

still, when the liquidators proceed to call in the notes which were in the hands of other banks, and of the public, instead of the sum slightly exceeding \$261,000 being returned, over \$500,000 were presented for redemption.

The next item is the one of \$10,000, which was placed to the credit of profit and loss, and which was afterwards carried as a reserve fund to the Reserve fund account, and how was that done? After detailing the facts the Judge said: "They had no justification in doing that."

I now take the assets of the bank; that is to say, the property of the Bank, whether it consisted in personal notes or real estate, and the first item I will take under consideration is number four of the report, "Notes and cheques of other banks." In the return that was given at \$172,678, but in that amount was included an amount of \$5,415.80 composed of what the witnesses described as rubbish and trash; that is to say, there was a cheque on a defunct bank, the Exchange Bank; there were bonds; there were accounts; all kinds of little bonds and accounts that had been paid, and all those were classified under the heading I have just mentioned as being notes and cheques on other banks. Amongst other things there were two notes on a Bank which had ceased to be in existence in Manitoba, and it was proved, moreover, by the witness that those two notes were forgeries, and consequently they could not be entered as assets. Well, that amount was added as forming part of Notes and Cheques of Other Banks. The amount should be \$155,534 instead of \$172,675.

The next item is item 11, "Canadian Municipal Securities," which is put down at \$87,027, whereas that amount should not have been classified there.

The next item is "Canadian, British and other railroad securities." The Judge condemned the classification of this item.

Next, we come to Call Loans: "Call loans on banks and stocks." That is put down as \$38,665, but in that amount we find added, in the first place, the Duluth stock, on which no loan had been made, and which should have been properly placed under item 12, being an enumeration of British, Canadian and other railway securities.

The Judge here detailed a number of items as included in Call Loans, which were overdue debts, losses on stocks, etc.

The next item is the item of Current Loans. That item is given in the statement as amounting to \$1,372,485, whereas it should only be \$1,117,210. The difference is accounted for in the following manner:—Amongst the current notes was included an amount of \$35,126 over-drafts on accounts—over-payments; that is to say, depositors had presented cheques to the bank for an amount of \$35,000 more than they had money on deposit to meet their cheques. The Bank had allowed them to overdraw their accounts to that amount, and that is included amongst current loans.

Then, in the next place, we find an amount included

therein of \$302,314.33. That amount consisted in notes signed by Mr. Weir under the assumption that he was the attorney for the presumed makers of the notes. It is an amount of \$300,000, which Mr. Weir professed to be authorized to sign the name of the assumed makers of those notes. It has been established before you that with the exception of the notes which he signed on behalf of his son, Frank Weir, to an amount of \$33,828.76, that not one of the persons whose names were used in connection with the other notes had ever authorized him to sign them. Among those notes we find one signed by a man who has been dead for some years. He could not be the attorney of that man—that is certain. The greater part—almost all the rest of the notes, are notes which were signed on behalf of bankrupt estates—some of them had been wound up, and in other cases there was no hopes of the bank ever recovering anything. In a few cases, however, which I will enumerate to you in a moment, there was a probability that the bank might recover something.

Now, these notes certainly cannot be called as Current notes. A current note is a note which has a legal existence, and with the exception of the notes which were signed on behalf of Frank Weir, all the other notes had no legal existence, and were signed in the name of parties who had given Mr. Weir no authority whatever to sign them.

They represented nothing—they were worthless—there was no authority to sign them—they were like a piece of blank paper, always excepting with regard to the notes signed by Frank Weir, because a power of attorney was produced, establishing the fact that Mr. Weir had the right to sign his son's name, consequently we have to take off \$33,828, and that amount has to be taken from the credit of current notes. When

The Judge then showed that the overdue debts had been misrepresented.

The last item of all is that of Other Assets. Well, now, that is represented to be \$284,000, but in that are included the following items: \$223,445 stock held by the bank itself. Well, I leave it to you to say whether the asset is a very good one or not. The next is \$11,824, which consisted of claims for stock issued in the agencies, which had never been recovered, and never paid for, and for which notes had not been given, or notes in many cases, and which was repudiated by those in whose names it was placed in many cases. The next item is an item of \$13,350, for organizing branches. That is not an asset. You cannot sell that. Now that the bank is liquidating, what are they going to get for that?

Well, the consequence is that there are entries of items as assets, each of which is also a fictitious one, a deceptive and false one.

The statement sent in—I take their own figures—the statement sent in, represents the assets that is the property of the Bank; the notes they held, the cash they had on hand; it represents their assets as being