A ROTTEN CONCERN.

The Central Bank Loses Over a Million in Three Years.

SOME STARTLING FACTS.

Shareholders Will Be Out the Double Liability.

PROSPECTS OF DEPOSITORS.

How the Money Disappeared—The Bank Victimized Out of $100,000 in a Single Case—Noisy Meeting of Shareholders and Still Noisier One of Depositors—Grave Charges Against the Management—Liquidators Nominated.

The meetings of the shareholders and creditors of the Central Bank of Canada held in Toronto yesterday developed some startling facts, among them the following:

That the bank has lost at least a clean million in its three years' operations.

That the shareholders will lose their paid up stock, $500,000, and will have to pay up another $500,000.

That the depositors will do well if they realize the bulk of their deposits. But to do this will require time. They will have to take it in instalments, as the assets are realized.

That the bill holders will get dollar for dollar. That the notes can be redeemed just as fast as they are presented. There is money now in the treasury for this purpose.

That the bank increased its circulation above the legalized amount. The circulation issued "shall never exceed the amount of its unimpaired paid up capital." How much the excess was is not yet known.

That the management resorted to the expedient of "shoving out" a lot of its notes when trouble was anticipated, and that some of the persons entrusted with this matter did not make full returns.

That of the directors only one is not a debtor of the bank.

That the directors had advances made to themselves without sufficient security.

That the bank was victimized out of about $100,000 by a clever sharper named Roland Israel Barnett.

That the facts elicited in the case of the Central bear a wonderful resemblance to the developments in the cases of the Exchange Bank and the Consolidated Bank.

That the directors blame the manager for the bulk of the losses—that in fact they claim that they were ignorant of the losses.

That the main losses were in "big accounts." Names mentioned during the meeting as big debtors of the bank:

D. Mitchell McDonald	$112,000
D. M. McDonald and D. Blain, jointly	21,000
F. S. Cox	133,000
Kenneth Chisholm	24,000
C. B. Robinson	23,000
Henry O'Brien	6,000
R. I. G. Barnett	100,000
Georgian Bay Lumber Company	113,000
Niagara Central Railway	100,000

The extent to which these amounts are secured was not announced. Some of them are known to be all right.

SHOCKED SHAREHOLDERS.

One of Them Says That the Directors Ought to be in the Penitentiary.

It was 10.30 when President David Blain took the middle chair at the table in the Board of Trade's council chamber and announced that by order of the Court of Chancery he was there to preside over a meeting of the Central Bank's shareholders for the purpose of nominating candidates for the three offices of liquidators to be held by the Court from these nominees.

Men Who Were There.

The two rooms were about filled with smart looking business men and a few women. The President did not look worn, but before the terrible business of the day was gone through his appearance was such as to excite sympathy for the trials told on him hour by hour. Other officials of the bank who were there were Vice-President Samuel Trees, Directors H. P. Dwight, A. McLean Howard, D. Mitchell McDonald, C. Blackett Robinson, Cashier A. A. Allen [illegible] present.

[illegible] the bank's solicitor, Mr. Henry O'Brien, whom the meeting elected secretary. At one end of the table sat James Bethune, Q.C., representing Robert Green, the creditor who applied to the court for liquidation of the bank; Wm. Laidlaw, Q.C., and Mr. Hugh Scott sat on one sofa, while Col. Gzowski, A.D.C., Blackett Robinson and W. B. Hamilton occupied the other sofa. Frank Turner, Hugh Blain, A. H. Campbell, Gordon Brown, Joseph Simpson, S. H. Janes, J. D. Henderson, T. Sutherland Stayner, James Kerstemann and D. Torrance, jr., Montreal, had seats close to the table. Among the promiscuous mob of sobered shareholders were noticed J. Bickell, Ald. Millichamp, Hugh Brandon, Gus Thomas, ex-Ald. Crocker, H. P. Dwight, Henry Pellatt, Geo. H. Wilkes, the David Plews of Brantford; A. McLean Howard, S. Boyd, J. Kennedy; James Innes M.P.P., Guelph.

The Reporters Were Not Bounced.

President Blain asked whether or not it was desirable that reporters should be present. He thought it a private business meeting, but left it to the meeting. J. H. Bickell moved that the press be excluded. Col. Gzowski did not desire "the washing of our dirty linen" in public. Ald. Millichamp was asked to second Mr. Bickell's motion, but refused, amid cries of "Hear, hear." Finally a seconder was got, and President Blain put the motion, which was rejected, and the eight reporters who were comfortably seated smiled and continued their work.

The President Tells How It Came.

President Blain made a short address, explanatory of the trouble. The bank had got into difficulties, but for fear of injuring its securities and the interests of the shareholders it was not wise to make the cause public at present. A time came when there was need of money, but the market became so stringent that it could not be had, and the only course was to suspend. As to the charge that the directors had not acted promptly enough, he said that immediately upon suspension an effort was made to redeem the bills, but it was found impossible to get assistance from other banks to carry things through and so it was decided to do what they could themselves. Bills to the amount of $300,000 were redeemed and there is on hand money for more.

Why Mr. Campbell Came.

