

WINDING-UP BANKS A SLOW PROCESS

Liquidation of Ontario Will Not be Completed Yet—
Farmers and Sovereign Banks

Three Canadian banks are still in process of liquidation though they failed several years ago. These are the Ontario, Sovereign and Farmers Bank. The first-named went into liquidation on October, 1906, the second on January 18, 1908, and the third failed in December, 1910. Two small Quebec provincial banks also disappeared from the list in 1908, the Banque de St. Jean and the Banque de St. Hyacinthe. That the winding-up is a slow process is clearly seen, especially in the case of the Ontario Bank. This was first in the hands of Mr. W. E. Stavert and now of the Royal Trust Company, who state that it is proving a very satisfactory liquidation. An effort is being made not to sacrifice any of the bank's assets. Better prices have been obtained by the adoption of a waiting attitude, than if the assets had been sold at once. It will probably be a considerable time yet before the affairs of the defunct bank are completely settled and all the assets sold.

Mines and the Farmers Bank.

With regard to the Farmers Bank the assets have been largely reduced to slow and doubtful accounts, including several large amounts where realization is tedious and uncertain; mining properties, of which the bank has several, including the Keeley mine, a small amount of real estate and some mortgages receivable, which are being collected as they mature and double liabilities against stockholders. From reports recently received, it looks as though there is a chance that the holders of the option against the Keeley mine may take it up, in which event the bank will receive \$150,000, or can, if it so desires, retain a quarter interest, accepting three-quarters of \$150,000 for interest to be sold.

So far as double liability is concerned, action has been taken against the shareholders and judgments exist against a considerable number who did not file a defence. These judgments have not been levied for, by reason of the possibility of the Dominion of Canada granting relief to depositors, in which event it is said depositors will make a contribution so that the shareholders may be relieved of double liability.

So far as the mining properties of the bank go, they will be realized upon as soon as possible. There is outstanding and not paid about \$300,000 of circulation. In the event of the option of the Keeley mine being taken up, the Farmers Bank should be able to pay circulation in full. Should the property not be sold or bring any substantial price, it is doubtful if the assets of the bank will be sufficient to meet circulation.

Winding-Up the Sovereign Bank.

A company, International Assets, Limited, was formed in July, 1911 to handle the affairs of the Sovereign Bank. Its authorized capital stock is \$4,000,000 of which \$1,000,000 is common and \$3,000,000 redeemable cumulative preference six per cent.

The immediate purpose of the incorporation of the company was the purchase of the debt due by the Sovereign Bank of Canada to certain other banks, and also the purchase direct from the Sovereign Bank of the equity of redemption in the assets which were pledged as security for that debt and of certain assets which were not so pledged. The debt of the Sovereign Bank was \$3,938,997.77, with interest from the 30th of June, 1911, and this was taken at its face value, the payment for it to be \$2,038,997.77 and interest in cash, and \$1,900,000 in five per cent. bonds.

In addition, the company assumed a liability of the Sovereign Bank amounting to \$120,000, the payment of which had been guaranteed by the assisting banks, and in order to provide for the payment of this it issued a bond for \$120,000 maturing on the 1st of January, 1912, being the due date of the liability, the total bonds issued thus amounting to \$2,020,000.

Some Holders Stayed Out.

In order to obtain the cash portion of the price, the preference stock was offered for subscription to shareholders in the Sovereign Bank and subscriptions were received to the extent of \$2,212,600, of which \$54,850 has been forfeited for non-payment, leaving \$2,157,750 actually outstanding.

As part of the general arrangement, the company undertook to relieve its preferred shareholders from all liability in connection with their holdings of stock in the Sovereign Bank and in carrying out that undertaking has accepted from its shareholders transfers of that stock, so that it is now a shareholder in the Sovereign Bank to the extent of \$2,057,700. There are, however, a few shareholders who have refused or neglected to transfer their Sovereign Bank stock to

the company, and they must take the responsibility of any risk there may be thus in declining to avail themselves of one of the means of protection offered to them.

The assets which this company purchased may be listed under four main headings:—1. Interest in Alaska Northern Railway Company. 2. Interest in Chicago and Milwaukee Railway Company. 3. Claims against previous directors of the Sovereign Bank. 4. Sundry assets.

The following particulars regarding the Sovereign Bank appear in the June bank statement:—Capital authorized, \$3,000,000; capital stock—capital subscribed, \$3,000,000; capital stock—capital paid up, \$3,000,000; notes in circulation, \$26,345; total liabilities, \$3,797,726; greatest amount of notes in circulation at any time during the month, \$26,685.

The second annual meeting of the International Assets, Limited, will probably be held during the next few weeks.

TRIP TO THE MARITIME PROVINCES.

Mr. J. J. Durance, manager for Canada of the General Accident Assurance Company and of the Canadian Casualty Insurance Company has completed a five weeks' trip in the maritime provinces. All his agencies there report satisfactory business. Mr. Durance does not think these provinces are feeling the financial stringency to so great an extent as western Canada.

Reports from the General Accident's agents in the west are, with few exceptions, very gratifying. The company has now a reserve fund almost double its paid capital. Mr. Durance will probably make a business trip to the Pacific coast in the fall.

CANADA EXPORTS HAY.

Over 2,000 bales of Canadian hay have reached Manchester by direct steamer since the opening of the St. Lawrence. Hay merchants in both Manchester and Liverpool report a quiet business, states Mr. F. A. C. Bickerdike, Canadian trade commissioner at Manchester, and latest prices are as follows:—

Prime Lincolnshire clover	110s.
Cheshire rye grass and clover	100s.
Irish ryegrass	80s.
Irish meadow	65s.
Canadian timothy and clover	87s. 6d.
Norwegian	100s.
Baled straw	45s.

GERMANS WANT TO DO BUSINESS.

Mr. J. J. von Weber, publisher of the *Illustrte Zeitung*, Leipzig, Germany, has forwarded to the Bureau of Provincial Information, Victoria, B.C., the following trade inquiries:—

Franz Naumann, Halle a Saale, Germany, asks information as to demand for machinery, etc., for granaries, silos and elevators.

Josef Fugner, Zuckmantel b. Teplitz, desires to be informed as to the market for moulded table-glass, ornaments, opalescent, antique, wired glass, and glass wall plates.

J. Heimann, Furth, as to market for elastic suspenders, etc.

Max Hoffmann, Sarotti Chocoladen und Cacao-Industrie, Berlin, wishes to secure suitable agents in Canada.

Richard Puchert, Ruppertsgrun, near Werdau, wants to correspond with importers of cotton goods, ready-made clothing, large department stores, printing works, cotton mills and pasteboard mills.

Joseph Salomon, Hamburg, seeks the sale of Canadian farm produce on commission; also the exportation of all kinds of textile goods to an agent in Canada.

Edmund Wirth, Councillor of Commerce, Sorau, wishes to establish an agency for the handling of cloth, cloak material, etc., for ladies.

Mr. Zander, Councillor of Commerce, Bergisch-Gladbach, invites correspondence re cellulose and paper.

Johannes Dienst, Berlin, wishes to be informed about the market for musical instruments. He is open to an arrangement for the importation of certain Canadian goods.

Herr Fichtner, Vienna, wishes to establish a factory for the manufacture of photographic dry-plates and photographic paper, and invites correspondence on the subject.