my reputation by a partial statement published in the newspapers. The facts are as follows: It is not only the universal rule but it is the proper practice of all banks to destroy the circulation redeemed by the bank and not intended for future circulation. It is a dangerous property to carry, and a large amount of the circulation which had accumulated in the vaults of the bank and which was not to be issued again, was not only in the way but ought to be destroyed, and the only circulation destroyed in my presence or with my knowledge was in the regular, usual and proper manner heretofore in the liquidation proceedings, in the presence of Messrs. Trees and Dwight, two of the directors, and a member of the said board, all of whom were then holding office, and regular and proper entries were made in the books of the bank in a certificate signed by Messrs. Trees and Dwight, Allen and myself, was recorded in the treasury book evidencing the destruction and in whose presence it had been done, and I have no reason to suppose the destruction of the circulation on hand since the liquidation proceedings without the sanction of the court or in any manner not in the usual and proper way, or in such way and with such precautions as the court may direct, as I consider there is always more or less risk in keeping the assets of the bank, which it is retained, and there being no possible object in its retention apart from the evidence it affords of its redemption.

29. I now take up the further complaint contained in the said fifth paragraph, alleging that I have sold assets of the bank without the sanction of this honorable court, and I say that the statements contained in the said paragraph with regard thereto are untrue. The facts connected with the sale of assets have been fairly and fully partially presented. The actual facts connected with the only sale made by me are as follows: There were diamonds and rings of small value, amount at the assets, and it was understood and agreed between us that they should be sold. The holiday season was a favorable time for their sale, and I proceeded with care and caution—got independent valuations from men of skill and experience—and sold them for the sum of $1,000, which I thought to be as good offer I could get, and in fact higher than some of the valuations. The sale was a fair, open one and the price realized was the highest I could get, and the complaint we make about the sale further then a remark made by Mr. Goederham that he thought I should have got $1,200. The money received was brought to the assets of the bank in the usual way. The statement made by Mr. Goederham in his application that I intended to sell these diamonds and rings for less than a nutmeg. I never offered them for that sum, and when that sum was offered me for them I declined it at once, and told the person who made the offer, and who afterwards became the purchaser, that he must increase his offer by at least 30 per cent. It was my duty to realize the assets to the best advantage, and the necessity for applying to the court to sanction the sale did not then occur to me. The said sale was carried out with the knowledge of Mr. Goederham.

30. There was also amongst the assets of the bank some Dominion stock and debentures. Messrs. Cassels & Cassels, barristers, in the city, were fully aware that the bank held the same, through former transactions with the bank, and of the said firm inquired of me whether the said debentures were not a large investment. I thought he could get an offer therefor. I told him to send in the offer and I would lay it before the liquidators. He transmitted the offer and I placed the offer before my co-liquidators for their consideration. My co-liquidators thought it would be unadvisable to accept the offer. Mr. Goederham, agreeing to inquire for a better offer. Shortly afterwards he submitted a proposal from the Western Assurance Company, which I laid before my co-liquidators, and upon from the entries of these transactions in the minute book. I positively deny that I ever offered the said debentures for any less sum than I offered to Mr. Kenny or to any other person at par, as stated by Mr. Goederham in his evidence, the whole transaction being as I have already stated.

31. With regard to the sixth paragraph of said petition I say I furnished the account of the business in the affairs of the bank during the time I was interim liquidator, as the same appears in the books of the bank, kept in the ordinary manner in the ordinary course of business kept. That on consideration the Master required me to extract from these accounts a purely private account. The clerk in charge of the books and of the various departments of the bank, prior to my appointment as interim liquidator, had conjointly in their positions, the manager, the chief clerk having the supervision of the books and office, and the clerks whose duty it was to make the entries in the various departments as they occurred made the entries in the books. I myself neither made entries nor handled cash. The account required by the Master was quite a great piece of work and adjustment in its preparation, and I found it utterly impossible to prepare and bring it in within the time directed, having the many and onerous duties connected with the practical business of the winding-up to attend to at the same time. The account has now been filed as will appear on reference to the Master's office.

