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EIGHTH YEAR SATURDAY MORNING, AUGUST 20, 1887.—EIGHT PAGES. PRICE ONE CENT

A BIG CRASH AT THE WEST.

THE BANK OF LONDON SUSPENDS AND CLOSES ITS DOORS.

A Short-Lived Financial Institution—The Much Talked of Negotiations With the Bank of Toronto Suddenly Fell Through —What Was Learned Here and in the Forest City—Where is President Taylor?

The talk of Toronto's financial and business circles yesterday was the suspension of the Bank of London in Canada, the news of which reached the city early in the morning by telegraph. The bank has been in business just four years. It did not by any means cause the general surprise which might have been expected to follow on the suspension of a Canadian bank, which happily is not of frequent occurrence. To not a few "in the inner circle" it was known on Thursday evening, and such expressions as "I told you so," and "just what I expected," were not infrequent.

However, there were plenty of people who were not so wise as their neighbors, and they were a bit anxious to learn why the Bank of London closed its doors in the face of certain robust rumors that have been floating around to the effect that the Bank of Toronto was to absorb the business of the Bank of London, and the youngster of the west would shine in the financial firmament like a star of the first magnitude.

It was no secret that the Bank of London was crippled through, it is alleged, its connection with the Ontario Investment Company of unsavory record. The World set about yesterday to learn the true inwardness of the collapse. A reliable man was despatched to London, and others of the staff scoured the city. The London commissioner tells his story over the wires.

Looking for Facts.

Mr. Duncan Coulson, cashier of the Bank of Toronto, who, it was understood, conducted the negotiations on behalf of his institution for the absorption of the London concern, was first seen by The World. Mr. Coulson only surpassed himself in his too-killing smile, looked financially wise, but had nothing to say about the suspension.

"I know nothing whatever about it," said Mr. Coulson, at the same time giving the reporter the idea that he had saved his bank from a dire catastrophe.

"It is true," said Mr. Coulson, "that the Bank of Toronto had begun negotiations with the Bank of London to take over its business. These negotiations proceeded to a certain point and were then broken off."

"Did your people scent anything wrong?" asked the reporter.

"Not that I know of. We simply brought the negotiations to an end."

"Where is Mr. Taylor?"

Mr. Coulson's answer to this question was one of his familiar smiles.

Mr. W. H. Beatty Also in Ignorance.

Mr. W. H. Beatty, Vice-President of the Bank of Toronto, was also interviewed. Mr. Beatty only went the length of Mr. Coulson's statement. He spoke of the "negotiations" and added that they had come to a sudden end. For what reasons, he was not just at liberty to say.

"What was the immediate cause of the suspension, Mr. Beatty?" the reporter asked.

"Well, I suppose it was a lack of business and a lack of funds."

Mr. Beatty further stated that he did not think the bill-holders or the depositors would lose a cent, "and," he continued, "I think that with judicious management, the shareholders will also come out all right."

The Bank of Toronto Loses Nothing.

President George Gooderham of the Bank of Toronto assured The World, in answer to a question, that his bank would lose nothing by the suspension. The Bank of Toronto was not interested any further than than certain "negotiations," (already referred to) had been opened and speedily ended.

Two Toronto Directors.

Mr. John Leys, jr., and Mr. John Morrison of this city are both directors of the Bank of London, but neither of them, it is said, were over attentive to their duties as such. Mr. Leys went up to London Thursday evening, attended the meeting of directors yesterday and returned to the city last night.

Mr. Morrison, it was learned, has never yet attended a board meeting. The "Governor" had no news to give The World last evening when called upon further than that the directors had reached the conclusion that it was wise, all things considered, and the negotiations with the Bank of Toronto having fallen through, to close the bank's doors, take stock, and see what could be done. Mr. Morrison felt sure that the billholders and depositors would be paid in full. As for the shareholders, he hoped for the best.

"Where is Mr. Taylor?" the reporter asked Mr. Morrison.

"I saw him on Saturday last. He shook hands with me and said he was going to Montreal. I know that he took the 2 o'clock boat on that day for the East. I have since learned that he is in Alexandria Bay, N.Y."

Other Features of the Failure.

Mr. Duncan Coulson, the Toronto's cashier, is a brother-in-law of Vice-President F. B. Leys of London, and this had probably something to do with the opening of the famous "negotiations," which were never closed. Mr. Leys and Mr. Coulson had a lengthy conference at the Queen's Hotel in this city on Wednesday evening, and it was said by some that at that meeting the "deal" had been consummated, but that when a request was made for President Taylor's presence that individual could no where be found, although telegrams were sent in every direction for him. This of itself was a sufficient reason for calling the deal off.

