

FARMERS BANK STATEMENT.

Curator Clarkson Issues Figures Respecting the Present Position—Nominal Deficiency of Four Hundred Thousand Dollars if Mining Property is Valuable.

Mr. G. T. Clarkson, the curator and interim liquidator, issued this week his report on the position of the Farmers Bank. The most prominent feature is the statement that the bank has placed \$1,157,100 in the Keeley Mine. In connection with his report, Mr. Clarkson says: In presenting the interim statement of affairs of the Farmers Bank of Canada, I desire to say that it is based upon the best information which I have been able to obtain up to the present time, particularly with relation to the value of its assets. The investments in the Keeley Mine and real estate, together with office furniture and fixtures, are shown at the amounts charged upon the books of the bank, and being of indeterminate value cannot be valued.

Branches Are Closed.

"It has been a physical impossibility to present this statement of affairs sooner by reason of the necessity for valuation of many assets, including as it did consideration of the conditions surrounding them.

"The branches of the bank are being closed with the approval of the board of directors to stop expense.

"In order that shareholders and creditors may not be under any misapprehension, I desire to say that they will be taken into confidence to the fullest extent, but they must realize that it takes time to ascertain the condition of affairs in a situation such as exists.

"The appointment of myself as curator was made by the Canadian Bankers' Association under the authority of a statutory right, which presented the only means available for protecting the assets of the bank for its shareholders and creditors during suspension.

Shareholders and Creditors Will Meet.

"The insolvency of the bank and its consequent inability to resume business having been admitted in the court by the representative of the general manager and subsequently confirmed by the board of directors, after certain facts had been placed before it, upon application of creditors an order was issued by the Honorable Mr. Justice Riddell for the calling of meetings of creditors and shareholders to consider the condition of the affairs of the bank and to appoint a liquidator to wind it up.

"At the present time I occupy the position of curator and interim liquidator, and as the latter I shall seek the advice of the court upon any matters of moment that may arise.

"With the appointing of the liquidator, the assets and affairs of the bank will by the terms of the Winding Up Act pass under the direct supervision of the High Court of Justice, to which the liquidator will be subject, as an officer of court, for the purpose of winding up.

To Rely Upon the Court.

"The Winding Up Act contains full provisions for examination and investigation into all matters connected with the affairs of insolvent corporations, and creditors and shareholders are, therefore, not compelled to seek other methods of procuring information, but can, as they will appreciate, rely upon the court to see that a proper and full investigation of the affairs of the bank is made, particularly as it is absolutely essential that such be undertaken in the winding up, no matter whether there are other investigations or not."

The statement is as follows:

Suspended Payment December 19, 1910.

Liabilities, direct: Amounts owing to depositors and holders of drafts at:

Allenford branch	\$ 25,753.18
Arkona	43,023.82
Athens	19,626.70
Belleville	35,995.53
Bethany	55,342.24
Burgessville	41,773.48
Camden East	72,309.17
Cheltenham	36,600.69
Dashwood	113,021.81
Dunsford	34,562.25
Embro	74,626.36
Fingal	33,589.87
Haileybury	25,473.98
Kerwood	67,903.17
Kinmount	33,902.38
Lakeside	32,222.60
Lindsay	38,176.17
Millbank	66,630.61
Milton	30,452.25
Norval	39,129.76
Phillipsville	37,682.73

Pontypool	47,992.41
Sharbot Lake	52,797.77
Stouffville	24,733.88
Williamstown	25,930.18
Zephyr	55,749.88
Toronto	87,772.04
Accrued interest to Dec. 19, 1910.	19,000.00
Reserve for sundry claims	10,000.00
	<u>\$1,281,774.91</u>

Preferred Claims.

Farmers Bank notes in circulation, as per H.O. books and branch returns	\$538,365.00
Branch salary and charge accts.	3,558.05
Rental due at branches, together with claims, for penalties under terms of leases	1,530.86
Ontario Government deposit	26,533.16
	<u>\$ 569,987.07</u>

Secured Claims—Unsettled.

Trusts & Guarantee Company advances on demand notes..	\$ 211,838.26
Secured by hypothecation of customers' paper	293,526.31
Surplus carried to assets	81,688.05
Other securities held and included under assets in this statement:	
Bonds of Keeley Mines, Ltd....	1,000,000.00
Other industrial bonds	75,000.00

Capital Stock.

Capital stock subscribed as per list.....	584,500.00
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Assets.

Dominion of Canada notes.....	\$10,048.50
Specie	7,271.95
Notes and checks of and on other banks	55,144.22
Balances due from other banks in Canada	10,738.10
Balances due from agents in the United Kingdom	6,189.26
Balances due from foreign agents.	5,030.89
Cash items on hand and in transit.	46,286.31
	<u>\$ 140,709.23</u>
Deposit with Dominion Government to secure note circulation	20,250.00
Stocks and bonds	113,895.00
Surplus in customers' paper held by Trust & Guarantee Co....	81,688.05
Current loans, discounts and past due bills held at the head office and branches	\$684,130.04
Interim valuation	241,434.84
	<u>\$ 323,122.89</u>
Claims for withdrawals after suspension....	47,000.00
Bank premises, fixtures and furniture (book value)	178,604.90
Stationery on hand, estimated value	2,500.00
Due upon capital stock	16,921.00
Other assets as per list	1,146.57
Keeley Mines, Ltd.:	
Current loans and overdrafts....	321,100.46
Call loans	300,000.00
\$1,000,000.00 bonds held as security therefor	621,000.00
Stocks and bonds account.....	535,000.00
	<u>\$1,156,100.46</u>

Total	\$2,000,250.05
Assets—	
As above	\$2,000,250.05
Liabilities—	
Depositors and holders of bank drafts	\$1,281,774.91
Preferred claims	569,987.07
Secured claims, no ranking.	
Capital stock	584,500.00
	<u>\$2,436,261.98</u>

Nominal deficiency \$436,011.93

This deficiency will be increased to \$1,591,000 if the Keeley Mine proves valueless.

The case of the Farmers Bank came up in the House of Commons on Wednesday with the suggestion of a Royal Commission and a notice of motion for amendments to the Banking Act. A demand for correspondence regarding the starting of the institution is also made.

Major Sam Sharpe (N. Ont.) said there were rumors that irregularities had existed in the organization of the