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TWENTY-SEVENTH YEAR SIXTEEN PAGES SATURDAY MORNING OCTOBER 13 1906 SIXTEEN PAGES

MISUSE OF ONTARIO BANK FUNDS TO EXTENT OF MILLION DOLLARS WILL NECESSITATE WINDING UP

Sensational Happenings in Financial Circles—Bank of Montreal, as Agent for Other Banks, Will Assume Control of Affairs To-day—Depositors Will Be Fully Protected.

WILL PAY ALL LIABILITIES.

ALEXANDER LAIRD, ASSISTANT GENERAL MANAGER OF THE BANK OF COMMERCE, AUTHORIZED TO MAKE THE FOLLOWING STATEMENT AFTER THE MEETING AT 3 O'CLOCK THIS MORNING:

"A meeting of the representatives of the Toronto banks was held last night to consider what action should be taken in connection with the Ontario Bank."

"Arrangements are now in progress to be consummated on the arrival this morning in the city of the representative of the Bank of Montreal, for securing payment of all liabilities."

A MEETING WILL BE HELD EARLY IN THE MORNING WHICH IT WILL BE SETTLED WHETHER THE BANK WILL BE OPENED. ALL ARRANGEMENTS DEPEND ON THE INTENTIVE OF THE BANK OF MONTREAL.

As a result of financial difficulties, following unfortunate investments or speculations on the part of the general manager, Charles McGill, the Ontario Bank will to-day be taken over by the Bank of Montreal.

Losses to the Ontario Bank, placed in round figures at least one million dollars, have caused this unusual transaction.

The first intimation that the general public, and even very high up financiers, received of the impending trouble was yesterday morning, when a broker attempted to sell some stock of the bank on the exchange. Sales of the stock had been made on Thursday as high as 124, but as yesterday's offerings were scaled down point by point without takers, brokers looked askance and became seized with misgivings. At the morning board the seller of the shares drew his figure down as low as 124.2, but still found no one. It was enough to bring about a case of a panic in Ontario Bank shares, and it was useless to make concessions to find purchasers.

Around the street it was impossible to get any inkling as to what was the cause of the absolute want of confidence in the shares of the bank. Numerous innuendoes and insinuations were ventured by individuals who thought they were in the know, but at the head office no word was given until late in the day, otherwise there might have been many withdrawals by timid depositors.

By 8 o'clock, however, rumor had gained full play around the city and eager enquiries were being made as to the position of the bank with the public. It was stated that the bank was in a position to meet its obligations. The fact that officers of the bank could not be found to make an official statement added fuel to the flames of misapprehension.

In financial circles the necessity for prompt action was recognized and a call was sent out for a meeting of the representatives of all the city banks. This meeting was held at the residence of Duncan Coulson, manager of the Bank of Toronto, on Beverley-street. Laird, assistant general manager of the Bank of Commerce, presided. After a six hours session an official statement was made as given above.

The object of the banks is to prevent any run on the bank and to protect the depositors and this will be done. The general public need feel no anxiety. As to the position of the stockholders, nothing was announced, but it was rather intimated that their position is not so comfortable.

The Ontario Bank was incorporated in 1867. Its officers are: G. R. R. Cockburn, president; Donald Mackay, vice-president; R. D. Perry, Hon. R. Harcourt, R. Grass, Thomas Walsley and John Fleet.

It has branches in Alliston, Aurora, Bowmanville, Buckingham, Q. Collinswood, Cornwall, Fort William, Holstein, King City, Kingston, Lindsay, Montreal, Mount Forest, Newark, Ottawa, Peterboro, Port Arthur, Sudbury, Toronto, Trenton, Tweed, Waterford and Warsaw.

Funds Misappropriated. G. R. R. Cockburn was interviewed by The World as to the cause of the trouble. He stated that misappropriation of the funds was the real difficulty, and this had all occurred in the last few months. The bank as a bank was all right, and in a healthy working condition, and the branches so far from being a hindrance were very productive and of great benefit.

The depositors and noteholders, he stated, would be guaranteed against loss by the Bank of Montreal, which was taking over the assets and business of the Ontario Bank. The other banks were guaranteeing the Bank of Montreal in this, the Bank of Montreal this acting as the agent of the others. Nothing would be settled as to the conduct of affairs until the arrival of the Bank of Montreal officials this morning, when a meeting would be held. Everything remained for settlement until then, which details as the opening of the bank premises and similar matters would be attended to.

With regard to the amount of misappropriation, he stated:

ABSORBED.