Finding the bank in such a state he wired to Archibald Campbell of Montreal, a well known bank financier, to come here and audit the accounts. Mr. Campbell came, and on finding an irregularity in one account he was given sole charge, including the treasury. Then Robert Green, a creditor, applied to the Court of Chancery to have the bank put into liquidation. Counsel and some of the largest shareholders were consulted, and the opinion of the directors was that liquidation should be resorted to. By Mr. Campbell they were assured that one-half of the stock was gone and it would therefore be folly to offer any objection. Then on Dec. 1 the court appointed Mr. Campbell provisional liquidator. The President hoped that the meeting in order to keep down expenses would recommend that of the three liquidators one should be an active paid man and that two others, men of capability, who would require no remuneration, would make up the complement. He thought the statute in this respect unfair, for there was no reason why one man was not able to do the work. He put in a good word for Mr. Campbell.

Mr. Joseph Simpson asked Mr. Blain to give details of his reasons for calling Mr. Campbell without consulting the board. Mr. Blain said it was not advisable to discuss these reasons in public as it would endanger the shareholders, and Col. Gzowski said "Hear, hear." The heavy losses were not the fault of the board.

On motion of Mr. Frank Turner Mr. Campbell was unanimously nominated as a liquidator.

S. H. Janes nominated T. Sutherland Stayner, one of the bank's largest shareholders ($18,000), a man of wealth and leisure who would do the work without remuneration. Samuel Nordheimer nominated Wm. Gooderham, and W. B. Hamilton nominated E. R. C. Clarkson. There was no seconder to the nomination of Mr. Clarkson, and his name was dropped. Finally Mr. Stayner and Mr. Gooderham were made the unanimous nominees of the meeting.

Ald. Millichamp moved:

That a full list of all shareholders that have and do now appear upon the stock books of the Central Bank and the dates of all transfers of such stock, be supplied to the meeting.

Just here President Blain said that as the meeting had done as the court ordered his duty was at an end and he desired to leave the chair. There were cries of "No, no," and "We want to hear Campbell's report!" The shareholders' meeting was declared at an end.

Liquidator Campbell's Report.

Then the meeting was resumed as an ordinary meeting and Mr. Blain took the chair. Ald. Millichamp's motion was carried unanimously. Mr. Campbell was called upon and read this report:

Gentlemen: My first effort in connection with the affairs of the Central Bank was to make arrangements with the other banks for the redemption of the notes of this bank in circulation, then very much urged by holders. Failing to make satisfactory terms, I decided upon taking as much as our funds then on hand and to come in would cover, and commenced doing so, with the sanction of the directors, on Dec. 1, afterwards sanctioned by the Court.

We have redeemed since over $300,000 and we have on hand as balance to our credit in banks here about [illegible] available to pay notes as presented. I have now no doubt that our funds will keep pace with any demand of this kind that is likely to be made upon us. The outstanding circulation is now less than $80,000. It will of course be necessary to accumulate and hold an amount equal to this before any can be set aside for the general creditors, and you will observe we would fall short of that yet.

Much of the discounted paper held by the bank is not promptly paid. I am, and have been, kept extremely occupied looking after the redemption of the circulation and attending to inquiries and application of various kinds from debtors and creditors of the bank, consequently my time for investigation into the position of the bank has been very limited indeed.

I am therefore unable to present to this meeting a statement showing an estimate of the value of the assets as I would desire. Such a statement would require much time, as any person in the least acquainted with the bank of a bank's assets, amounting in this instance to $2,[illegible], knows of how multifarious a character they are. They consist, for instance, chiefly of notes and bills made by almost all sorts of people in every kind of business, and some not in any kind of business, ranging in amounts from $10 to $100,000 or more, spread over the entire Dominion, and extending into the United States. Some of such paper is secured by collateral, and other notes made by different parties, of course, if possible, still harder to arrive at their value. Some are secured by collateral of warehouse receipts of goods of almost every description and quality, stored at many various places in the provinces; some by mortgages on real estate and stocks, values of which can only be ascertained by frequent enquiries and consultations with experts. There is also some real estate held, which the bank had to take for debts, otherwise unrealizable, as the best that could be done, and not of that character easily realizable upon to advantage. There is besides the very large mass of paper depending for security on the names each bill bears, the financial standing and ability to pay has to be weighed and determined.

I refer to these different subjects, to convey some idea of the importance and magnitude of an investigation such as the one under discussion, and the time necessary to arrive at a satisfactory conclusion.

During the short period of time I have been able to give the subject I found that hopeless losses to a considerable amount have been sustained by the bank. There are other accounts not by any means abandoned, the value of which it is impossible for any person to say at present, but which will result in losses more or less. These accounts will require constant and skilful attention and that at the earliest possible moment, to produce the best results. In that event the creditors in my opinion should have no reason to feel dissatisfied except with the delay which must necessarily take place in liquidating the estate.

The Assets and Liabilities.

Mr. Campbell also submitted this general statement:

Notes in circulation		$ 259,000
Due to other banks in Canada	$[illegible]	
Due to banks in United States	31,000	
Due to banks in London, Eng.	30,100	
		180,700
Outstanding drafts, held principally by other banks		3,500
Deposits		1,7[illegible]
Profits accrued and reserved		65,000
Capital stock		500,000
Rest		45,000
Total liabilities		$2,806,000
Notes and cheques of other banks on hand		$ 25,000
Due from other banks in Canada		1[illegible]
Dominion Government stock		[illegible]
Loans		2,5[illegible]
Bank furniture		16,400
Total assets		$2,806,000
Assets immediately available from other banks		$119,000

Double Liability Comes in.

