

The Bank of London in Canada.

To the Shareholders of the Bank of London in Canada :

The Directors beg leave to submit the following statement :

1. This meeting has been called for the purpose of taking into consideration a resolution asking for legislation to wind up the affairs of the Bank.

2. It is well known to the Shareholders that during last summer the Bank was subjected to a very severe run, and that the President, Mr. Henry Taylor, left the country for a time.

3. It is also well known that in consequence of his absence the arrangement proposed with the Bank of Toronto could not be carried out.

4. The position was a serious one ; public confidence had been destroyed by the previous run. The President's absence would renew the alarm, which had been lulled for a time by the belief that the Bank of Toronto would take over the assets, and this, too, at the last moment had failed.

5. The Directors believed their duty was to the Stockholders, they did not believe the Bank's affairs were in a bad condition but they knew its paid-up capital was very limited, and in order to save all that was possible for the Shareholders and prevent the necessity of making further calls on the unpaid stock, they determined to suspend payment, which they accordingly did on August 19th last.

6. Their first effort was to obtain sufficient to redeem the circulation, which they did in about a month, and the amount now outstanding is about \$6,200.

7. Their next endeavor was to pay their debts, which was accomplished within the time limited by law, and the necessity for compulsory liquidation was avoided.

8. The present liability to depositors and others is about \$5,000 only, which, together with the unredeemed circulation, makes the total indebtedness \$11,200, and circulars have been sent several times requesting the creditors to call for their money.

9. In order to accomplish these results the Directors made satisfactory arrangements with the Traders' Bank, whereby that Bank took over the current business of the branches of the London Bank at Brantford, Ingersoll and Watford, and the assets were realized and obligations met at these points without loss to the Bank. Equally satisfactory arrangements were made with the Bank of Toronto with reference to the business at Petrolea. The Dresden branch was wound up satisfactorily by the agent there.

10. The Head Office at London only was left, and almost the entire losses of the Bank were sustained here, but good results have been achieved by diligence, carefulness and close attention to the collection of the assets. Litigation has been avoided as much as possible and the result is much better than it was feared it would be when the Bank suspended.

11. Having redeemed the circulation, met their liabilities, as stated, and avoided compulsory liquidation, the Directors turned their attention to other matters. They found the capital of the Bank weakened by losses and that it would be further reduced by the cancellations of stock which would necessarily be made to meet the obligations to the Bank of large shareholders, who were also largely indebted to the Bank, and with public confidence completely broken and financial matters generally in a fevered and excited state, they abandoned as impossible the idea of reviving the Bank.

12. The Directors found it almost impossible even to get any other Bank to open at London, but finally succeeded in inducing the Bank of Toronto to open at London, in November last, and since then the Directors have been steadily realizing the assets.

13. These arrangements also enabled the Directors to dispense with the bulk of the employees of the Bank without loss.