

SESSIONAL PAPER No. 153a

EXHIBIT 5.

Return to House of Commons, being *Sessional Papers* No. 110 B and C.**RETURN**

(110b)

To an Order of the House of Commons, dated the 23rd January, 1911, for a copy of the full report and finding of the Curator of the Farmers' Bank, up to the time of his appointment as liquidator of the same by the shareholders for the requisition of which authority is given to the Minister of Finance by Section 122 of the Bank Act.

CHAS. MURPHY,
Secretary of State.

TORONTO, January 7, 1911.

IN THE MATTER OF THE FARMERS' BANK OF CANADA

INTERIM STATEMENT OF AFFAIRS

As of December 19th, 1910.

LIABILITIES.

Direct.	Suspended Payment December 19, 1910
Amounts owing to depositors and holders of drafts at	
Allenford branch..	\$ 25,753 18
Arkona branch..	43,023 82
Athens branch..	19,626 70
Belleville branch..	35,995 53
Bethany branch..	55,342 24
Burgessville branch..	41,773 48
Camden East branch..	72,309 17
Cheltenham branch..	36,600 69
Dashwood branch..	113,021 81
Dunsford branch..	34,562 25
Embro branch..	74,626 36
Fingal branch..	33,589 87
Haileybury branch..	25,473 98
Kerwood branch..	67,903 17
Kinmount branch..	33,902 38
Lakeside branch..	32,222 60
Lindsay branch..	38,176 17
Millbank branch..	66,630 61
Milton branch..	30,452 25
Norval branch..	39,129 76
Phillippsville branch..	37,682 73
Pontypool branch..	47,992 41
Sharbot Lake branch..	52,797 77
Stouffville branch..	24,733 88
Williamstown branch..	25,930 18
Zephyr branch..	55,749 88
Toronto branch..	87,772 04
Accrued interest to December 19, 1910..	19,000 00
Reserve for sundry claims..	10,000 00
Total..	\$1,281,774 91

Preferred claims—

Farmers' Bank notes in circulation as per head office books and branch returns.. . . .	\$538,365 00	
Branch salary and charge accounts.. . . .	3,558 05	
Rentals due at branches together with claims for penalties under terms of leases.. . . .	1,530 86	
Ontario Government deposit.. . . .	26,533 16	
Total.. . . .		\$569,987 07

Secured claims—unsettled—

Trusts and Guarantee Company, Limited, Toronto, advances on demand notes.. . . .	\$211,838 26	
Secured by hypothecations of customers' paper..	293,526 31	
Surplus carried to assets.. . . .		\$ 81,688 05

Other securities held and included under assets in this statement:—

Bonds of Keeley Mines, Limited	\$1,000,000 00
Other industrial bonds.. . . .	75,000 00

Capital stock—

Capital stock subscribed as per list.. . . .	\$584,500 00
--	--------------

ASSETS.

Dominion of Canada notes.. . . .	\$ 10,048 50	
Specie.. . . .	7,271 95	
Notes and cheques of and on other banks.. . . .	55,144 22	
Balances due from other banks in Canada.. . . .	10,738 10	
Balances due from agents in United Kingdom..	6,189 26	
Balances due from other foreign agents.. . . .	5,030 89	
Cash items on hand and in transit.. . . .	46,286 31	
		\$ 140,709 23
Deposit with Dominion Government to secure note circulation.. . . .		20,250 00
Stocks and bonds.. . . .	113,895 00	
Surplus in customers' papers held by Trust and Guarantee Co.. . . .	\$ 81,688 05	
Current loans, discounts and past due bills held at head office and branches.. . . .	\$684,130 04	
Interim valuation.. . . .	241,434 84	
		323,122 89
Claims for withdrawals after suspension.. . . .		47,000 00
Bank premises, fixtures and furniture (book value)		173,604 90
Stationery on hand estimated value.. . . .		2,500 00
Due upon capital stock.. . . .		16,921 00
Other assets as per list.. . . .		1,146 57
Keeley Mines, Limited:—		
Current loans and overdrafts.. . . .	\$321,100 46	
Call loans.. . . .	300,000 00	
(\$1,000,000.00 bonds held as Security therefor) ..	\$621,100 46	
Stocks and bond account.. . . .	535,000 00	
		\$1,156,100 46
Total.. . . .		\$2,000,250 05

SESSIONAL PAPER No. 153a

SUMMARY.