The Ontario Bank has been absorbed by the Bank of Montreal. The depositors in the Ontario Bank will be protected absolutely by the new combination, that represents the strongest financial interests in Canada.

Any disquietude that might have arisen from the fact that the Ontario Bank had been taken over by another bank will be dissipated by the announcement that the depositors will be fully taken care of, under arrangements made by the Bankers' Association.

The first tangible intimation that the Ontario Bank was in the stock exchange, when the stock was offered at 121 1/2, without buyers—a fall of ten points.

The rumor became busy, and it was stated on good authority that an official of the Ontario Bank had, thru misdirected speculation, jeopardized the funds of the bank.

Funds to the amount of \$750,000 have disappeared, if one story is to be believed. Other stories place the amount lost as high as \$2,500,000, a large proportion of which is composed of injudicious loans.

The name of Charles McGill, general manager of the Ontario Bank, is associated with all the stories of dissipated funds, and the answer to the question, What caused the trouble? is given in the reply, Speculation.

McGill Denies Speculation Says He Invested for Bank

Ex-Manager Makes Brief Statement—His Whole Career Spent in Service of Ontario Bank—Stories of His Alleged Speculations.

The culmination in the Ontario Bank's history, it is asserted, has been brought about by the unwise speculation of the general manager, Chas. McGill. It has been known by many for several years that the directing officer of the bank has been an ardent follower of the New York ticker. He has had associated with him one of the reputed heaviest stock speculators in Canada, and the bank funds are thought to have been used to bolster up both the operations of the bank official and those of his speculating friend.

Charles McGill, ex-manager of the Ontario Bank, was not at the bank yesterday, nor was he noticed around town, and this gave rise to a persistently circulated rumor that he had disappeared. Late last night, however, he received a World reporter in his apartments at the King Edward, where he has been a guest since the hotel opened. He said:

"Any investments I made, I made in the interests of the bank."

The reporter used the word "speculations." "No, not speculations—investments," corrected Mr. McGill, who went on to state that he had been associated in business deals with Mr. Choate, whose name had, during the day, been frequently mentioned as having been close to the bank.

Mr. McGill said that he would not be on duty at the bank to-day. He did not know what official the Bank of Montreal would have in his place. He said he had taken no part whatever in the negotiations between the bank directors and the Bank of Montreal.

Mr. McGill would not reply to queries as to the extent of the bank's losses. A statement, he said, would have to come from the committee which had carried on the negotiations. This committee was composed of G. R. R. Cockburn, president of the bank; John Fleet, Thomas Walsley and Hon. Richard Harcourt, directors.

Mrs. McGill, Miss McGill and Mr. McGill's son are also at the King Edward, as known in Peterboro.

A Peterboro special to The World says:

Charles McGill, general manager, has resided in the city since 1870, coming here from Guelph as an accountant and assistant to Manager Geo. Shaw. He was born in Bowmanville and was educated at the local schools there. He obtained his banking experience with the Bank of Ontario, which he entered as a junior clerk in 1869. On the death of Mr. Shaw, he succeeded to the position of general manager.

Continued on Page 16.



With the Laurier goal again threatened.

FWOLVER SAYS "I WON'T" REFUSES TO TELL OF THE \$55,000 ARRAYS THE TRIBUNAL

Lively and Prolonged Colloquy Between Witness and Counsel Concludes With a Red-Hot Attack on the Commission, Which, Mr. Fowler Says, Has Been Actuated by Political Vindictiveness—Had Never Been Asked About the Option, He Says.

There were pyrotechnics at the final session of the royal insurance commission in Toronto yesterday when George Fowler, M.P., the witness long desired by the tribunal to tell where that \$55,000 went to.

Mr. Fowler told of the different options he had got from Mr. Ryan—one for \$200,000 and one for \$350,000. The difference he was to have as his profits. Mr. Shepley asked numerous questions, and the witness explained that the property was bought under the conditions that he was to make money out of it, and in good faith because he took one-quarter interest. When the Foresters bought the property they paid \$255,000; it was now worth \$300,000.

"Would you consider it proper to put before your intended partner the statement that you had paid more than \$100,000?" asked Mr. Shepley.

"No," replied the witness.

"Did you intend them to believe that you had paid the amount of the \$250,000 option?"

"I won't answer that," was the firm rejoinder.

"Then the option was reduced to \$225,000, which you put forward to your partners as indicating the price you were paying Ryan?" pursued the witness.

M'BRIDE STILL HOLDS OUT FOR FAVORED TREATMENT ASKS \$1 PER CAPITA

Conference at Deadlock Over British Columbia's Claims—Must Be Unanimous or Question Will Revert to Laurier.