In answer to a question Mr. Campbell said that from his examination of the books he judged that the creditors would be paid in full.

Mr. Torrance of Montreal, a tall man whose force of character struck all present, said in a running language: Now Mr. Blain I'm a stranger here but I want to understand this. Let us take the bull by the horns—Will the double liability clause be enacted?

Mr. Campbell said that it would, but to what extent could not at present know.

And the consternation that struck the sad-eyed shareholders was great, for this was the first intimation thereof.

The $100,000 Niagara Central Loan.

Some one asked: What about the Niagara Central loan?

Mr. Blain explained that some time ago application was made to the Central Bank for a loan to build to the St. Catharines and Niagara Central Railway, the security being [illegible] and contractors' notes, and [illegible] to hand over to the bank when [illegible] reached St. Catharines, which is [illegible] bonds of the City of St. Catharines with interest at 6 per cent for [illegible] which fell when matured. As [illegible] the bank has the transfer of [illegible] amounting to $200,000, [illegible] one of whom could get [illegible] a million. [illegible] that the transaction [illegible] and assured the [illegible] that it would not lead the bank into [illegible] Mr. Blain seemed [illegible] and in a faltering voice [illegible] could not fail to see [illegible].

"Will the double liability be only temporary?" [illegible] Mr. Campbell. "It will not," was [illegible] said "It's discouraging," and Mr. Campbell said "It is, and I'm [illegible]."

What the Directors Owe.

Dr. Martin, a shareholder: What about those who stood from under when the crash came? Was there any intimation? What about transfers?

Mr. Campbell: Those who hold stock will be held liable and those who had it forty days before are in for the double liability.

Then Mr. Torrance, amid murmurs of approval, asked what amount was held by the directors at the time of the failure, and was told $48,000. As to amounts owed by officials, they were:

President Blain	$ 16,000
Vice-President Trees	6,000
Director D. Mitchell McDonald	124,000
Director C. Blackett Robinson	23,000
Director Kenneth Chisholm	24,000
Solicitor Henry O'Brien	6,000
Total	$199,000

Mr. Joseph Simpson rose and delivered what was the most indignant and impassioned address of the day. He said: Sir, do I understand that you only desire to tell us what you choose or what we demand? I understand from Mr. Campbell's report that we are in a hopeless condition. ["Hear, hear!" and "That's it!"] We not only lose our stock, but are doubly liable. Let some daylight into this disastrous transaction, and I call on you as president and the other directors to tell us all if you have nothing to hide! I'm told that a broker, not 1000 miles away, owes us $125,000, that certain professional gentlemen easily got $175,000 and that our circulation was exceeded by $80,000. [Hear, hear!] I feel in the condition of a drowning man. I've nothing to hope for but I want to know about the affairs of this bank! [Applause.]

Mr. Torrance said that by a statement from Mr. Campbell the directors held only one-twentieth of the stock when the bank failed. They had got out when the ship was sinking and he regarded it as disgraceful.

A big commotion arose at this point and one voice exclaimed: I think some are suddenly leaving the room now!

Mr. Blain Again Explains.

President Blain repudiated the insinuation that the directors had prepared themselves for a fall. He could explain only for himself. He had gone away last spring because of illness and when he returned in the summer he was no better and not able to attend to business.

A voice: You should have resigned.

Mr. Blain continuing said that the Friday before the suspension he put into it the last $10,000 of his wife's money that was available. This, he thought, vindicated him. He would not speak publicly for the board at this time, as certain irregularities were being attended to, which it would not do to make public at present. But any shareholder might get the information privately from the provisional liquidator, Mr. Campbell.

Someone insinuated that Ald. Millichamp, a stockholder, need not have lost anything, as his son was teller in the bank, whereupon the alderman rose and strongly said that when his son entered the bank it was his instructions to say not one word to him or anyone else about the bank's concerns. And his son never mentioned it to him till a few hours after the bank's suspension. Mr. Millichamp said that on the afternoon of the suspension he could have sold his stock at 87, but notwithstanding [illegible] he stood by the bank to the last. He [illegible] on the meeting being furnished with a list of transfers as called for.

Here Mr. Simpson said that he for one had sold 20 shares within 40 days before the suspension, and he wished he could have sold 100 more.

Mr. James Kerstemann thought that the curse of this country was the giving of great trusts to men who did not fulfil the duties of trustees. He grew pathetic as he told of former losses by banks, and said that the only salvation was in making officers and directors personally responsible.

The Penitentiary Suggested.

Mr. Campbell explained that Mr. Blain personally owed the bank $16,000, and that he and McDonald together owed $21,000 equally divided and without special security.

Ex-Ald. Crocker, addressing President Blain: You should be in the Penitentiary, the whole lot of you!

Blain: The bank will not lose a cent by me.

Mr. Campbell: Mr. D. Mitchell McDonald is indebted to the bank for $120,000. [Cries of "Oh! oh!" and "Secured?"]