The Bank of Toronto had sent two of its most trusted outside servants (W. R. Wadsworth of Port Hope, and Joseph Henderson of Cobourg), to the Forest City to examine the books of the Bank of London, and these gentlemen, it is said, reported everything correct. At least they could discover no evidence of "cooking" or crookedness in the methods of those who had charge of the books. It is therefore alleged that it was nothing in these gentlemen's report that broke off the deal.

Among the rumors that The World heard in the streets yesterday was one that Mr. Taylor had repeatedly boasted that the deal with the Bank of Toronto would certainly be completed, and that he would make $100,000 out of it. Just how he was to do this he never fully explained to his friends, many of whom were very anxious about the ultimate outcome of the affair.

The Bank of London's notes did not circulate very extensively in Toronto, in fact they were almost a curiosity. Neither were its shares "listed" on the Toronto Stock Exchange. People who came down from the "Canucial Sodom and Gomorrah of Ontario," as a city broker dubbed the Forest City, to shop in Toronto, generally brought these notes with them, but they soon found their way into the city banks and were by them returned to the wicked western city. A "free" was offered in Mike McConnell's late in the afternoon, but it was declined with thanks by the gentlemanly bar-keeper. There were only a few of the notes offered in city brokers' offices, and they were accepted at ten and twenty per cent. discount.

Did President Taylor Feel "Dunk?"

One of the questions that seemed to bother not a few persons in Toronto was whether President Taylor had got the better of Cashier Coulson in any transaction these gentlemen might have had? Mr. Taylor was spoken of as a "slick" gentleman, and one that did not generally get the short end of a bargain. Mr. Coulson, when spoken to, smiled at such a suggestion. One reputedly clever broker thought he did, Mr. Coulson's denial to the contrary nothwithstanding.

Pertinent questions asked by many and answered by none were:

Why was President Taylor outside the limits at such a very critical time in the history of the negotiations, after he had given out in many places in Toronto that they were all settled?

What were the *immediate causes* of the Bank of Toronto stopping the deal?

Will there be any ugly developments when the pie is cut into the centre?

Is there not rottenness in some part of the Bank of London's Dominion?

If the officials of the Bank of Toronto know of any such state of affairs will they not confide it to the public, who were partly given to understand that the solid institution at Church and Front-streets was going to assume the affairs of its weaker contemporary?

Any one who can answer the above will undoubtedly confer a favor on an anxious public.

Time, however, will answer all.

The Bank's Last Statement.

The fourth annual meeting of the Bank of London in Canada was held at London on July 20 last. The financial position of the bank, as published in the newspapers at the time, contains a few paragraphs worth reprinting in view of the bank's suspension following in just one month after that meeting. The "profit and loss" part of the directors' report is as follows:

PROFIT AND LOSS ACCOUNT.

The net profits for the last after deducting expenses of management, interest on deposits to date, and making allowances for bad and doubtful debts, amount to	$19,081 87
Balance at credit of profit and loss account last year	6,093 03
	$25,174 40
From which have been paid two half-yearly dividends at the rate of 7 per cent. per annum	$15,041 68
Leaving a balance at credit of profit and loss account	$10,132 72

Then follows these paragraphs:

The policy of your directors has been to hold proportionately large cash reserves during the past year, which will no doubt meet with the approval of the shareholders.

The branches of the bank have been visited by the inspector several times and thoroughly inspected during the year as usual, and the directors are pleased to state that the various officers continue to discharge their duties satisfactorily.

The statement of the liabilities and assets presented at that meeting were:

Liabilities.

Bank of London notes in circulation	$ 25,710 00
Dominion Government deposits, payable on demand	12,354 44
Deposits held as security for execution of Dominion Government contracts	4,000 00
Other deposits payable on demand	328,201 12
Other deposits payable after notice or on afixed date	601,186 20
Due to agents in United Kingdom	20,061 71
Due to banks in Canada	1,378 72
Total liabilities to the public	$1,182,912 19
Capital paid up	$225,588 13
Reserve fund	55,000 00
Dividends unclaimed	142 26
Dividend No. 7, payable July 2, 1887	7,631 09
Balance at credit of Profit and Loss Account	10,132 72
	291,494 20
	$1,474,406 39

Assets.

Specie	$ 40,892 72
Dominion notes (legal tenders)	55,896 00
Notes of and cheques on other banks	69,417 87
Balance due from agents in United States	16,055 52
Due from banks in Canada in daily exchanges	12,755 48
Deposited in other banks in Canada	81,262 64
Dominion Government debentures	25,884 58
Cash assets immediately available	$ 301,661 81
Loans secured by stocks and debentures on call, or at short notice	77,271 57
Loans to municipal corporations	28,516 99
Other current loans and advances to the public	1,036,223 05
Past due bills not specially secured	9,987 53
Past due bills secured	2,259 16
Other assets (including safes and office furniture, head office and branches)	18,781 23
	$1,474,406 39

At this meeting these directors were elected: Henry Taylor, (President), F. B. Leys, (Vice-President), Thos. Kent, T. H. Purdon, John Lees, jr., (Toronto), Jonn Morrison, (Toronto), and Thomas Long, (Collingwood).

