

35 P.C. DIVIDEND FOR DEPOSITORS NOW ESTIMATED

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Further 10 p.c. Conditioned On
Reasonable Success On Re-
alization of Bank Assets.

A further dividend of 10 per cent.—or 35 per cent. in all—for depositors in the defunct Home Bank was estimated tentatively by G. T. Clarkson, co-liquidator of the bank, in a letter read to the Commons banking and commerce committee yesterday by Chairman Vien. This estimate was based upon the condition that "the estate of the bank should meet with reasonable success upon the realization of its assets and avoid having to repay in full those deposits which were made shortly prior to its failure."

"If the depositors seeking return of moneys deposited in the bank shortly prior to its failure should be successful in their litigation," said Mr. Clarkson, "the probability is that the dividend would not exceed 30 per cent. If shareholders shall in addition avoid double liability, there is no certainty that any further dividend beyond that already paid will accrue to creditors."

The liquidator gave the approximate claims of depositors and holders of cheques and drafts, after set-offs and counter-claims had been liquidated as \$15,548,214, of which \$14,767,511 was due to depositors. The estate of the bank, he said, still owes about \$68,000 on account of circulation, \$1,300,000 to Dominion and Provincial Governments and \$1,200,000 "in respect of moneys borrowed from Canadian banks to permit the payment of the dividend of 25 per cent. already disbursed to creditors." The amount placed in Canadian banks to meet the 25 per cent. dividend was \$3,453,590 of which about \$300,000 still remains undrawn.

Double Liability.

The claims against shareholders for double liability, he estimated could not be relied upon to yield more than \$300,000 to \$400,000 in addition to \$329,705 already received. The total still outstanding is \$1,722,864.

"The estate has issued a writ against directors," he wrote, "for the recovery of \$5,000,000 in respect of malfeasance. The right of the bank to recover from directors is the subject of dispute and if the bank shall succeed its recovery will be limited by the value of the assets owned by the directors. In my opinion this recovery will not exceed more than \$250,000 to \$300,000."

After these communications were read, the chairman announced that the committee would sit in camera for the discussion of the report of the sub-committee on the re-imbursement of the Home Bank depositors. J. S. Woodsworth, Labor, Centre Winnipeg, moved that the committee should continue in open session for this purpose, and his motion was seconded by William Irvine, Labor, Calgary East. The motion was opposed, however, by A. M. Carmichael, Progressive, Kindsley, Herbert Marler, Liberal, Montreal, Andrew McMaster, Liberal, Brome, and W. F. MacLean, Conservative, South York. On a vote being taken the motion was defeated, only six voting for it.

The committee then went into secret session.

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