Mr. Campbell: $10,000 is secured by Electric Light stocks, and about $90,000 by mortgages now in the hands of Mr. O'Brien, who is ascertaining the value of their titles before we can say what their real value is. Mr. Robinson owes $23,000 not completely secured. Trees owes a $6000 note. Chisholm owes $24,000, says he will soon pay $10,000 on it and will certainly wipe off the rest.

Then in some cross-firing ex-Ald. Crocker told Mr. O'Brien that the latter had drawn him into it.

The Blame Laid Upon Cashier Allen.

Vice-President Trees said: I hope I have always had a reputation as an honest and truthful citizen. I have been accused of wrongdoing, but I did nothing wrong. If the truth must be told it is that we have had a bad manager, and I cannot express my contempt for him. He knowingly and falsely misled us and withheld from us this outside kiteflying of his. I was never notified that there was trouble, and I want to say that a few days before the crash I put $6000 into the bank to carry it over. Gentlemen, I even pawned my life insurance to help them! The wrong has not been done by the directors, but by an incompetent manager, who is not fit to walk on the earth. I never sold my stock, and I hold $4500 receipts on that $6000! These things were never divulged to the directors till the doors were closed. I can't conceive of any sane banker doing the insane things that that insane man did, lending money all over the country. He lent $120,000 to this broker, who has been mentioned, without consulting the directors. This broker gave his wife's and brother-in-law's names as security. Cashier Allen never informed us of this. I was not aware that D. Mitchell McDonald's account was overdrawn to the extent of $100,000 or more. Allen never furnished a report of this account.

Mr. Trees almost cried as he spoke, and so strongly did he impress his hearers that he was greeted with much applause as he sat down. Ald. Millichamp voiced the meeting in expressing faith in him.

Dr. Martin, also affected, said that Trees could talk as he liked, but he was not the man for vice-president. The directors talk about being ruined by their manager! It was ridiculous. He wanted to know who swore to that report sent to Ottawa six months ago saying that all was nice and lovely?

President Blain did not give an explanation, and at 1 o'clock the meeting broke up.

CROWDS OF CREDITORS.

President Blain and His Directors Assailed—Some Ugly Language Used.

It was 3 o'clock when President Blain took the chair to preside over the meeting of creditors, which the court had called to nominate liquidators. The two rooms were jammed and a hundred or so people had to stand in and outside the doorway. Those who were inside were satisfied but those outside kicked violently. President Blain proceeded as in the morning to explain how matters stood. He had not gone far with his explanation when that portion of the audience who were forced to take a stand in the rotunda became clamorous and repeatedly interrupted. One husky voice exclaimed: Sing out; we can't hear you out here!

Blain: Will those gentlemen——

A voice: Come out and speak to the gallery. We can't hear you.

Another voice: Adjourn the meeting to some better place. I can't hear you, and there are others behind who can't hear a word.

Blain: I am trying to make myself heard. [Disorder.] Order, gentlemen.

A voice: We can't hear a word you say. Come out here, where you will be heard.

Another: Why not adjourn the meeting to a place where the depositors can be heard?

Blain: When we come to a vote every person entitled to one will have it. I think those who are clamoring would facilitate the business of the meeting more if they cease those interruptions and allow the meeting to proceed quietly.

A chorus of voices: Speak out, we can't hear you. Come out here!

Mr. Blain was proceeding to speak but was constantly interrupted by cries of "Come out, we can't hear you!"

Blain: I must have order. What is more, exercising the powers of court, I must have order, and if I do not have it I will adjourn the meeting and report to the court.

A voice: Report me if you like. We have our money at stake, and we have a right to know what is going on.

Blain: I must have order. I will name to the court any man who interrupts. I am trying to get an expression of opinion from this meeting, that I may report to the court the decision at which you may arrive.

A voice from the rotunda: Then come out here and give us a chance.

They Get Into the Rotunda.

It was agreed that the rotunda would afford more accommodation and with great confusion those who were assembled in the council rooms managed to wade their way through the surging mass who had taken up positions at the door, in their anxiety to hear. The galleries of the rotunda were quickly filled, as was also every available space in the room.

President Blain, mounted on a chair, resumed his address; which was like that at the morning meeting, explaining the cause of the proceedings.

A voice: Some weeks ago you declared a dividend at 6 per cent., and now you coolly tell us that the bank is half a million in debt. How is that?

Mr. Blain said that the dividend was declared bona fide, but that the bank suddenly got into difficulties and there was a call which crippled the concern.

Then yelled a man: Is it not a fact that $120,000 was given out to one man without a farthing security?

Mr. Blain said that the securities were in the bank. He appealed to the meeting to confirm the appointments of the morning meeting.

Mr. W. M. Hall moved, seconded by Mr. S. H. Janes, that the meeting approve of the appointment of Mr. Campbell as one of the liquidators. Mr. Hall was asked if he was a shareholder, and replied in the affirmative, saying "I hold the proxies in my hand."

Port Perry Wright Gets Wrathy.

Mr. J. J. Wright, Port Perry, objected to the appointment unless Mr. Howland were first secured. He said that there were poor widows present who would be ruined by the transaction, and who were anxious to know what had been done with their money. He heard of one man who had got $120,000 out of the bank who had not a cent to offer as security. He said: If this be true the directors ought to be locked up as criminals. [Applause.] I heard of another man who got $70,000 who hadn't a dollar to offer. The President this morning spoke of some irregularities in the office, leading us to believe that perhaps the cashier had done away with some thousands of dollars.