32. I now refer to the complaint contained in the sixth and seventh paragraphs of the said petition—that schedules or statements and inventories of the assets of the bank have not been furnished by me to my co-liquidators—and I say that this complaint may be taken as an illustration of the manner in which my co-liquidators have treated me. I have, with the knowledge that the burden of the more important work devolved upon me, never had an act or omission, neglect or default would be over within three months, worked faithfully and constantly—often working very late hours. The staff has worked well, and every statement possible of preparation has been prepared. The said William H. Howland and the said William Goderham have attended at the office for only a portion of each day. The said William H. Howland has written what he calls "agenda," and at stated times near before letter of Mr. Macleod, the said William Goederham made the agreement for the sale of Dominion stock, and these things, as far as I can at present recollect, represent the actual services, beyond advising, of my said co-liquidators in the liquidation. Neither of them ever pretended to examine the system of books or grasp the important duties of liquidation. Neither of them ever wrote a letter or took part in any of the practical duties of the liquidation, and they are apparently so unreasonable as to expect that I could carry on all the regular work and make copies of the books for them. I procured to be prepared all the accounts and statements I could—which are, in fact, copies of the books, and asked them to consider several accounts separately, but the answer made to me was, "We will not take up the accounts separately, we must have them all made out and laid before us, so that we may take a bird's-eye view of the whole affairs of the bank." I pointed out that each account, some of which required immediate attention, could be dealt with separately. The real fact appears to me to be that neither of my co-liquidators comprehends the amount of work required to get the statements which they ask for and seem to imagine that these statements were of more importance than the consideration of the special accounts requiring immediate attention. They appear to be utter strangers to this kind of work, and their decision that everything must stand until I could get the "bird's-eye view" ready for them is a fair example of their capacity and fitness for the office. Any statement prepared would be simply taken from the books and reference might as well be made to the books as to a statement. I never refused to give to my co-liquidators any of the statements required, and had complied with their requests as far as I could get them prepared, and I have never objected to their having these accounts prepared under their own supervision or direction by the employes in the office.

33. I now refer to the sixth paragraph in reference to my security as liquidator, and I say that my application for security was accepted and the bond was issued by the London and Guarantee Company, and a few days before I was served with the petition the bond was withdrawn. I have since been informed that the withdrawal was caused by information of the charges intended to be made against me, but these charges having been explained to the manager of said company he has since agreed to reinstate the bond and continue the security.

34. It has been stated to the public press since these charges have been made against me that there has been irregularities in my dealings with the Exchange Bank. No such charges were ever made before this petition was filed, and the statement is false and untrue, and I do not know the source of the same. My co-liquidators in the Exchange Bank are men of unimpeachable character and standing, and acted harmoniously with me throughout, and none of our transactions have ever been questioned. (Signed) ARCH. CAMPBELL.

Sworn before me at the City of Toronto, in the County of York, this 31st day of January, 1888. (Signed) A. H. PEARS,
A Commissioner, etc.

Other Affidavits.

The affidavits of a number of other gentlemen were also filed on Mr. Campbell's behalf. They read all to the same effect. The following is an example:

IN THE HIGH COURT OF JUSTICE.
CHANCERY DIVISION.

In the matter of the Winding-up Act, being chapter 129 of the Revised Statutes of Canada, and of the Central Bank of Canada.

I, Frederick R. Matthews of the City and District of Montreal, being duly sworn on the Holy Evangelists, do depose and say:

I am one of the liquidators of the Exchange Bank of Canada, in liquidation, jointly with Archibald Campbell, now temporarily residing in the City of Toronto, as well as with Isaac Henry Sterns of this city. Mr. Campbell has acted as such liquidator for the said the Exchange Bank of Canada ever since the fall of eighteen hundred and eighty-three. In my official capacity as liquidator I have been thrown constantly in Mr. Campbell's company and I consider his character and conduct of the highest order and that his past experience in matters of liquidation eminently fits him to fill the position of liquidator of the Central Bank of Canada. He has always enjoyed the esteem and confidence of his fellow-liquidators and stands very high in the esteem of his fellow-citizens; and I have signed.

Sworn, taken and acknowledged before me at the City of Montreal this 28th day of January, eighteen hundred and eighty-eight.

A Commissioner for taking affidavits in Quebec for use in Ontario.

The other affidavits are respectively from:

Isaac Hy. Stearns of Montreal, gentleman, one of the liquidators of the Exchange Bank.

Geo. Hague of Montreal, General Manager of the Merchants' Bank of Canada.

W. W. Ogilvie of Montreal, Senator, one of the liquidators of the Exchange Bank.

W. W. Ogilvie of Montreal, merchant, of the firm of A. W. Ogilvie & Co., merchants, of this city.

BEFORE THE MASTER.

James Baxter Says He Cannot Come to Toronto for Examination.