Some of the Outside Shareholders.

A large majority of the shareholders of the suspended bank are Londoners. However, a few of them are outsiders. Mr. "Dunk" Coulson, cashier of the Bank of Toronto, holds 50 (value $100 each), all paid up. "Jim" Baxter of Montreal, of McGarigle fame, owns 20, on which he has paid $305. "Sir Henry" Cattermole, the hero of "Allan Quatermain," is booked for 200, on which he has paid $3000. Rev. G. W. Danks of Ilkley, Eng., is down for 30, all of which, $3000, is paid up. Mike Fleming of Sarnia holds 50, and has paid in $263. Mr. Thomas Long of Collingwood, one of the directors, holds 200, all paid up in good gold to the amount of $20,000. "Canny" Johnnie Leys, jr., of Toronto, a director, owns 100 shares, but has paid in only $1100. "Governor" John Morrison of Toronto, also a director, is credited with 100 shares and has paid in $2000. The British American Assurance Company has paid the full amount of its 29 shares. F. Ward of Wyoming has paid $750 on his 50 shares. J. D. Noble of Petrolia has contributed $1108 on his 200 shares. R. W. Fitzgerald of Ireland has paid $286 on his holding of 50 shares. In addition to the above only 165 shares, with $12,000 paid up, are held outside of London.

The Limit of Suspension.

Sec. 71 of the Dominion Banking Act says of a bank's insolvency:

Any suspension by a bank of payment of any of its liabilities as they accrue, in specie or Dominion notes, shall, if it continues ninety days, constitute the bank insolvent and operate a forfeiture to its charter or act of incorporation, so far as regards the issue or re-issue of notes and other banking operations; and the charter or act of incorporation shall remain in force only for the purpose of enabling the directors or other lawful authority to make calls mentioned in the next following section of this act and to wind up its business. 34 Vic., c. 5, s. 57.

Mr. Taylor and the Brant Loan Company.

Said a well-known young member of the Toronto Stock Exchange: "The Bank of London lost largely on its dealings with a Brantford loan company and was forced to go to the Toronto people for relief."

In reference to the above in The Telegram of last night Mr. R. T. Sutton, one of the directors of the Brant Loan Company, says that Henry Taylor, acting for his two London concerns, purchased the stock of the Brant Company at much less than its value. The then manager of the Brant Company, the late James Pollock, had been promised the management of the Brantford business of the bank by Henry Taylor and therefore consented to the absorption of the company. Mr. Sutton distinctly asserts that the Bank of London lost nothing by the Brant Loan Company; on the contrary, that they must have made money by the transaction, if, in his estimation, properly managed. The World is further informed on worthy authority that Henry Taylor boasted that he himself made $20,000 by the transaction, and that he had paid the manager, James Pollock, the sum of $1200 for important information in connection with the affairs of the Brant Loan Company. Mr. Taylor had promised that he would make Mr. Pollock manager of the Brantford Branch of the Bank of London, but this promise was never carried out for reasons best known to Mr. Taylor. Mr. Pollock was paid $1200 by check. He afterwards, on the strength of Mr. Taylor's promise, sued for half a year's salary, but he dying in the meantime the case lapsed.

A BUDGET FROM LONDON.

Taylor's Record in the Western Metropolis —The "Napoleon of Finance."

LONDON, Aug. 18.—"The Bank of London has suspended payment."

This was the legend that greeted the amazed eyes of the dwellers in this City of the Forests this morning at the hour at which banks usually open their doors to do business. It fairly paralyzed the town. True, the bank was reported to be mixed up in the losses and doings of the Ontario Investment Company. True, that in consequence there had been a flurry among depositors and a run on the institution. True, that the crisis was known to have largely depleted the bank's available resources, but had not every demand been met? Had not it been publicly announced that the Bank of Toronto, an institution as financially sound as the Royal Mint, had examined into the affairs of its western contemporary and was prepared to take over its business? Had not the representative of the Toronto Bank arrived in the city to take charge?

Why, then, the reason for this sudden change in the condition of affairs, this terrible announcement of financial disaster?

All London talked over the matter and all London became rapidly no wiser. The bank had suspended payment. That fact was certain, because did not every man in the city go up street and read the fatal announcement for himself? All day it hung there, the telltale handwriting on the wall of bankruptcy, until 6 o'clock, when a kindly hand pulled it down. There it hung, telling silently that another moneyed institution had been called to its last account and had failed to balance the ledger.

But why? what had become of the negotiations with the Toronto people? What had become of that proud boast that everybody, shareholders included, would be paid 100 cents on the dollar. Why had not the deputation which had gone down to Toronto consummated the object that took it there? Why, if the bank was solvent and able to pay 100 cents on the dollar, were the doors closed and people unable to draw their 100 cents? Where was the hitch and what was the matter anyhow? And where was President Taylor?