A way-back voice: Who are you, anyway?

Mr. Wright: I hold papers in my hand which will show that I am entitled to my say here. [Great confusion.]

Mr. Wright proceeded to quote from The Port Perry Standard in support of his assertion that Mr. Campbell should not be appointed, not having given satisfaction in his connections as liquidator with the Exchange Bank. If the statements in that paper were incorrect, the writer should be prosecuted; if not Mr. Campbell was a criminal.

Mr. Campbell mounted a chair and explained that he was not to blame in the matter. He was appointed to overhaul the books, and if they were wrong the directors were to blame, and not he.

Mr. Wright asked Mr. Campbell what he thought of the state of affairs in connection with the present failure.

Mr. Campbell: My opinion is that the depositors will be paid in full, but they may have to wait for some time. That is my opinion so far as I can at present judge.

Mr. Wright thought the answer unsatisfactory, and said that the information they sought—information which ought to have been supplied—was how they lost their money, why they lost it, and what were their chances of getting it back. [Applause and cries of "That's it."] He moved the appointment of Mayor Howland.

Joe Tait Takes a Hand In It.

Mr. Joseph Tait said he would second the nomination at the proper time, but he asked that Mr. Campbell's nomination should be first ratified.

Mr. Blain: I hope the meeting will be unanimous, and then there will be no necessity for a vote.

A gallery voice: You'd liquidate it and fix it all up. [Laughter.]

Mr. Thomson, seconded by Mr. R. W. Leaming, nominated Mr. E. R. C. Clarkson, and moved that the liquidators be nominated separately and a division taken in each case. There was a perfect din of confusion and a chorus of voices proclaiming, "We won't have him."

Mr. Joseph Tait appealed to Mr. Thomson to withdraw his nominee, adding, "It is no kindness on the part of this young lawyer to come here and propose Mr. Clarkson. With Mr. Campbell's official ability, Mr. Gooderham's goodness and Mr. Howland's shrewdness, we have nothing to fear, and don't want anybody else."

Mr. Lawyer MacMurchy proposed the name of Mr. H. C. Hammond, which was received with a stormy protest of "No brokers."

The chairman put the names of Messrs. Campbell, Gooderham and Howland, and hoped the selection would be unanimous.

Mr. Thomson consented to withdraw his nominee, on the understanding that there would be no division taken. This was received with applause.

Accountant Robins Almost Mobbed.

Mr. W. Robins, accountant, stood up to second the nomination of Mr. Hammond, and no sooner had he announced his decision than there was a strong effort to shout him down. There were vociferous cries of "No broker, no broker." Mr. Robins, to make himself seen as well as heard, ascended a chair, but still the uproar continued. In vain the chairman appealed for order.

Mr. Tait: If this man is going to give his reasons he had better do so and not keep us here all day.

Robins: I have not come here for political purposes.

A voice: No, but for business; would you take the appointment if you got it? [Laughter.]

Robins: I might take it if I got it, but I am not looking for it. [Cries of "Sit down," "Shut up," etc.] I am not keeping anybody here. Those hounds are keeping me by their baying. [Great uproar.]

A gallery voice: You can't get your elbows in knee-deep in this institution. Laughter and a general uproar followed.

Robins: Howlaway. You are only delaying yourselves.

Tait: Say what you have to say or sit down.

Robins: If I get an opportunity I will, but I won't be hounded down.

Ald. Ritchie: He'll withdraw as soon as he makes his little speech.

Robins: Who told you so? I'll be heard here!

A voice: Has he any right to be heard? Is he a creditor?

Robins: I am! I have a right to be heard here, and I will be heard!

One more of the many voices said: He only wants to disturb the meeting. Say what you have to say and be done with it! He is a coward to do so! [Confusion.]

Robins: You are a fool.

The excitement here became so intense that it was feared the speaker would be set upon.

"Wash Your Face, You Dirty Blackguard."

Robins: Go home and wash your face, you dirty blackguard! This is not a Grit crowd, you vagabond!

The still small voice: Get a shave; it'll do you good! There were cries for Robins to withdraw his statements.

Robins refused to withdraw the expressions and continued to say that he protested against the appointment of Mr. Campbell as there were men in Toronto quite as competent to undertake the work. With this little speech Mr. Robins hopped off his perch, and subsequently withdrew his nominee.

The chairman put the names of Messrs. Gooderham, Campbell and Howland to the meeting, and declared them unanimously selected. He then vacated the chair in favor of Mr. Hugh Scott, from whom, he said, any further information might be elicited.

Mr. Scott, on taking the chair, was fairly inundated with questions from every quarter. As a solution of the problems put he suggested that Mr. Campbell should read his report as to the affairs of the bank as he found them. The report submitted to the morning meeting was then read. Having read his report Mr. Campbell was simultaneously called upon by a couple of dozen speakers to explain why it was the bank got into such a condition. The reply was: "By advancing money on promissory notes which were not recoverable." The statement was received with an outburst of indignation.

The chairman cautioned the meeting against going too minutely into detail. It would not be in the interests of any of the parties concerned to do so.