Ottawa, Oct. 12.—(Special).—The provincial premiers have not yet arrived at an agreement regarding the financial demands embodied in the Quebec resolutions. British Columbia was the one question which monopolized the proceedings of the conference all day today. What Premier McBride holds out for is a sliding scale grant of an increased amount for his province, or to refer the whole matter to a commission. Mr. McBride suggests that British Columbia should get \$1 per capita, and that as the population increased this amount could be gradually reduced to 25 cents when the population reached two and one-half millions, and to remain permanently at that figure.

The conference does not approve of this. What is suggested is that a special additional grant of from \$50,000 to \$100,000 should be given to British Columbia, more than the other provinces. Because of the difficulties connected with the administration of public affairs in that province.

All the other provinces are agreed, but British Columbia is expected to hold out to the end.

The premiers will meet again tomorrow, and if no agreement is arrived at nothing will be done meanwhile.

Sir Wilfrid Laurier has made the pronouncement that a unanimous decision must be concurred in by the provinces, else the whole question for the different provinces will revert to himself for decision.

The special affairs peculiar to the different provinces can be taken up separately with the Dominion government. Take, for instance, the fisheries in which Manitoba, Saskatchewan and Alberta are not concerned. All the provinces with the exception of British Columbia and Ontario have informed the Dominion government that there will be no difficulty in arranging to give control to the Dominion. Mr. Whitney feels disposed to this as far as the great lakes are concerned, but he would like to consult his colleagues first. Mr. McBride admits the principle that Dominion control is desirable but has not agreed to it.

As far as Quebec, New Brunswick, Nova Scotia and Prince Edward Island are concerned, the arrangement to give control to the Dominion, so that the work of the conference is progressing satisfactorily.

IRELAND'S HOUR IS AT HAND ABOUT TO BE FREE AGAIN BILL IN FEBRUARY

T. P. O'Connor's Prediction at Ottawa—Laurier Heads List and Gathering Raises \$700 for Irish National Cause.

Ottawa, Oct. 12.—(Special).—Ireland is about once more to be free," said T. P. O'Connor, this evening at a public meeting held under the auspices of the United Irish League.

The well-known Irish parliamentarian declared that home rule was within sight. Twenty-five years ago he and Mr. Parnell were hooded and spat upon in the streets of Manchester. To-day nine members were returned by that self-same city pledged to home rule.

Hon. R. W. Scott presided at the meeting and Sir Wilfrid Laurier attended. He moved a vote of thanks to Mr. O'Connor, remarking that he was a home ruler.

Subscriptions for the Irish national movement were taken up, and Sir Wilfrid Laurier and P. D. Ross headed the list with \$50 each; \$700 being collected.

Hon. Daniel O'Connor, the aged ex-postmaster-general of Australia, is present, and spoke briefly.

T. P. O'Connor wrote a lengthy editorial for The Ottawa Journal this afternoon on the Irish situation, concluding by saying:

"Next February, we shall, according to all probability, see the measure for the new government of Ireland introduced by Mr. Bryce. Nobody expects that the measure will put the final copingstone on the fabric of Irish self government, but everybody expects that it will lay the foundation broad and deep."

DEATHS.

ELLIS—At the residence of his father, 15 Elm-avenue, Toronto, on Friday, the 12th October, 1906, William Glynn, eldest son of Matthew C. and Harriet V. Ellis, in his 21st year.

FUNERAL PRIVATE. No flowers.

HAROLD—On the 11th inst., Harvey J. Harold, in his 50th year.

INTERMENT AT NEWMARKET SUNDAY.

HENDERSON—At Rochester, N. Y., on Thursday, the 11th October, 1906, Maggie Fisher, wife of A. Henderson, late of Toronto.

FUNERAL ON SATURDAY, the 13th, at 3 o'clock, from 148 Winchester-street, Toronto, interment in Mount Pleasant Cemetery.

MICKLETHWAITE—Suddenly, at 35 Yorkville-avenue, on Thursday, Oct. 11, 1906, beloved wife of E. W. Micklethwaite.

FUNERAL Monday, Oct. 15th, at 2:30 p.m., at Mount Pleasant Cemetery.

MELLENNAN—On Oct. 12th, 1906, at 8:30 a.m., at 15 Bright-street, Toronto, Capt. John Joseph McLennan, in his 62nd year.

FUNERAL Monday, Oct. 15th, at 8:30 a.m., at St. Paul's Church, thence to St. Michael's Cemetery. Friends and acquaintances please accept this intimation.