Assets—	
As above..	\$2,000,250 05
Liabilities—	
Depositors and holders of bank drafts..	\$1,281,774 91
Preferred claims..	569,987 07
Secured claims no ranking..	
Capital stock..	584,500 00
	2,436,261 98
Nominal deficiency..	\$ 436,011 93

G. T. CLARKSON.

C. R. C. CLARKSON & SONS,
Curator and Interim Liquidator,
 Toronto, Ontario.

IN THE HIGH COURT OF JUSTICE.

In the matter of the Farmers' Bank of Canada and in the matter of the Winding-Up Act.

Pursuant to the order of Mr. Justice Riddell made in this matter on the 24th day of December, 1910, a meeting of the creditors of the Farmers' Bank of Canada will be held at the Board Room of the said bank in the Stair Building, corner of Adelaide and Bay streets, Toronto, on Tuesday, the 17th day of January, 1911, at 11 o'clock in the forenoon, and on the same day at the same place, at 2.30 o'clock in the afternoon, a meeting of the shareholders will be held, the purpose of such meetings being that the wishes of the creditors and shareholders respectively may be ascertained as to the appointment of liquidators under the Winding-Up Act.

By the same order the further consideration of the petitions presented herein was adjourned until Monday, the 23rd day of January, 1911, at 10 o'clock in the forenoon and the said petitions will then be heard by the Hon. Mr. Justice Riddell in Chambers at Osgoode Hall in the city of Toronto, and notice of such hearing is pursuant to the said order hereby given to all parties entitled to be heard.

Dated this 24th day of December, 1910.

F. ARNOLDI,
Clerk in Chambers.

BICKNELL, BAIN, STRATHY & MACKELCAN,
 Lumsden Building, Toronto, Ont.
Solicitors for Petitioner.

THE FARMERS' BANK OF CANADA.

MEMORANDUM of Report to Meetings of Shareholders and Creditors, held on the 17th day of January, 1911.

The notice calling the meeting, which notice was issued by the High Court of Justice, was read, and, upon motion, Mr. Tyson was appointed secretary, Mr. G. T. Clarkson being chairman by virtue of the order of the Honourable Mr. Justice Riddell.

The chairman read the interim statement of affairs as attached, and, in connection therewith, said:—

The liabilities first shown upon the statement of affairs are those due to depositors in, and holders of drafts issued by, the various branches of the bank. As you will see, the total amount of deposits and drafts is \$1,281,774.00, which includes interest up to the 19th December on interest bearing accounts; of this \$1,281,774.00, the amount of the savings was \$992,490.00, and current accounts \$289,284.00. The amount of deposits allocated to Toronto branch includes a deposit of J. S. Saunders, of this city, who withdrew \$45,000.00 of it from the bank on the date of suspension. Acting on the advice of counsel suit was commenced against Saunders for the return of this money, and it now rests with the courts to determine whether he is entitled to hold it or not. The money was paid to him in Farmers' Bank bills, which are now in the hands of a bank of this city, pending determination by the court. Included in the Haileybury returns is a claim for \$2,000.00, withdrawn under similar circumstances by one Robins, and against him action has also been taken. Further action will be taken in regard to another amount of \$600.00 withdrawn on the same date, and question has arisen with regard to certain withdrawals at one of the branches. These matters will all require to be carefully looked into.

There are a number of questions to be considered in respect to deposits and claims on drafts. In instances where deposits were made on the day of the suspension, and a few days prior thereto, cheques and drafts, and which were in transmission for collection at the time of the suspension, have been stopped payment of. I have been advised that the bank is entitled to collect on these cheques, but as there is contention on the point, a writ has been issued in one instance where \$6,400.00 is involved, so that the question may be determined by the court. If the court holds that the bank is not entitled to the moneys, the cheques will have to be returned to the maker, and, on the other hand, if judgment is given in favour of the bank, the amount of these cheques will have to be paid by the depositors and makers.