Mr. Meyers of Guelph asked if any of the directors had been drawing money from the bank.

Blain's and McDonald's Bank Debts.

Mr. Campbell replied in the affirmative. Mr. D. Mitchell McDonald had drawn $112,000, and between the latter and Mr. Blain there were $21,000 to be accounted for.

Then followed groaning and hissing.

Mr. Scott said that a number of mortgages were held as security for the McDonald advances.

A voice: Are those first or second mortgages?

Mr. Campbell: I believe second mortgages. They are now being examined as to title by our solicitor.

Mr. Meyers: And what about Cox, the broker?

Mr. Campbell replied that Mr. Cox had had $133,000. There were notes to the extent of $45,000 accommodation. He had some $15,000 in notes in the bank as well.

Some one said in effect that the security in the Cox case was poor.

Mr. Campbell advised the speaker not to say that, as he thought there was something in the security.

The meeting broke up in confusion, and for hours afterwards little groups of the victims might be seen discussing probabilities and possibilities at every street corner in the vicinity.

LIABILITY OF SHAREHOLDERS.

Fat Fees For The Solicitors—How Barnett Bled up the Bank—Notes of the Meeting.

In the event of the property and assets of the bank becoming insufficient to pay its debts and liabilities, the shareholders of the bank shall be liable for the deficiency so far as that each shareholder shall be so liable to an amount (over and above any amount not paid up on their respective shares) equal to the amount of their shares respectively; and if any suspension of payment in full in specie or Dominion notes, of any or all of the notes or other liabilities of the bank shall continue for six months, the directors may and shall make calls on such shareholders, to the amount they may deem necessary to pay all the debts and liabilities of the bank, without waiting for the collection of any debts due to it or the sale of any of its assets or property; such calls shall be made at intervals of thirty days and upon notice to be given thirty days at least prior to the day on which such call shall be payable; and any such call shall not exceed 20 per cent. on each share, and payment thereof may be enforced in like manner as for calls on unpaid stock, and the first of such calls shall be made within ten days after the expiration of the said six months; and any failure on the part of any shareholder liable to such call to pay the same when due shall operate as a forfeiture by such shareholder of all claim in or to any part of the assets of the bank, such call and any further call thereafter being nevertheless recoverable from him as if no such forfeiture had been incurred.

Fat Fees for the Solicitors.

The winding up of a bank is a fine bird for the solicitors to pluck, and any number of legal firms are anxious to undertake the work. The thing gets into the shape of an estate; the liquidators proceed to realize but they do so through the solicitors. The poor shareholders are individually proceeded against and each "proceed" is charged for at the regular tariff. Next the debtors of the bank are proceeded against at so much a "proceed." The liquidators do nothing without taking advice at so much "per consult." Not less than $15,000 is what the lucky lawyers ought to have in fees before the bird in this case is properly plucked.

How Barnett Did Up the Bank.

Roland Israel Gideon Barnett is a Hebrew from London whose varied career has been given in these columns before. He appeared here two years ago as a theatrical manager; at that time he got into the bank for a comparatively small amount. He worked some scheme in the way of acceptances and let the bank in for a few thousands. This summer he returned here a greater swell than ever, opened out over the Quebec Bank as a broker and diamond merchant, furnished a swell house and did the grand. Somehow or other he again ingratiated himself into Manager Allen's favor and by some clever scheme or another got a large amount in cash in the way of acceptances or bills. Just how it was managed has not yet been fully made known, as the entries in the books covering the transactions are of a very involved character. But the fact remains that the rascal got away with a clear $100,000 or more.

Redeemed Notes.

Archibald Campbell, the liquidator, is a cool-headed Highlander, born in Islay, one of the Western Isles. He wound up the Consolidated and the Exchange Banks. He was a bank manager here ten years ago. Mr. Campbell bears considerable resemblance to City Commissioner Coatsworth, though a younger man.

The Central Bank induced a great many farmers and small traders in villages to become shareholders. It will be some days before the former will go into bank shares again, especially when he learns what double liability means.

J. J. Wright, the Port Perry man, was a striking figure in the afternoon meeting. He is an elderly man, with closely trimmed grey side whiskers, and as he stood on a chair with his specs shoved up on his forehead, a look of determination in his eye, and gesticulating wildly, he became a leader at once. He had a large following and would not be downed until he had his say.

Brampton is the only agency where any losses will be made.

Bain, Laidlaw & Kappele hope to be made solicitors of the liquidators.

Mr. Blain handled the meeting well and was patient and resigned in the midst of much abuse.

A man wearing a country store suit and an untrimmed reddish brown beard was very restless and talkative in the background. He had a deep rooted suspicion that things had been cut and dried. "I'm a shareholder and depositor," said he, "and by golly these Toronto people are not goin' to have everything their own way," and he glared round savage enough to chew up a couple of directors.

DETECTIVES LOCKED UP.

MONTREAL'S LATEST SENSATION OF THE CRIMINAL ANNALS.

The Preliminary Enquiry in the Cases of Fahey, Naegele and Bureau—Evidence Taken of the Grand Trunk Robbery—The Accused Are Unusually Grave.