Henry Taylor Has a History.

Henry Taylor has a history that reads like a novel. He is an Englishman. Long years ago, when he was quite a young fellow, he came to Canada as a clerk in the Commissariat Department, under Commissary-General Lundy. Young Taylor was a shrewd fellow with no money but plenty of pluck and dash, and no particular fear of consequences. That was at the time of the Trent affair. The American war crave him a chance, and, by the way, the story that he enlisted with the Federal troops and deserted is entirely without foundation. Before this he had purchased his discharge and was clerking in a store. But his natural love for finance led him to chafe under the slow gain of ordinary commerce. Watching his opportunity, he left the store and opened out a little brokerage office here in London. His first venture was to buy up all the American copper and nickel coins he could get hold of at the prevailing discount. Later he went into greenbacks, carrying them to Buffalo and Detroit and disposing of them at their face value. In this deal he made $4000.

After the war he went into oil and made a lot more money. Then he branched out as the Napoleon of Finance for the western peninsula, going into all kinds of manufacturing and business schemes until he was rated as a very wealthy man. He had a genius for finance and undoubtedly his generalship has saved many an institution and put many a crippled and sinking concern on its feet. It is said of him that when his affairs were in the most desperate straits, when there seemed no pathway of escape, when black ruin fronted him on all hands, at that time he was the most cheerful. Then was his cigar carried most jauntily, then was he outwardly the happiest beggar, or richest prince alive.

Taylor's Firefist of Irons.

The number of irons he had in the fire was something startling. He is at present a director of the British American Insurance Company of Toronto, President of the City of London Gas Company, President of the Bennet Furnishing Company, a concern with a branch in Glasgow, Scotland, that divides with Oelshlager the school furniture trade of the west; a prominent partner in the London and Petrolea Cooperage Company, the almost sole proprietor of another large manufacturing concern here in London, a director in the Huron and Lambton Loan Society of Sarnia, President of the Ontario Investment Company, and President of the Bank of London, with several back townships yet to hear from. How was that for a day's work nicely cut out for one man?

The furniture company is a big affair. He bought it some years ago and in doing so squeezed out a lot of London men with the view, it is said, of realizing the next day. Then he found he could not sell and he had to finance the institution through the bank. It is reported that on this account he has largely overdrawn at the bank. The figure is stated at $40,000, but it will be well to notice the denial of these overdrafts later on. The concern, however, assigned to-day.

The London and Petrolea Cooperage Company consists, it is believed, of three persons. The story is that Taylor was to put in $20,000, that one partner was to do the selling, one to manufacture and Taylor to do the financing, and it is reported that he has overdrawn to the extent of $11,000 in this connection.

Next comes the Ontario Investment Company, the doings of which have already been fully noted in The World and roundly denounced by no less an authority than The Monetary Times. Taylor was in England when the Ontario Investment Company, of which he was the founder, got into a bad way. Some time before Charles Murray, manager of the London branch of the Federal Bank, had restored his position in that institution. Taylor called him to the Presidency of the Ontario Investment Company, vacating it himself for that purpose. Then he went to England and Murray acted as Manager. Meanwhile M. Benjamin Cronyn, solicitor of the institution, and proprietor, or at least financial manager, of the Globe Agricultural Works of this city, became involved with that industry and stayed off his personal trouble by checks which he drew as solicitor of the company and which Murray passed on the understanding that certain wealthy relatives should go security. As the time came near for Mr. Taylor's return Murray pressed for the security, which Mr. Cronyn's rich relatives failed to put up. Then Mr. Murray put off to Chicago one fine evening, and Mr. Cronyn took the early morning train after him and brought him back.

Meantime Mr. Taylor had reached home and the fat was in the fire. Cronyn and Murray between them had dug into the Investment funds to the extent of $60,400, and their resignation and Murray's decamping to Omaha, Neb., did not bring the money back.

Before leaving this phase of the subject it may be stated that the investigation into the affairs of the Ontario Investment Company is still going on. The World reporter was told to-night, on good authority, that through the failure of a brokerage firm in London, which was handling the bonds of the company placed in their hands by Mr. Taylor, another large loss has been sustained, but whether this is so cannot be stated as a fact until the report of the parties investigating the matter has been received. If this statement be true it will explain certain things that are now unexplainable.

The Bank of London's Record.