In instances where deposits were made on the date of suspension, questions have arisen as to whether the same were made before or after the suspension, and, as the exact hour of the suspension is somewhat in doubt, the court will have to determine the question; all depositors who made deposits on the 19th instant are, therefore, requested to give full particulars of the same to the bank, so that their claims may be looked into when the question has been decided.

Depositors whose deposits bore interest are entitled to have the interest added to their accounts up to the 19th December. In order to facilitate the filing of claims, a statement will be sent out from the bank naming the amounts at the credit of each depositor, inclusive of interest, so as to obviate the expense and trouble to which depositors would be put if required to file sworn claims. Of necessity, this will take a little time to do.

Questions are arising as to the rights of depositors to offset the amounts of their deposits against overdrafts and notes held by the bank, and this matter will be brought before the court in the winding-up proceedings at the earliest possible moment. In the meantime, any depositor having a note or overdraft due to the bank is advised to pay the difference between the amount to his credit and the amount of such note or overdraft, so as to facilitate the collection of assets. The payment of the balance can rest until the question of the right to offset has been determined.

Payments due on capital stock are in the same position, but depositors are not legally entitled to offset the amounts which may become due by them on double liability against their deposits and overdrafts.

With reference to the claims of those who held drafts issued by the bank, would say that the bank held a note on collection for any person or firm, and such collection was held by the bank, in trust, and not for value given, the owner of the bill

SESSIONAL PAPER No. 153a

may be entitled to recover the amount collected by the bank if the payment received by the bank was on hand at the time of suspension in its original form, so as to distinguish it from the other assets of the bank. Where, however, drafts were purchased from the bank for the purpose of remitting money the holders of such drafts are merely ordinary creditors against the estate.

I draw your attention to the last item on the first page, 'Reserve to cover sundry claims,' such amount has been added to the liability of the bank to cover contingent liabilities such as law costs, advertising, supplies purchased, etc., and claims have already been filed to an extent which would seem to indicate that the reserve will be largely, if not wholly, used up.

Preferred claims.—With respect to preferred claims, would say that according to section 131 of the Bank Act, the notes issued by the bank constitute a first charge upon its assets; according to the books of the bank the bank has obtained from the Bank Note Printing Co. \$825,000 bank notes, and the amount of the same on hand at the time of suspension was \$286,635, leaving outstanding \$538,365, and this amount, together with interest from 19th December, is a first lien upon the assets.

The second lien upon the assets is the amount of the deposit with the Ontario Government \$26,533.16, and it is a lien by virtue of clause C, section 131, of the Bank Act, which makes it a preferred claim.

No particular comment need be made on the item for branch salaries and charge account, as it states the amounts owing to the officers of the Bank at the time of suspension.

The preferred claims will all have to be paid in full before any dividend can be paid to other creditors.

Secured claims.—The secured claims consist of a claim of the Trust and Guarantee Company secured by hypothecations of Keeley Mine bonds, other industrial bonds and customers' paper. The Trust and Guarantee Company appeared to have advanced to the Bank in February, 1910, the sum of \$75,000, at which time it took as security \$120,000 stock in the American Piano Company, which stock was subsequently sold for \$85,000. The stock had been hypothecated to the Bank as collateral to a call loan and under the terms of agreement the Bank may be able to claim on the maker of the call loan for the deficiency. Whether it will recover anything or not is another question. On July 30, 1910, the Trusts and Guarantee Company appear to have loaned to the Bank another amount of \$100,000, at which time it is said that the Bank hypothecated to the Trust Company Keeley Mine bonds amounting to \$1,000,000, which had been left with the Bank by the Mining Company as security for the debt due by the Mining Company to the Bank. These two advances were used by the Bank in meeting obligations and it is also said principally in meeting its clearing house balances.