MONTREAL, Dec. 12.—Detectives Fahey and Naegele and Constable Bureau were brought before Police Magistrate Desnoyers to-day, when the preliminary enquete into the charges against them was opened. Large crowds assembled outside of the court house to see the prisoners as they passed in. Upon the application of counsel for prosecution, Mr. Kerr, Q.C., it was decided to hold the enquete with closed doors.

It was afterwards learned, however, that the evidence was of a purely formal character, Station Agent Stone and another officer of the company giving details of the robbery at Bonaventure depot. The men were then taken back to jail. They all appeared to realize their position and were unusually grave.

Later in the day Constable Plante, a member of the city police force, was arrested. Plante states that he cannot account for his arrest, and denies that he is guilty of any wrong doing.

After Bureau had confessed to his part in the Grand Trunk robbery, he was confronted by Detective Fahey, when he exclaimed: "I retract all I have said."

J. M. Dufresne of Dufresne & Mongenais, grocers, to-day swore out a deposition against Naegele for stealing a valuable ring at Back River last month. Naegele admits that the ring was stolen, but says it was taken by another party. Mrs. Naegele and Mrs. Bureau visited their husbands to-day, but Mrs. Fahey is confined to her room by paralysis.

At the City Council to-day the Chairman of the Police Committee expressed the opinion that all special constables should be discharged, while another alderman said the whole police force should be discharged. Warrants have been issued for the arrest of others.

From The Montreal Gazette.

A reporter spent a couple of hours with Detectives Flynn, Wilson and Maxwell on Saturday evening. The three men occupy comfortable rooms at the Balmoral Hotel, Wilson and Maxwell, or Craig, as he was known in Montreal, having left the Richelieu Hotel and taken up their quarters with Detective Flynn.

Flynn is about 45 years of age, and is at present general claim agent of the Grand Trunk at Detroit, in which position he enjoys the confidence of his employers. He stands about six feet two inches in his stocking feet. For many years he was a conductor on the railway and is well known in Montreal. He became chief detective and was succeeded in this position by Maxwell, who had his headquarters at Chicago. Maxwell looks more like a ticket agent at a country depot than a detective or a cracksman. To see him walking about the office of the hotel one would take him for a well-to-do habitant. Wilson is the dude of the party. He dresses well and wears a chimney pot hat with a ponderous quantity of jewelry. He is one of Pinkerton's smartest men, and the style in which it is alleged he took in smart detectives like Fahey and Naegele will score another good point in his favor.

Detective Maxwell's Story.

I arrived in Montreal last Saturday week with a note to Wilson from Detective Flynn that I was the "good safe blower" which Fahey asked him to get to put up some jobs. That night I met Fahey in Wilson's room, No. 11 Richelieu Hotel, and was introduced to him as "Craig of Boston." We talked awhile on general matters and finally Wilson said to Fahey "the kid, Craig, is a good listener and not much of a talker." Fahey then unravelled his schemes and we got talking about the Grand Trunk robbery. He said it was a bad job, for instead of getting only $1200 they should have got $7000 or $8000.

"Frank, you weakened," said Fahey to Wilson, and I turned round and said, "Frank, what was the matter with you? I never placed you for a chicken, God d—— you." Wilson said, "I got scared of Bureau. He was drunk, and the fellow at the news stand gave us a lot of trouble. He was trying to light the fire and was fumbling around all the time so that it did not look a safe job. You know, Fahey, that Bureau was kicking too much at the door and telling us to keep still in too loud a voice."

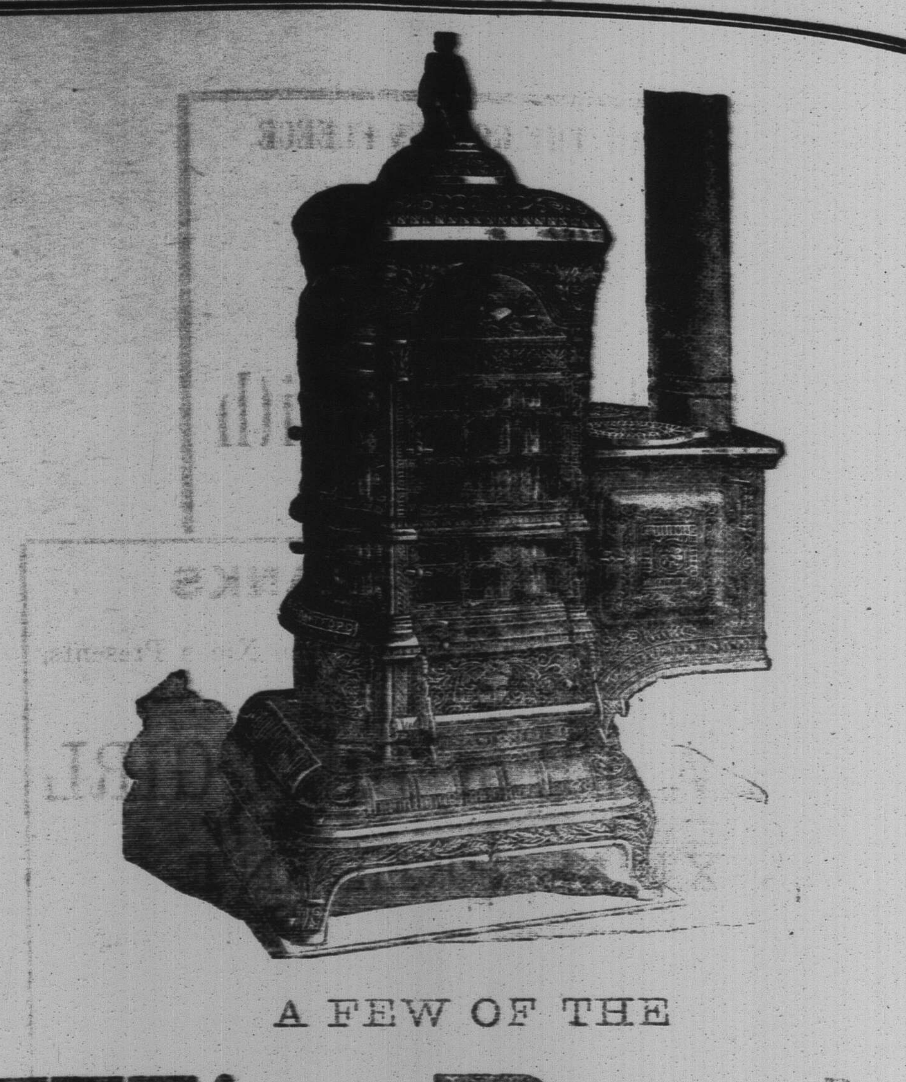
"I hope the job will be better done next time," said Fahey, "and that Craig here is not such a 'softy' as you."