When the Master in Ordinary took his seat at 11.30 yesterday morning Mr. J. J. Maclaren, Q.C., said he appeared on behalf of Mr. James Baxter of Montreal. He had instructed Mr. Maclaren put in affidavits and arguments to the effect that it was almost impossible for Mr. Baxter to come to Toronto to give evidence in Central Bank affairs without great personal inconvenience. He was prepared, however, if promised, however, if examined in Montreal, to give all the information in his possession. A statement by Mr. Macleod that Mr. Baxter was a shareholder in the Central Bank seemed to amuse Mr. Foster very much.

In further answer to Mr. Maclaren, Mr. Foster said he would require a day or two to consider whether he would consent to the withdrawal of the Master's order for the examination of Baxter for cheqbery, which the court's subpoena, served in Montreal on Jan. 23.

Mr. George C. Gibbons of London was put in the witness box. He did not think it minute to say that he knew nothing "good, bad or indifferent" about the Central Bank failure and its other affairs. Mr. Gibbons seemed greatly surprised that he should be examined.

Mr. Campbell's Statement of Accounts.

The statement of accounts filed late Monday afternoon by Mr. Campbell was given to the reporters yesterday for inspection. The statement covered over 50 pages of a large ledger and was accompanied by an affidavit. It would take a graduate in the Institute of Chartered Accounts to understand it. It was divided into two sections, "A" and "B." At the end of one of the statements were these figures:

Dec. 2, 1887.	
Bills receivable	$819,709 03
Dominion stock	101,820 74
Treasury	211,7[illegible] 00
	$1,[illegible]
Dec. 31, 1887.	
Payments and allowances	$115,[illegible] 88
Teller's cash	25,[illegible] 70
Treasury	1,[illegible] 00
	$1,[illegible] 17
Balance	$[illegible] 40

The following entry was also made in the statement:

This surplus is only apparent. The cash book has been continued, as previously used as a cash book and journal, and consequently entries have crept in, some of them not cash, and in eliminating the cash entries from the journal entries, I have not been able to exactly balance. With further time I have no doubt I could do this. Not being the actual bookkeeper, and having had no cash, I found it very troublesome to trace the items.

A cool smoking mixture, don't bite tongue, especially made up. Try it once. 2lb. quarter pound. Alive Bollard, 199 Yonge-street. 138

Parkdale Annexation.

To the Property-owners of Parkdale:

No doubt a petition for the purpose of preventing a bylaw being submitted to the people on the question of Annexation will be presented to you for signature, as this petition was delivered to me for signature by one of the leaders of one section of the people only, namely, those who are opposed to Annexation (the merits and demerits of which I shall not discuss.)

I would ask you to take time to consider before you sign, as the promoters of attempts to prevent the property-owners from giving expression to their opinion upon a question of such importance to them.

The strongest argument used by those opposed to Annexation is that if the bylaw were submitted it would be voted down. Then why should means be taken to prevent the bylaw from being submitted?

In conclusion, I may state, even should such a petition be presented to our Council, they would not lend themselves to any tactics to prevent a fair expression of opinion on this question by the property-owners of Parkdale.

HONESTY.

They Belong to Both Parties.

It leaked out at the meeting of the Young Men's Liberal-Conservative Club last night that J. S. Lyon and S. T. Moore, two of its members, were also members of the Young Men's Liberal Club. This led after some discussion to the introduction of a notice of motion requesting them to withdraw, and an alteration of the constitution so as to preclude any such contingency again arising. The committee in charge of the debate with the Young Liberals was instructed to complete the matter at early as possible, it being hinted that the Young Liberals are responsible for the unnecessary delay. The debate on the advisability of the establishment of a Divorce Court for the Dominion resulted in the defeat of the measure.

Stonemasons' Wages.

The Stonemasons' Association held a somewhat tempestuous meeting of two hours' duration last night in a room at Shaftesbury Hall. It was a special meeting, so President W. B. Phipps informed The World, to consider the scale of wages to be demanded next season. What figure was decided upon he would not say, and other members were equally reticent. Mr. Phipps reason for this was that he didn't propose giving "the outside public or the Labor Commission any information." The World believes the rate per hour to be asked is 35 cents, an increase of 5 cents.

Fatal Hoist Accident.

George V. Dyson, jr., employed at the store of Mr. Feodor Boas, importer, McGill-street, Montreal, was caught between the hoist and the floor and crushed to death. His face was congested and the veins on his neck and forehead almost distended. The poor fellow had evidently met a cruel death. Every one should insure at once in the Manufacturers' Accident Insurance Company of Toronto.

The Next Bank to Go.

