

assets amounted to £129,695, while if the sum representing the debts of the company were deducted, that was the debts of the Provident Company unpaid, there would be a balance of £39,000, and of that £19,000 was laid aside as a margin. Unless the assets fell short of the debts by a sum of \$39,000 this company was solvent. There were two classes of persons his lordship had to protect, the creditors and the shareholders. There were Irish creditors representing £39,000, and English creditors to the extent of £12,000 who approved of his clients being appointed, while there was more than half the shareholders in favour of them. Against that it was alleged that Mr. Goodlatte was a Director of the Port and Docks Company, a Director of the Etna Company, proprietor of 258 shares in it, and a creditor for £8,063 cash advances. His liabilities to the company were far more, and in his (counsel's) opinion the fact of being a creditor and a shareholder placed him in a better position than if he had no connection with the company at all. Mr. Askin was a land agent of respectability and experience. What the court wanted as a liquidator was a gentleman of business capacity, and one who had some knowledge of the circumstances of these Insurance Companies. Mr. Goodlatte, from the position he occupied, would be anxious to protect the interests of all parties who were interested in the concern.

Mr. Sherlock, Q. C., M. P., proposed, on behalf of the holders of 110 shares, that Mr. Richard Seymour Guinness be appointed. Mr. Goodlatte, who had been proposed, was in this position, that he was one of the directors of the Port and Docks Company, to whom the assets of the Etna Insurance Company were about to be sold, and if this Company was solvent that was a transaction that could not be carried out. The conduct of the Directors of the Etna Company was open to impeachment, and his lordship could not appoint any of their number, nor any nominee of theirs, which Mr. Askin was. There were transactions requiring investigation on the part of the shareholders, and a gentleman who was independent of all parties and of good position, which Mr. Guinness was, and who would be good security for the interests of the creditors and the bona fide shareholders, ought to be appointed.

Mr. Kernan, Q. C., proposed Mr. Craig or Mr. Kidd, or both jointly, who were supported by 273 shares, representing ten individuals and several large creditors.

Mr. Exham proposed Mr. Henry Parkinson.

Hon. David Plunket proposed Sir John Barrington and Mr. Quain. Those gentlemen were supported by persons representing 218 shares.

Mr. Elrington, Q. C., nominated Mr. Brown of Collegegreen. He said they were creditors for £28,000, being the balances of mortgages sold to, and still remaining due by the Provident Company to them, but they would give their support to Sir John Barrington and Mr. Quain.

The Vice-Chancellor said a disagreeable and invidious duty was thrown upon him in making the selection of the person to carry out the liquidation of this company, and the great difficulty he had was owing to the strong recommendation that had been put forward in favor of them. He thought the first duty of the court was to find out who was the fittest man to do the duty, and that quite irrespective of the persons by whom he was put forward. An order was obtained for the compulsory winding up of the company—that was, that it was unable to pay its debts. That was the statement put forward by the petitioners, one of the petitioners being the chairman of the company. The first person that had been put forward was Mr. Goodlatte. He had received a large amount of support, but of all the persons named he was most remarkable from the number of positions he occupied. As a director he was liable to be impeached for his past conduct, and who was to impeach him but the official liquidator. He did not think that Mr. Guinness, or Sir John Barrington, of whose respectability there could be

no doubt, were the class of persons that ought to be appointed from their various other occupations. He had then to look to the other gentlemen who were all strongly recommended, and who from their capacity were fully competent to discharge the duties. Of these he had thought most eminently suited to act as the officer of the court was Mr. Quain. An objection had been made to him that he was a member of the Stock Exchange, and unless that objection was sustained, he would appoint him. His lordship then said he would adjourn the case until Saturday, to give time to have the point considered.—*Post Magazine.*

#### COMMERCIAL BANK OF N. B.

A meeting of Stockholders took place on the 18th in St. John. The Directors submitted a report which, after referring to the suspension of specie payments on 10th Nov., the subsequent absconding of the Cashier, his default to the amount of \$94,830, and his arrest in Brooklyn, proceeds in substance as follows:—

During the period which has intervened since the present meeting, at the request of many of the Shareholders of the bank was called, the Directors have turned their attention to the realization of assets, while the paper of the bank in circulation has been rapidly coming in in payment of the notes discounted by the bank prior to its suspension and otherwise; and the circulation has been and is thus being rapidly reduced. Various matters of importance, including those connected with Messrs. McKay, are still under consideration, and cannot, therefore, be definitely reported upon. It will be readily understood that, at any time, it would be no easy matter, but indeed an impossibility, to go through and fix the exact value of each of the discounted notes and other securities held by a large banking institution; but under the present circumstances of the Province and of the bank itself, the task is peculiarly one of great difficulty. The Directors, so far as in their power, have, however, gone over each asset and liability in detail; the bills discounted and other securities actually in the bank have been checked by the documents themselves; liberal allowances have been made for debts considered bad, and every effort made to render their estimate as nearly accurate as is possible. The estimate submitted has been made up to the 23rd Nov. last, since which period, however, no circumstances have occurred which would materially affect the actual result.