The Trust and Guarantee Company was also depositing in the Bank to an extent and in a re-adjustment of the accounts between the Bank and the Trust Company had obtained a deposit receipt for \$120,000. It claims to be entitled to hold the securities which it obtained on the other two advances as security also in connection with the deposit receipt under the terms of agreement with it. Nevertheless, it began to press the Bank for further security with the result that on November 3 last a transaction was put through by which the Trusts and Guarantee Company purported to advance to the Bank \$295,000, for which it claims it was given as security \$300,000 of customers' paper, \$1,000,000 Keeley Mine bonds and \$75,000 industrial bonds. Out of this advance of \$295,000, it then purported to pay its two loans of \$75,000 and \$100,000, also its deposit receipt of \$120,000. Inasmuch as the transaction involves a large amount of money and had the practical effect of preferring those creditors who received payment as the results of the advances being made, the validity of the transaction with the Trust Company has not been admitted, but steps are being taken to insure that the rights of the creditors of the Bank are protected until such time as the transaction can be more effectually gone into. The transaction will be gone into in the course of the liquidation proceedings.

Capital stock.—The subscribed capital stock of the Bank appears according to its books to be \$584,000 and upon it \$16,921 would appear to be unpaid at this date. I am of the opinion that examination will show further stock unpaid.

When discussing the matter of capital stock I think it right to inform you as to what I have learned regarding the incorporation and formation of the Bank, including the obtaining of its certificate from the Treasury Board. According to the Bank Act it is necessary for any bank seeking incorporation to have the sum of \$500,000 capital stock subscribed in a bona fide manner and, at least, \$250,000 cash paid upon such bona fide subscription. The charter of this bank had been obtained about two years before it held its organization meeting and there was danger of it expiring. The organization meeting was called for the 26th November, 1906, and it is said that shortly before the meeting some of those persons who were to have been actively identified with the Bank, withdrew, and their withdrawal made the subscription list deficient. To overcome this, it is said that certain subscriptions were added to the list particularly one of \$50,000, and antedated, so as to make the subscription list regular, and permit the obtaining of the certificate to do business. At the time of the organization meeting on November 26, 1906, the stock subscription book of the Bank shows that it had subscriptions for \$579,000 worth of stock, including the subscriptions previously spoken of. Of these subscriptions it is said that between \$50,000 and \$75,000 were worthless and uncollectable, being subsequently cancelled, and, in addition, there was a further amount of stock cancelled, and it would appear that of the \$579,000 stock, between \$125,000 and \$150,000 was in all cancelled after the certificate had been obtained.

In addition to having the subscriptions to the amount mentioned, it was necessary for the bank to have received in payment thereupon the sum of \$250,000. The subscription books show that the provisional board had \$291,310, and amounts are allocated as payments on each subscription sufficient to produce the total. It is conceded that in very many cases such payments had not been made by subscribers, and that what really happened would seem to be as follows: The directors had collected about \$211,000 from subscribers in cash, but out of it they had paid \$41,000 for expenses, leaving in their hands \$170,000. They then turned over subscribers' notes to W. R. Travers, who was in control of the provisional board, and he in his own name borrowed on these notes \$80,000, which amount, with the \$170,000 mentioned, made up the \$250,000 necessary for the government deposit. The money was then transferred to the Receiver General, and when he returned \$245,000 to the bank, the amount was deposited with the Traders' Bank, and out of it \$80,000 was checked out to the Trust and Guarantee Company, who held it apparently on deposit for the benefit of the bank. Checks were issued out of this amount to the Trust and Guarantee Company for the full amount in three payments, and they released the subscribers' notes left with them by Travers. The bank, therefore, was left with but \$170,000 of actual paid up capital and the subscribers' notes; it is apparent, therefore, that the certificate was obtained by an evasion of the Bank Act, if nothing worse.

In as much as the stock of the bank was at that time sold at par, it will be apparent that when the bank commenced business its liabilities were greater than its assets by the \$41,000 paid out for organization expenses. To cover this up, certain entries were put through the books and a note given by the general manager, which note was afterwards charged up to the Keeley Mines Stocks and Bonds Account. Under these conditions it is apparent that the returns to the government were misleading from the start.