The Bank of London was organized by Mr. Taylor about four years ago. The nominal capital is $1,000,000, of which only $212,973 has been paid up and a reserve fund of $50,000 was announced. President Taylor himself holds $313,400 of this stock, on which he has paid $35,156. It is said that the Investment Company had a hand in getting the stock subscribed for the banking company. The modus operandi, so the story runs, was this: The Investment Company would loan money to individuals for the purchase of bank stock. When the bank opened up for business loans were transferred to the bank and charged against the borrowers as overdrafts. It is but fair to say that this report is strenuously denied. This much is certain, that for two years Mr. Taylor received no compensation for his services as president. When, two years ago, he was offered a bonus of $1000 he refused it, and when last year he was asked to accept $500 he also refused. But at the last annual meeting it was moved and seconded and carried that he be paid $2500 a year, dating from the time of the commencement of his services, in a word a cash bonus of $10,000, and this was carried largely by Mr. Taylor's own vote and the votes he held in trust. But this part of the business transacted did not appear in the published reports of the annual meeting.

However, the affairs of the bank ran on smoothly enough, and there was not, and is not, any charge of mismanagement until the Ontario Investment Company imbroglio calmly floated to the surface. Mr. Taylor was president of both companies, and this fact frightened the depositors and caused a run on the bank. If the institution had not been in pretty fair shape it could not have withstood the charge. But it did, and confidence was once more restored. Nevertheless, the run had depleted the resources of the institution, the reserve fund was either gone entirely or horribly lowered, and the serious question of what next to do stared the directorate in the face. Negotiations were opened with the Bank of Toronto. That institution investigated the affairs of the London concern and offered to take it over. On Monday two of the board, Vice-President F. B. Leys and Director A. Purdom, went to Toronto to consummate the deal. At the last moment the Toronto people declined to go on, the delegates returned and to-day the bank suspended.

These are the bare facts.

Why Did the Bank Suspend?

What caused the hitch in the arrangements and where is President Taylor? Answer these three questions and you have the key to the situation. When The World arrived in the city to-day there were almost as many different rumors afloat as there are people in the place. Out of the mass of conflicting testimony it was hard to get at the substratum of truth. The bank people were naturally disinclined to talk, while everybody else was equally naturally inclined to talk all the time. But patient investigation in a measure has elucidated the mystery.

Without going into the details of the numberless interviews held with all kinds of people, it may be shortly said that two of the most generally accepted reports may at once be put aside as not worthy of the slightest credence. The first was that the Toronto Bank people refused to carry out the agreement in order to bear the market, in other words, were using their power to get the London people "in a hole" in order to dictate terms. The second was that President Taylor had overdrawn some $300,000 and had fled, and that the discovery of this is what stayed the hand of the Toronto people. Neither of the above stories has the slightest atom of foundation in fact. A third report that before leaving President Taylor drew out of the bank $20,000 seems to be true. In fact, there can be no doubt of it. This much is certain, the bank has suspended and the President is not to be found. And right there comes in probably the true answer to the three questions above, only they work in reverse order. President Taylor is away, therefore the hitch in the arrangements, therefore the suspension. The Napoleonic projector of the institution who has now got into such dire trouble, is at Alexandria Bay, New York State, where he proposes to remain for the present. There is no doubt as to his whereabouts, as telegrams were received from him to-day both by the bank officials and private parties.

The Negotiations Fell Through.

As to the negotiations, the bank officials do not care to talk, but in outside circles two statements are made. One is that as the bank had a paid up capital of over $200,000, a reserve fund of $50,000 and a suspense account of $10,000, the Toronto Bank had decided to at least pay the shareholders par and perhaps a small premium. The other statement is that the Toronto Bank was simply going to take over the London concern and liquidate the business for what it was worth. The former report is the fact that two trusted servants of the Bank of Toronto had gone through the books of the London Bank and reported the concern worth 100 cents on the dollar. But the statement of a prominent official to-day that in the hands of the Bank of Toronto the shareholders would receive par, while in the hands of the London they could not, owing to the cost of liquidating, would seem to give weight to the latter report. At any rate this is certain, that the agreement had been arrived at, and that only at the last minute did the Toronto people refuse to carry it out.

On Monday Mr. F. B. Leys and Mr. T. H. Purdom went to Toronto to conclude the transaction. They waited for two days for the President to arrive and sign the papers. He did not arrive and they returned home. The result was seen to-day. As to the reasons of the Toronto Bank in refusing to go on, two reports are prevalent. One is that they simply refused to act without the official head of the concern they were dealing with being present; the other that the discovery that Mr. Taylor had drawn $20,000 before his departure caused them to think there might be more rottenness and they declined to take the last step without further investigation.

The Man Who Knows It All.

The one man above all other men who should know, and does know, the naked truth about the matter is Vice-President F. B. Leys. He has been with the Bank of Toronto accountants through all of their work of investigation and, no doubt, thoroughly understands the position of affairs. The World saw him to-night and he spoke of the condition of affairs most freely. He is a brother of Mr. John Leys, M.P.P. of Toronto, and looks not unlike that gentleman. The reporter asked him why the bank had suspended.

His reply was: "We did what we thought was in the best interests of all concerned. We know we have ample funds to pay the depositors, we know we have ample funds to pay the billholders, and we believe we will have enough to save the stockholders from loss."

