

## The Commercial Bank Liquidation.

(Continued from page 1343.)

principal, J. S. Swart, Q.C., and Israel M. Ross as advisory liquidators.

Mr. Perdue nominated F. W. Ferguson as principal, and W. Hespler and J. H. Brock as advisory liquidators.

Mr. Martin nominated S. A. D. Bertrand as principal, and J. H. Brock and W. Hespler as advisory liquidators.

Voting upon the nomination of liquidators was then begun.

MR. MACARTHUR SPEAKS.

President MacArthur made the following address at the meeting of shareholders:

MR. CHAIRMAN AND GENTLEMEN,—We are met for the purpose of ascertaining the wishes of the shareholders of this bank, in the matter of the appointment of a liquidator, an appointment which has unfortunately become necessary owing to the disaster which has recently overtaken the bank, and before entering on the the business of the meeting, I may take this opportunity of referring to the cause which led to the suspension of the bank. About a week before that event, certain rumors were started in various parts of the city, as to the standing of the bank, and these rumors were started, I have no hesitation in saying deliberately and with the design of ruining the bank, and owing to the panicky state of the public mind, arising from the frequent announcement of bank failures in the United States, they obtained a more rapid currency, and carried a more fatal import than they otherwise would have done, until finally they brought about the run which resulted on the 30th of June in the suspension of the bank. Every effort was made to realize sufficient assets to meet the demands upon us, and it was hoped up to the last that assistance would be forthcoming to an extent sufficient to do this, but unfortunately it was found impossible to get this assistance in time to be of any use. The Bankers' association offered us aid, but only on the condition that we should go into voluntary liquidation, and as the acceptance of this offer would prevent us from availing ourselves of the privilege of resuming business within ninety days, if we were in a position to do so, the aid offered was not accepted. However, after mature deliberation, and being disappointed in not receiving the assistance we expected, it was decided much against my personal wishes to go into voluntary liquidation.

No one can regret more than myself the suspension of the Commercial Bank of Manitoba. It was a local institution. I was one of those who were instrumental in founding it, my entire means and influence were always pledged to its support. It was well supported by the public throughout the whole province, and it supplied a want which had long been felt in the province, and in the Northwest generally, and it leaves a blank, which will not be filled until another provincial bank is organized, which I hope may be at no distant day. It was, moreover, abundantly solvent, and there was no good reason for its suspension. Knowing every particular of its business as I do, and as no one else does, I am prepared to state without any hesitation, that under judicious liquidation, the noteholders and depositors will not only be paid in full, but that the shareholders will receive threefourths of their money at least, and this is on the supposition that the amount for which the late manager, R. T. Rokeby, is liable, turns out to be a total loss, which may not be the case. Everything, however, will depend on the efficiency and judgement of the liquidator.

The financial world is at present in a peculiarly disturbed condition. The commercial and agricultural interests are also disturbed and depressed. Our own province has had two or three bad years, and the present crop, even if saved in good order and sold at fair prices, will only go a certain length in paying up old scores,

and providing for immediate necessary requirements, and the whole situation in connection with the winding up of this bank requires the exercise of the best judgment, skill, tact and economy available, and I trust that a man possessing these qualities will be appointed to the position of liquidator. I am prepared to give as much of my time as I can afford to anyone who may be appointed to this position, providing, of course, that he is one with whom I can act in concord and amity.

After the suspension of the bank, the wildest and most absurd rumors were put into circulation, and it is a somewhat singular fact that the loudest talkers and the parties who profess to be most aggrieved were men who had no interest whatever in the bank, and who, during its active existence, never said a good word for it, or raised their hands to help it. As some of their reports concerned myself, I wish to take this opportunity of making a statement in connection with them.

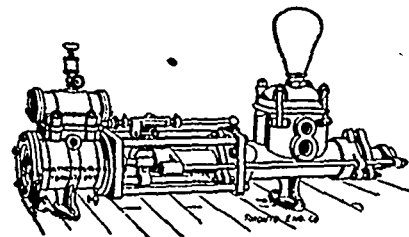
It was for instance currently reported that I personally owed the bank a large amount of money. This statement was quite untrue. I had an overdraft of some \$28,000 and I was liable for a few other small amounts, all of which, however, were secured by the amounts some \$35,000 paid up on my shares. These were the only amounts I owed the bank personally, and when the security for them might be supposed to be impaired to some extent by the suspension, I placed in the bank's hands additional security to the amount of over \$30,000 in order that there might be no questions as to the safety of this amount.

It is true that I, from time to time, guaranteed the payments of certain accounts to the bank. These guarantees amount altogether to about \$70,000, but the property representing the chief item has recently been sold for the sum of \$35,000, and all the accounts which I have guaranteed have valuable assets equal in most cases to the amounts due to the bank. My liabilities, under those guarantees, are therefore not so great as might seem at first sight, but in order to give them full effect, I have assigned, under certain conditions, a portion of my estate, amounting to \$70,000, to make the bank absolutely safe.

A good deal has been said regarding my endorsement of Mr. Rokeby's note for \$25,000, and as much misapprehension exists in connection with this transaction, I have to explain that Mr. Rokeby had assumed personally the indebtedness of the Manitoba Milling company, the balance of which amounted to about \$60,000, and he agreed to give certain securities for this sum within a given time. The time elapsed, the securities were not forthcoming, and Mr. Rokeby was on the point of leaving for England, when the board naturally desired that he would give the bank some other security in lieu of those he had agreed but failed to give. Mr. Rokeby agreed to give, and the board agreed to accept as such new security, a note made by himself and endorsed by Boyle & Co., of New York, for \$25,000, but in as much as this note could not be had until Mr. Rokeby went to New York and the board desiring the security before he left, he came to me and asked me to endorse a note temporarily for him for this amount which I did on his assigning to me as security for endorsement, a deposit receipt for \$50,000, which amount he had in New York. Mr. Rokeby did not, on going to New York, send the note he agreed to, and I was left liable for the sum to the bank. I have no apprehensions about the safety of this amount. The money is in New York; it is attached and the assignment to me is in due and proper form and there is in my mind no question that the amount will be collected in full.

I must apologize for taking up so much of your time in making these explanations, but under the circumstances, I feel that I am justified in doing so. A number of reports circulated at the time of the suspension were so absurd that they carried their refutation on their face, but I might reply to two which were really, but perhaps obviously false. One was

to the effect that an undue number of the bank's notes were in circulation in contravention to the Banking Act; now I am in a position to state that this report is entirely untrue. So far from an excess having been committed in this respect, our circulation never reached the limit allowed by the Banking Act. The other was to the effect that the bank's suspension was owing to advances made to the M. and N. W. Railway Company. Now as a matter of fact this company did not at that time, or for a year before that time owe to the bank one cent, so far as my knowledge goes.



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