It is apparent that several transactions have taken place in connection with the capital stock of the bank, which will need to be very closely examined into. At one time the subscribed capital of the bank was returned as \$1,000,000, being afterwards reduced to the figures it now rests at. It would appear that the increase was due to a certain transaction which was entered into with a concern known as the Continental Security Company of Winnipeg, which company it is said had

SESSIONAL PAPER No. 153a

no responsibility under the terms of which it subscribed for \$510,000 of stock of the bank, and was allowed an overdraft to the amount of \$538,000 by the bank in order to permit it to pay for the stock; the securities company were also allowed a further overdraft to the extent of \$150,000, and out of the same it paid certain notes held by the bank for stock subscribed for by other people, took up notes given to the bank in order to hide expenditure on organization account and covered a large amount transferred to the credit of the general manager for his personal account; this latter forms part of the claim against him for theft.

The total amount of the overdraft allowed in the Toronto office books was \$687,000, including a large amount for interest which the bank took the benefit of as a profit when it in reality was not earned or paid.

When it became apparent that the Continental Securities Company could not carry the transaction through, some \$50,000 or \$60,000 of the stock subscribed for by it was sold to other parties and paid for; the balance was cancelled and written off the books, and a large amount charged up to the Keeley Mine Stocks and Bonds Account in order to clear up the transaction; the stock was in this manner reduced. I regard the whole transaction as most irregular and improper, and there certainly will be a liability to the bank on the part of various persons in connection therewith; how much the bank will benefit out of the same is a question—I am afraid it cannot look for any substantial recovery; the whole matter, however, is one that will have to be gone into to the fullest detail in the proceedings before the court.

ASSETS.

The first five items of the Assets constitute what are called Cash Assets, and represent either cash or liquid securities. These assets should be expected to yield par value, but in some instances Creditors of the Bank who hold drafts and notes for collection claim to be entitled to retain the same in satisfaction of their claims, which are included in the liabilities. In instances, also, payment has been refused upon cheques in the hands of the bank, and suit has been undertaken against some of the makers for the purpose of determining whether they have any right to do so.

The deposit with the Dominion Government will be held by it to secure the note circulation, and when the notes have been paid, returned to the bank for the benefit of creditors generally.

The stocks and bonds consist of industrial bonds which were believed to be worth the amount stated at the time the statement was made. The undertakings they cover, however, are subject to vicissitudes of business, and it is possible that the bank may not be able to realize its entire investment therein, but it is hoped that it will do so to a very large extent.

The surplus in customers' paper held by the Trusts and Guarantee Company is the amount which is expected will be realized from the same. Since the statement was prepared, it has been apparent that on some of this paper there will be a loss, and therefore, the item will probably not be realized in full.

The current loans, discounts and past due bills held at the Toronto office, and branches, amount to \$684,130.04, and I have valued the same, to the best of my ability, with the information which the bank's officers are able to give me, at \$241,434. The discounts include a number of accounts upon which it is certain that the bank will make heavy losses, and I hardly hope to procure more than the amount of the valuation from the same. It is not in order to discuss the details of these loans as it would be prejudicial to the interests of the creditors to do so, but I think I am doing no wrong in saying to you that there is one instance in which the bank will lose \$100,000 on a single account.

Claims for withdrawals after suspension are those in connection with suits which have been brought for the return of money taken out of the bank on the day of suspension. As matters are now before the court I am not in a position to say more to you than that the bank claims to be entitled to a refund of these funds,

for the general benefit of the creditors, on the ground that the withdrawers received unjust preference.

Bank Premises.—The cost of the bank premises has been put into the statement at the amount charged in the books, but this amount is undoubtedly in excess of the cash expenditure of the bank in that behalf, and I do not look to the estate recovering more than between \$60,000 and \$70,000 for the whole of the item. There have been irregularities in connection with this account, and items of very considerable amount have been charged to it in order to cover expenditures in other directions. The whole of the transactions in connection with this item call for the closest scrutiny, and it is one of the matters which will have to be gone into carefully in the examination which will be held before the court.

Stationery on Hand.—This item appears in the books of the bank as \$30,000, nothing having been written off it since the date of its purchase, although it was constantly being used, and the supply thereby diminished. I have therefore placed it at \$2,500, which is merely a rough estimate. The amount due upon capital stock, \$16,921 represents the amount due upon subscription.

The other assets consist of claims under guarantee bond and deposit for \$500.