Then he smiled as he said: "I have a little money in there that I cannot afford to lose but I am not going to lose any sleep to-night because I do not believe I will lose it."

"What caused the break in the negotiations with the Bank of Toronto?"

"Simply the absence of the President. The Bank of Toronto people would not, and I could not blame them, negotiate for the purchase of the concern the President of which was out of the country and would not return to complete the arrangements."

"But if the institution is solvent why do you suspend?"

"For this reason. When solvent we can close and pay 100 cents on the dollar to everybody. But if we continued on we would have to hypothecate. For every $20,000 we borrowed we would have to put up $30,000 of good gilt-edged securities. Then, when we had kept open for ten days where would our stockholders' security be? We, knowing that the depositors and billholders were safe, felt it our bounden duty to close at once in the protection of the stockholders."

Mr. Leys further denied that Mr. Taylor had taken $20,000 with him or any other amount of the bank's funds.

The President's Overdraft.

In this connection it may be said that while there is no doubt that Mr. Taylor drew the $20,000, it is believed that he applied the money to legitimate purposes here. In fact the bank is believed to know where every check was placed. The Vice-President also emphatically denies that there was any loss of $300,000 or any other large amount, and says they have on their books only three doubtful accounts. The Ontario Investment Company, he says, never had a transaction with the bank beyond keeping its account; there and always had money to its credit. The negotiations with the Bank of Toronto are still in progress, and it is hoped will be brought to a successful issue. If not it will be liquidated, which will mean the cost of liquidation to the shareholders.

Is the President a Fugitive?

Why did Taylor go and refuse to return?

That is a question nobody can answer. Vice-President Leys does not pretend to know, neither does Cashier Smart. My own opinion is that it is Ontario Investment matters and not the bank's affairs that keeps him away. There is certainly nothing so far discovered in the bank's affairs to cause him fear. That is if he has not largely overdrawn, which is denied. Two weeks ago a prominent shareholder heard on the street that Mr. Taylor had overdrawn his account at the bank $100,000. He spoke about the matter, was shown the account, and it showed Mr. Taylor to have a credit balance in excess of $10,000. Mr. Taylor held British America Insurance paper to the amount of $2300 which he could have converted into cash in five minutes before going away had he so desired. He did not do it. His homestead, however, was put in his wife's name long ago and is still held by her. For the past couple of weeks Mr. Taylor has been buying up Bank of London stock at low prices owing to the panic. He boasted that he would make $10,000 by the transaction, but did not realize. It is not known where he got the funds to buy with.

The Bad Effect of the Suspension.

The suspension will cause a great deal of inconvenience to depositors whose money is locked up. But worse than that it has shaken public confidence in all the local financial institutions more or less, so that the effect cannot be wholly estimated. The Waterworks Department had $12,000 on deposit. The Western Fair Association has $3700 in the bank's vaults, and there were other large deposits that will have to lie idle in the meantime.

The Bennett Manufacturing Company, of which Mr. Taylor was the financial proprietor, assigned to-day to Henry E. Nellis.

The sum of the matter appears to be that through the absence of the president the bank has been put into its present bad shape, and the president's absence is caused by his connection with the Ontario Investment Company. The bank business will cause no loss to anybody, except to the shareholders, and probably not much to them.

THE LEAGUE PROCLAIMED.

The Marquis of Salisbury Announces the Action of the Government.

LONDON, Aug. 19.—In the House of Lords this afternoon Lord Salisbury announced that the Government had proclaimed the Irish National League.

Mr. Chamberlain and Mr. J. W. Russell have withdrawn from the Unionist party in consequence of the proclaiming of the Irish National League by the Government.

The Land Bill Amendments.

LONDON, Aug. 19.—In the House of Commons last evening Mr. William Henry Smith announced that the Government would abandon the Tithe Rent Charge Bill, the Technical Education Bill, Mr. Goschen's Revenue Collection Bill, the Irish Constabulary Bill and other minor measures. He indicated the measures that the Government intended to proceed with, which include a Land Allotment Bill.

On the report of the Land Bill Mr. Balfour said that the Government accepted the House of Lords' amendment relating to town parks. It was the Government's duty to see that justice was done to all classes. After a hot debate in which Sir Wm. V. Harcourt, Messrs. Goschen, Healy, Dillon and Chamberlain participated, Mr. Balfour's motion to accept the House of Lords' amendment was carried by 206 to 164.

On motion of Mr. Balfour, three of the House of Lords amendments were rejected.

Mr. Gibson, Attorney-General for Ireland, moved that the House confirm Earl Cadogan's amendment, which provides that the revision of rents be based upon the difference in prices in 1887 as compared with prices from 1881 to 1885. After a spirited debate, in which Messrs. Parnell, T. W. Russell, Chamberlain and others opposed the bill, the motion was passed under cloture, the vote being 215 to 161.