—And there will be another before many weeks. Business men are already busy asking one another what bank? Well, The World, the paper that always gives the best and freshest information, will tell them—the above bank—"See Chilly!" But before it goes W. A. D. Dineen want to sell a lot more furs, and in order to do so, will sell all this week for cash, fur garments below cost price. Cor. King and Yonge sts.

Masonic Hall Trust.

At the first meeting of the Masonic Hall Trust, held last night, the following officers were re-elected for the ensuing year: Chairman, V. W. Bro. Wm. Roaf; secretary, W. Bro. L. J. Clark; treasurer, R. W. Bro. T. Sargant.

The "See" Boom.

Mr. R. W. Coldwell of Sherbourne-street has made a "pile" at the booming "See." He believes in its future, and is one of a syndicate building a $42,000 hotel there.

Sheffield House Sale.

Ladies should not forget the great auction sale of jewelry, cutlery, etc., at the Sheffield House. Mr. Robinson is giving up business. Sale to-morrow at 2 p.m.

Nearly Went Mad.

—A very curious case occurred the other day that nearly resulted in something serious. A certain lady went to one of our house-furnishing stores and purchased a large quantity of goods, as she thought, cheap; on her way home dropped into 179 Yonge-st., (the leading house-furnishing house in the city), and on comparing the prices and quality of goods could hardly refrain from real madness. She knows after this that Strathern's is the leading house. x

A BIG DAY OF BALLOTING.

THE BOARD OF TRADE ELECTS ITS OFFICERS FOR 1888.

Mr. Wm. Ince's Valedictory as President—W. D. Matthews, Jr., Installed as His Successor—Senator Macdonald and the C. U. Resolution.

The annual meeting of the Toronto Board of Trade, which took place yesterday, was most important. A young man, Mr. W. D. Matthews, jr., was installed as president and made some interesting remarks as to what he would do towards the wiping out of bucket shops. The raciest part of the meeting arose over the Hon. John Macdonald's kick regarding the Board's C.U. resolution. The reports showed the Board to be in a prosperous condition.

THE BUSINESS BEGINS.

A Balance of $7500 in Hand—President Ince's Farewell.

The Council Chamber held fully 400 members of the board when, at 3.15, President Wm. Ince called the meeting to order. Beside the president sat Treasurer G. M. Rose and Secretary E. A. Willis, while near by sat President-elect W. D. Matthews, jr., ex-President H. W. Darling and ex-2nd Vice-president D. R. Wilkie. The members were comfortably seated; the space in the Chamber having been amply filled with chairs.

The president first called upon the treasurer to present his annual report for the year ending Dec. 31, 1887. Treasurer Geo. Maclean Rose congratulated the board on the healthy condition of its finances and the numerical strength gained during the year. He presented this statement:

Members' annual subscriptions	$ 9,135 00
Entrance fees of 482 members at $100	948 00
Rents for use of rooms	191 50
Transfer fees	22 00
Sale of Statistical Reports	30 50
Interest on bank deposits	577 46
Making in all	$10,907 35
Our expenses have amounted to	$ 3,510 04
Leaving the sum of	$ 7,397 31
To be carried for third year. This added to the	2,794 47
At your credit at the beginning of the year, given	$ 7,005 78
Leaving a balance on hand	$ 7,397 31

During the year 6 new certificates were issued, and 49 transfers were effected. The membership now numbers 915, including 433 resident members. The number 338 members have taken advantage of the reduced scale. Eight members were lost by death during the year.

The report was received and adopted without discussion.

President Ince's Valedictory.

President Ince arose and for 23 minutes read his farewell address, touching the custom of his predecessors. His address was a lengthy one, lasting 23 minutes. Possible question affecting the trade and commerce, not only of Toronto, but of the Province of Ontario and even the Dominion of Canada. It was divided into the expression of Mr. Ince's opinion on about twenty points and it is regretted that its length, which would occupy the large part of a World's page, prevents its publication. Some of the points of Mr. Ince's address were with reference to:

Flour and Flour—A shortage in Ontario had in part been compensated for by the millers being busy with a bountious Northwest crop.

Manufactured Goods—Importations showed tendency to be fairly prosperous there is over-production and consequently unremunerative prices in some branches. Persons start-ing in business should see that there is room for their enterprises.

Lumber and Timber—Reference was made to the satisfactory results of the lumber trade, to the big amount realized by the recent Ontario Government sale, to the injurious effects of the prohibitory duties, and suggested that an arrangement to settle differences between employers and employes would be advantageous.

Dry Goods—The results of excessive importations, the forcing of sale upon small margins or at below cost, excessive credit, etc., were referred to. The remedy was the importation of imports proportion re to the country's consumption. Care in the opening of accounts in distant provinces was also suggested.