#### ASSETS.

The Bills discounted then stood as follows:

|   |              |
|---|--------------|
| To fall due.....  | \$248,984 95 |
| Overdue (and in some cases covered by collaterals).....     | 72,748 35    |
|   | <hr/>        |
|   | \$321,733 20 |
| From which there has been allowed for bad and doubtful..... | 51,801 20    |
|   | <hr/>        |
| Leaving a balance considered good of.....                   | \$269,932 00 |

The other assets of the bank, including Real Estate, amounts held by the Miramichi Branch, securities at Woodstock and its vicinity and in King's County, and all other securities and balances due, after allowances made for bad and doubtful, have been valued at \$495,739. Total of assets estimated at \$765,671.

#### LIABILITIES.

|  |              |
|--|--------------|
| The amount of bank paper in circulation as per accounts of the bank appeared to be.....                                    | \$166,660 29 |
| To which must be added for over issue through the Cashier's defalcation.....   | 94,830 07    |
|  | <hr/>        |
| Total supposed circulation.....  | \$261,490 36 |
| The other liabilities of the bank, including all other sums due by the bank, so far as can be ascertained, amounts to..... | \$369,468 49 |
|  | <hr/>        |
| Making a total liability of.....   | \$630,958 85 |
| And leaving an estimated surplus of assets of.....   | \$134,712 15 |

The Directors have in the foregoing estimate made no allowance for the accidental destruction of bank notes, which has probably taken place in the bank's existence of more than 30 years, because, although when the large extent of the notes of the bank were during a great part of that period in circulation is considered, it is evident that the present liabilities for circulation must be thus to a certain extent reduced; as it is quite impossible even to estimate with any approach to accuracy the amount of such reduction. No allowance has been made either for the value of 536 shares of the bank's stock held by the bank either absolutely or collateral on various accounts, though should the bank be closed, as recommended by the Directors, distribution of the surplus assets will of course be made among the remaining shares only, amounting in number to 5,464 and representing \$546,400 only of the original capital of the bank.

In closing their report the Directors feel it their duty to state to the Shareholders that after the most mature deliberation they believe the position of the bank to be such that the resumption of specie payments within the period limited by the Bank's Charter is impossible; and gladly as they would meet the wish they have again and again expressed, that the bank should resume its place among the financial institutions of the Province they regret to have to report that in their opinion any such resuscitation can not be reasonably hoped for. They now submit this question to the Shareholders assembled as the most pressing business of the meeting, since a short period will now complete the limit of the sixty days during which the bank may suspend specie payments without absolute forfeiture. The 34th sec. of the Royal Charter provided that upon expiration of the Charter, "or other sooner dissolution of the Company, the Directors for the time being shall proceed to take effectual measures for closing all the concerns of the said Company by calling in and paying off all notes and bills which may have been issued by the Company, and discharging all other debts due therefrom, collecting all debts due, and disposing of the property belonging to the said Company, and dividing the capital, profits and proceeds remaining among the Stockholders in proportion to their respective interests."

This course, if pursued, would necessitate great forbearance among the Shareholders and creditors of the bank, and the Directors would undertake it only with the Shareholders thorough assent and upon the understanding that they would be willing to meet periodically to receive such further reports, both of the proceedings of the Board of Directors and of the assets and liabilities of the bank, as the continuing maturity of the bills now running and the receipt of more complete statements and accounts from other quarters would enable the Directors to make. At the same time, the Directors are of opinion that more is likely to be realized for the Shareholders by this course than by the only other one which appears open.

In reply to various questions, the President said:—There had been deposited on deposit receipts since suspension, \$10,000. There was \$87,000 of Government funds, and an unstated amount of the Postoffice. They had on hand in specie when the bank closed less than \$2,000. A great many notes maturing in the months of December, January and February had already been retired. One mortgage had been paid in full, and one or two others in part. The bank buildings in St. John and Miramichi were valued at \$30,000. The mortgages were chiefly held on property in Woodstock. The King's County mortgages would realize about \$18,000. Sancton's personal securities lapsed at the expiration of the Charter and the Directors then took a policy from a company in Canada for his good behavior, to the amount of \$20,000. The original securities were for \$60,000.

After some discussion the Report was received and adopted. A resolution requesting a more detailed statement of assets and liabilities at the next meeting was carried. After this the meeting adjourned till the 5th January.