Don't fail to see lacrosse match on Rosedale grounds, Capitals v. Torontos, Saturday, Aug. 20, 3.30 sharp. 456

The Eclipse as Seen in Berlin.

BERLIN, Aug. 19.—There was an eclipse of the sun to-day. The eclipse was preceded by the appearance of deeply colored clouds. The color increased as the sun rose, but gradually faded, whereupon general darkness suddenly set in. Clouds of increased deep coloring returned after a few minutes and then daylight ensued. Thousands of people came to Berlin from different points to observe the phenomenon.

The Accident at Myrtle.

MYRTLE, Ont., Aug. 19.—The inquest into the cause of the accident near here on the Canadian Pacific Railway on July 18 last, by which Brakeman McIntosh of Pickering lost his life, resulted in a disagreement of the jury to-night. Another inquest will be held on Sept. 12.

It has been proved by the best physicians in Europe and Great Britain that no treatment made oftener than once in two weeks can possibly effect a permanent cure of catarrh or any of its attendant evils. Dixon & Son, 303 King-street west, city, treat catarrh in this manner and the result is a cure in one or two applications. Descriptive circular free.

OUR OWN COUNTRY.

Items of Interest Received by Mail and Wire.

A young Quebec chemist has devised means by which all perishable goods, such as meats, etc., can be kept in the natural form for any length of time without becoming bad through a harmless chemical process.

It is reported that rich gold bearing quartz has been discovered in the neighborhood of Famine River, Que.

Capt. McDonald of the Salvation Army in Quebec was pelted with stones on a street of that city on Thursday night and severely wounded.

Sam Jones and Sam Small will be at Grimsby on Aug. 23, 25 and 26.

The old Postoffice in Hamilton will be used as a city hall during the construction of the new building.

James McKay of West Flamboro, near Hamilton, attempted suicide on Thursday night by cutting his throat. He will recover.

On Thursday night the house of Patrick Donnelly, 245 John-street north, Hamilton, was struck by lightning. No one was hurt.

UNITED STATES NEWS.

The annual report of the St. Paul, Minneapolis and Manitoba Railway shows net earnings of $3,713,000.

Two men were killed and six injured during a storm at Republican City, Neb., on Thursday.

A despatch from Hammondsport, N.Y., says Chas. Haight shot his wife at 10 o'clock yesterday and then shot himself. Both are dead.

While making her pier in Hoboken, N.Y., yesterday the steamer Trave collided with the structure. A portion of a shed fell upon the steamer's bow, severely injuring several steerage passengers.

A brother of the captain of the United States revenue cutter Bear, living in Portland, Ore., received a letter a few days ago from the captain which contradicts the report of the loss of that vessel.

CHAT ACROSS THE CABLE.

Fifteen tons of dynamite exploded at Khosh, Afghanistan, two natives being killed.

News has been received from Badakshan that 5000 Russians have arrived at Karakul, and 4000 at Birkhai.

Emperor Francis Joseph's birthday was celebrated throughout the Austrian empire on Thursday with the usual rejoicings.

Gen. Ferron, French Minister of War, has gone to the Alps to establish definitely the defences of the southeastern frontier and to organize a new Alpine corps.

Catarrh and its attendant evils can only be cured by the use of Dixon's remedy, which is applied only once in two weeks. Any treatment applied oftener will leave the patient worse than at first. A. E. Dixon & Son, 303 King-street west, Toronto. Write for circular.

Toronto's Leading House-furnisher.

Everyone acknowledges that Strathern, 179 Yonge-street, is ahead of any other house in the city for quality, quantity and prices. A trial only is necessary to prove the statement. x

PREMIER NORQUAY TALKS.

The Railway to the Boundary Will be Pushed at all Hazards.

CHICAGO, Aug. 19.—Premier Norquay of Manitoba is in the city. Concerning the railroad war in Manitoba he says: "We are going to get to the boundary line, and that's all there is about it. Manitoba was a province before the Canadian Pacific received its charter from the Federal Government, and we have the same right to build railroads as has the province of Ontario or any other province of Canada. The people are getting terribly excited over this thing, but some of this excitement, I am afraid is being created for personal purposes and the excitement may be worked up to such an extent that those who have created it may not be able to entirely control it.

"There is nothing in this talk of annexation to the United States. That is simply cheap political chaff. There is no danger of an uprising. Whatever is done will be done quietly. I don't believe in the injunction method to stop us, because I don't consider that an injunction can lie as against the authority represented by the Provincial Government. It would be the Crown against the Crown, or, as in your country, the State against the State, and such a proceeding would certainly not be possible. There is a liability of the construction gang of the two roads meeting, but I don't think there would be a serious collision in such a case, because I hardly think that the employes feel sufficiently interested in the contest to make a fight. I think they will leave it to the Government and the corporation to fight it among themselves. The Manitoba Government is right and will maintain its position."