Groceries—The chief point made was that the groceries business had closed with a fair average as to volume and profits, and the prospects were hopeful. Sugar—A warning was given against over importation.

Hardware—Doing very well.

Payments—Had improved, notwithstanding shortage of the cereal crops.

Banking—The business has been better than usual although markets were very unsatisfactory. Unfortunately the recent suspension of the Central Bank, brought about by reckless mismanagement, had a disturbing influence. Other institutions well conducted and perfectly sound have suffered undeservedly in consequence. It is to be hoped that no attempt will be made for some time to come to establish new banks, those at present in existence being fully sufficient for the requirements of the country for many years."

Insurance—It was suggested that a committee be appointed to confer with the Board of Underwriters as to the giving to merchants of information as to how their customers are insured.

Insolvency—The need of a Dominion Insolvency Bill and the inconvenience of having left in the hands of the creditors was referred to.

Municipal Matters—It was regretted that the Trunk Sewer bylaw and the bylaw for the improvement of the water supply had been defeated, but it was hoped that the Toronto Bay would not be allowed to be furnished there would be a different result in the people's vote.

As to the Court House and City Hall buildings, it was hoped that they would be erected without extravagance.

The Board—Due mention was made of the prosperity of the Board and of the success of the Board of Arbitration.

Commercial Union—The well-known result of the Board's decision on this subject was commented on.

Property—It was hoped that steps would be taken to erect a building on the site now occupied by the Board and which has been purchased by the Board.

Gratuity Fund—The deaths for the year were reported to have been only ten, while the limit of assessment was only thirteen; the reserve now amounts to $19,000.

The address concluded with references to the banquet to ex-President Darling, to the Governor-General's visit, to the recent annual dinner and to the valuable services of the Secretary.

Fun Over the C.U. Resolution.

Hon. John Macdonald arose and inaugurated a lively minutes' discussion of a rather unpleasant nature over this portion of the president's address referring to Commercial Union:

"There was a meeting of the board in May last for the purpose of discussing Commercial Union with the United States, a subject then occupying a good deal of public attention. Throughout the debate, the attendance was large and great interest manifested. No decision having being reached on the first meeting, the meeting adjourned from time to time, until finally the following resolution was adopted unanimously:

"That this board cannot see its way to place on record the conviction that the largest possible freedom of commercial intercourse between our own country and the United States is compatible with our relation to Great Britain, is desirable.

"That the board will do everything in its power to bring about the consummation of such a result.

"That in its estimation no treaty which ignored any of the interests of one our own country, or which gave undue prominence to any one to the neglect or to the injury of any other is one that could be entertained.

"That in our agricultural, mineral, manufacturing, and undiversified mercantile interests, in our fisheries, forests, and other products, we possess a rare and in an extraordinary degree all the elements which go to make a people great, prosperous, and self-reliant.

"That these are strong inducements to any nation to render reciprocity with Canada a thing to be desired, and such as should secure for us a reciprocal treaty with the United States of the broadest and most generous character which, while fair to reciprocal conditions, would contain guarantees which would prove of mutual and abiding advantage to both nations; but that this Canada cannot entertain any proposal which would place Great Britain at any disadvantage as compared with the United States, or which would tend in any measure, however small, to weaken the bonds which bind us to the Empire."

The Senator asked if the omission of the names of the mover and seconder of the C. U. resolutions was intentional.

President Ince—The majority of the Council thought it best that only the resolution be included.

The Senator—No organized body in existence ever attempts to give a resolution without names. Still I hope it will not provoke discussion. If you take up the report of even the Newsboys' Lodging and of the House of Commons you find the names of movers even for trifling motions. I submit that in deference to this meeting you should have introduced the names of the mover and seconder.

Mr. H. W. Darling pointed out that there was no analogy between the retiring President's speech and an official report or resolution.

Senator Macdonald—This Board is above the Council and I move, that in the order that it be a correct and historical document, the President be asked to introduce the names of the mover and seconder. We'll get the feeling of the Board.

Wm. Croft, jr., seconded the motion.

Ald. Hallam, amid laughter, contended that as the subject of the discussion was only the consideration of the retiring President's speech the Senator's motion was out of order.

Mr. Edward Bertram said that the motion was a reflection on the President, and that the Senator's statement was in very bad taste. (Hear, hear.) He was surprised at hearing it. (Hear, hear and applause.)

Hon. Mr. Macdonald asked the speaker to explain the bad taste. As an historical document the address should be correct. (Applause.)

Mr. Bertram: If Mr