Finally the three of us had a walk.

We met Naegele with Fahey in the Richelieu next night and Naegele went over to the City Hall and brought Bureau across. I was introduced to him. He gave Frank Wilson hell, and said in a French accent, "God d—— you. There was $8000 there, and you might as well have taken it as not."

Fahey's Big Scheme.

Fahey then said in our presence: "Look here, the biggest thing yet is to go for Sir Donald Smith's picture. It is as easy done as to walk across the street. It is up in Toronto now at the exhibition. We can get it when it comes back. Smith paid $68,000 for it, and the old fellow will give $5000 more to get it back. I will return the picture to him and divide the money." We then walked out and Fahey and Naegele pointed me out Lefort and Bissette's store on Notre Dame-street. I went inside and enquired for some furs at the same time. I took a look at the safe. They told me that they had disposed of the furs last Friday, and I came out and told Fahey. We went into the Bodega and the restaurant next door (Walker's), and I sized up the safes at the request of Fahey, and he then asked me if I thought I could get through the doors. The next place he took me was to the City Passenger Railway office. He said he had been in there in the morning for change of a $10, and that the safe was in the corner room. "I want you to go in and get everything right." He gave me a $10 bill, and I went in and got it changed, taking the location of the house, safe and every other particular I could. We then walked down Craig-street and went to St. Ann's Market, where he pointed out a wholesale grocery store, and said it could easily be got into, as Bureau was on that beat and he would take the watchman away while the job was being done. During all those interviews Fahey and Naegele told us that they would guarantee me against arrest, and that if the worst came to the worst and I got pulled that he had the key of the jail door, and he assured me that he would get me out. They told me to have courage. The next night Naegele pointed out a jewelry store on St. Lawrence Main-street. They sent me in there, and Wilson and they were looking in the window until I came out. He pointed out a saloon and showed how it could be entered from the gate, in an alley-way, which was broken. Wilson then asked him what about the policeman who was on the beat, and Naegele said: "It is all right, I have fixed him." Naegele also told me it would be better not to go at the jewelry store until near New Year's, when they would have in a new stock of holiday goods, and the job would pay better. Wilson was present with me at all those interviews.



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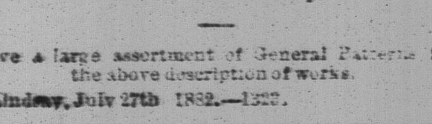

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" Carleton Jc.	1.35	12.40 a.m.	3.50 a.m.
" Peterboro	6.42 p.m.	5.31 a.m.	8.39 a.m.
Pass Pontypool	7.26 p.m.		9.24 a.m.
Reach N. Toronto	9.10 p.m.	7.55 a.m.	11.16 a.m.
" U Station	9.50 p.m.	8.27 a.m.	11.45 a.m.

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	Express.	Express.	Pacific Express.
Leave U Station	8.30 a.m.	8.00 p.m.	5.00 p.m.
" N. Toronto	9.03 a.m.	8.33 p.m.	5.31 p.m.
Pass Pontypool	10.46 a.m.		7.09 p.m.
" Peterboro	11.31 a.m.	10.56 p.m.	7.53 p.m.
Arr. Carleton Jc.	4.20 p.m.	3.44 a.m.	12.41 a.m.
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12.00 noon Mixed to Toronto, from Peterboro.

6.10 p.m. Express to Toronto from Port Hope via Peterboro.

Passengers for Port Perry and Whitby via Manilla Jc. connect on either 9.15 a.m. or 6.10 p.m. trains.

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6.20 p.m. Local for Coboconk, connecting at Lorneville with Express for Orillia and Midland City.

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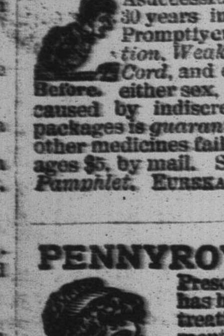

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