LOMER—In Hamburg, Germany, Oct. 9th, 1906, aged 85, Elias, widow of the late Gerhard Lomer, formerly of Montreal, and mother of E. M. H. Beard (Mrs. Samuel W. Beard).

SHEAN—On Thursday, at her daughter's residence, Hanlan, Jane, relict of the late Patrick Shean, in her 98th year.

FUNERAL Saturday morning to R. C. Cemetery, R.M.C. line.

W. P. Godson & Company, Chartered Accountants, City Hall Square, 101-2 Tererlay Street. Phone Main 4581.

MR. RIDDELL APPOINTED.

W. R. Ridwell, K.C., who has been appointed to the court of king's bench in the place of the late Mr. Justice Street, will be sworn in to-day before Chancellor Boyd.

WARMER.

Lower Lakes and Georgian Bay—Fresh southerly winds; sea and warmer.

THE BAROMETER.

Time.	Ther.	Bar.	Wind.
8 a.m.	54	29.94	6 W.
Noon	58	29.94	4 W.
2 p.m.	61	29.94	4 W.
4 p.m.	63	29.94	4 W.
8 p.m.	61	29.94	4 W.
10 p.m.	59	29.94	4 W.

MOVING VANS AND STORAGE.

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STEAMSHIP ARRIVALS.

Oct. 12	At	From
Ontario	Quebec	Liverpool
Empress Britain	Quebec	London
Empress Ireland	Quebec	Quebec
Empress Canada	Quebec	New York
Empress Scotia	Quebec	New York
Empress Carpathia	Quebec	New York
Empress Umbria	Quebec	New York

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For American Beauties, Violets, Valsley, etc., try Jennings, 123 West King-street, Main 720.

BIRTHS.

DURNAN—Oct. 11, at 478 DeJawara Avenue, Mr. and Mrs. Joe Durnan, son.

GRAHAM—On the 11th October, to Mr. and Mrs. S. S. Graham, twins, boy and girl.

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NO CAUSE FOR ALARM.

While it is untoward and unfortunate in the highest degree that the position of the Ontario Bank should be made the subject of public criticism, the fact ought not to breed anxiety, much less result in panic.

Its difficulties are undoubtedly due to causes personal to the management and do not reflect on the Canadian banking system or any other of our banking companies.

The public will do well to remember that the surest way of injuring themselves and business generally is to yield to blind and unreasoning fear. More especially would this weakness be unjustifiable when the statement is authoritatively made that the depositors and holders of circulating media of the Ontario Bank will be absolutely protected.

Then in addition it is announced that the Bank of Montreal, whose standing needs no certification, has arranged to take over the business and public liabilities of the Ontario Bank. All risk of trouble and inconvenience to its depositors and customers will thus be obviated.

So far as the general body of the citizens is concerned there is not the slightest cause for trepidation, and the wise and prudent course is to leave the Bankers' Association who have been deliberating upon the situation free to take whatever steps are necessary to relieve the crisis with the minimum of disturbance to the ordinary course of business. It is their interest to do this and to see that the high standard which Canadian banking has deservedly earned is fully maintained.

There is of course no virtue in any system, however admirable, apart from the men who control the fortunes of the institutions established under it, and it is safe to say that the position of the banking community, that the denouement was discounted and as far as possible anticipated.

The action of the Bankers' Association and of the Bank of Montreal is accordingly of the most reassuring character and virtually amounts to a declaration that the situation is under control and can be handled in a manner which will restore and confirm public confidence.

FOR ROYAL ASSENT.

London, Oct. 12.—Lord Northcote, Governor-General of Australia, has reserved the British preference bill for royal assent.

If your Automobile is not running properly our experts can put it right. British and French Motor Car Co., Limited, Mutual Street Bank.

COLD WEATHER AT LAST.

Habits of the People Change.

No longer does the strenuous business man mop his fevered brow and crowd up to the bar calling for long highballs, but rather now he picks out a place near the register and orders his favorite Scotch Whiskey, using only a split of radnor instead of a pint.

The dinner season is on and those who do not like champagne are reminded that either Scotch or Rye Whiskey mixed with radnor are equally pleasant to the pallet and all much better for the health.

Battery Zincs, all kinds. The Canada Metal Co.
Geddes Picture framing. 431 Spadina.
Try a Tin of "Chop Cut."
For a delicious, cool smoke, there is nothing to equal "Chop Cut," a blend of Virginia-Latakia and other rare tobaccos; 8-oz. tin \$1. 4-oz. tin 50c, 2-oz. tin 25c. at A. Clubb & Sons', 5 West King.
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