COLLISION AT AYLMER.

The Engines of Two Freight Trains and Several Cars Damaged.

AYLMER, Ont., Aug. 19.—About 4 o'clock this morning two freight trains collided a short distance east of the station, completely destroying an engine and several cars on the east-bound, while the west-bound had come to a standstill, and had its engine damaged considerably. It seems that both trains had orders to pass here. The east-bound passing arrived first, pulled through regardless of orders. The operator in charge of the station on seeing the train going through put up the east semaphore to stop it, but the engineer seemed to pay no attention, and soon struck the west bound, which had stopped on seeing the semaphore. The trainmen jumped and escaped injury except the brakeman on the east bound, who was thrown violently to the ground, but was not hurt fatally.

A Fisherman Drowned.

SOUTHAMPTON, Aug. 19.—During the severe gale that started about 4 o'clock yesterday Fisherman McAuley was overtaken by heavy breakers on his entering the mouth of the River Saugeen, and was thrown forcibly out of his boat along with two assistants. It is supposed that the main boom struck and stunned McAuley, when he fell an easy victim to the breakers. The boat's crew clung to the boat until she floated ashore. McAuley's body was found a few hours after the mishap.

Died at Longue Pointe Asylum.

MONTREAL, Aug. 19.—Hon. Elzear Gerin, Legislative Councillor for the division of Kennebec, died last evening at Longue Pointe Asylum of softening of the brain. The late gentleman had been in the institution for some months for treatment. He was called to the bar of Quebec in July, 1873. He began to write for the press as early as 1862, and published in 1864 a historical pamphlet, L'Historie de la Gazette de Quebec.

A Railway Station Burned.

MIDLAND, Ont., Aug. 19.—About 3.20 this afternoon a fire was discovered in Chews' lumber pile, and as a strong wind was blowing it immediately caught the station and baggage room, which were burned to the ground. Everything of value is supposed to have been saved.

The Charge Against Father Paradis.

OTTAWA, Aug. 19.—At Aylmer this morning the case against Father Paradis, for alleged defacing of the marks of logs owned by Gilmour & Co., was at the request of Father Paradis' counsel postponed till Monday morning at 10 o'clock.

Henry George Nominated.

SARATOGA, Aug. 19.—The United Labor party nominated Henry George for Secretary of State and filled out a complete state ticket. George stated that he didn't want the office, but was in the hands of his friends.

A Brakeman Killed.

LISTOWEL, Aug. 19.—Richard Mills, a brakeman on the Grand Trunk Railway, fell off the Stratford freight last night and sustained such injuries that he died this morning.

Circular sent free showing how catarrh, hay fever and catarrhal deafness can be permanently cured in one or two applications made two weeks apart. No other treatment can possibly effect a permanent cure. Address A. H. Dixon & Son, 303 King-street west, city.

The Famous Lens Maker Dead.

BOSTON, Aug. 19.—Alvan Clark, manufacturer of the largest telescopes in the world, died to-day, aged 83.

The History of the Handkerchiefs.

An important arrest in connection with the Ogilvy burglary case has been made at Balaclava, a village 17 miles from Owen Sound. The prisoner is a man named Henry Hunt, a general store keeper, who is alleged to have sold a number of the silk handkerchiefs stolen from Ogilvy & Alexander's in July last to a merchant tailor named T. W. Douglas, carrying on business in Owen Sound. Hunt acknowledges having sold the handkerchiefs, but his accounts as to how they came into his possession are conflicting and unsatisfactory. He has two brothers carrying on business in Toronto, from whom he said he got the articles, but this statement he subsequently withdrew, averring that the goods were sold to him by a stranger. Detective Osborn made the arrest and brought his man to the city yesterday.

Failures in Business.

The failures during the last seven days number, for the United States 135, for Canada 26; total 161, compared with 180 last week. For the current week of 1886 the figures were: United States 161 and Canada 25; total 186.

JOTTINGS ABOUT TOWN.

Senator O'Donohoe and Nicholas Murphy did the Island last night in company.

The Allan mail steamship Parisian from Liverpool passed Cape Magdalen at 5.30 a.m. on Friday.

A sub-committee of the Waterworks Committee held a private meeting yesterday in the superintendent's office. The press was excluded.

Mayor Howland was not in his office yesterday, having gone to Grimsby. This morning he leaves for Muskoka on a fishing trip. He will return next Friday.

The Anti-Poverty Society enrolled several new members at its meeting last night. The secretary was instructed to arrange with Rev. Dr. McGlynn for a lecture here.

The contract for the steam heating apparatus for the Guelph Roman Catholic Cathedral has been awarded to Frank Wheeler, hot water and steam heating engineer, 58 Adelaide-street west.

The contract for the steam heating apparatus for the Belchamber Hotel, Sarnia, has been awarded to Frank Wheeler hot water and steam heating engineer, 58 Adela