Re Keeley Mine.—Discussing the item of the Keeley Mine account, I think it right to inform you rather at length as to the history of this company and its connection with the bank, so far as I am able. It would appear that Beattie Nesbitt, on the 18th April, 1908, obtained an option on the property at the price of \$300,000, payable \$50,000 on the 18th May, and the balance in instalments spread over a period of time. On the 18th May, Nesbitt entered into an agreement under the terms of which Wishart, Travers, and the Farmers' Bank were to participate in all benefits received by him from the option, and on the same day, he executed an additional agreement to the effect that he was not to deal with the option without the consent of the Farmers' Bank of Canada. In May, 1906, the Keeley Jowsey Wood Mine Limited was formed, and, at a meeting of the Provincial Directors held in May, a resolution was passed by the Board to purchase the option mentioned from Dr. Beattie Nesbitt, and to issue to him \$999,975 stock, out of a total of \$1,000,000 in payment therefor, and on the same day, George Wishart was elected President, Dr. Beattie Nesbitt, Vice-President, the third Director being W. R. Travers.

On the 20th May, the bank made an advance to George Wishart of \$25,397, and also to the Keeley Jowsey Wood Mine of \$25,000, apparently to take care of a payment to be made under the terms of the option agreement. From this time forward, the bank continued to advance to the mine, and, so far as I can ascertain, no other money, except the bank's money, ever went into the mine.

According to the by-laws of the bank, the Managing Director was prohibited from lending more than \$10,000 to any person, firm or corporation, without specific authority of the Board. In June, 1908, a credit of some amount of four figures was given to the Keeley Jowsey Wood Mine Limited, and approved of by the Board of Directors; subsequently, the minute authorizing this advance, was changed, so that, in its changed form, it permitted the General Manager of the bank to advance to the mine in his discretion. It is claimed that the change in this minute constitutes a forgery, and a claim has been laid against the late manager of the bank in connection therewith.

The bank continued to advance to the mine in large amounts until December 4, 1908, when, at a meeting of the shareholders, at which were present Wishart, Nesbitt and Travers, authority was given to sell the assets of the Keeley Jowsey Wood Mine Limited to the Keeley Mine Limited, on condition that the stock in the latter company be issued one-fifth to Travers, one-fifth to Wishart, one-fifth to Beattie Nesbitt, one-fifth to the Farmers' Bank of Canada and the remainder to remain in the treasury.

On June 10, 1905, the shareholders of the Keeley Jowsey Wood Limited confirmed this, and appointed the Chief Accountant of the Bank, liquidator of the company.

SESSIONAL PAPER No. 153a

The Keeley Mine then took over the property and W. R. Travers as secretary thereof obtained moneys from the bank until the obligation of the mining company for cash advanced now appears to amount to \$621,000. Included therein are two items amounting to \$35,000, the proceeds of which did not go to the benefit of the mining company, but to Travers personally. Transactions connected with the procuring of this money are now under consideration by the Crown authorities.

The accounts of the mining company would seem to indicate that, with the exception of the \$35,000 above mentioned, and three hundred thousand dollars paid for the property, the advances made by the bank to it was expended on the property. Considering, however, the large amount of money advanced by the bank to the mining company, creditors and shareholders will not be content to accept the auditor's statements, but it will be necessary to investigate expenditures of the mining company in order to ascertain whether any diversion of money for other purposes was made.

In considering advances made by the bank to the mining company by way of loans, you will notice from what I have said that there was a distinct by-law of the bank prohibiting the general manager of the bank from making advances to any persons, firm or corporation over \$10,000 without the approval of the board at a regular meeting. Advances were made by the general manager to the extent of \$50,000 in this connection before the matter was drawn to the attention of the board, when a credit for some minor amount was obtained, and the minutes afterward falsified, so as to permit him to do what he saw fit. The original company having liquidated there is no authority upon the books of the bank permitting any advance to be made to the Keeley Mine Limited, neither is there any record whatsoever of the transaction having come before the board, excepting in one instance, where the bank is compelled to take over the Beattie Nesbitt stock in the hope of saving the advances made upon his credit. The board of directors deny absolutely, and completely, any knowledge whatsoever of the fact that the bank was advancing to the mine, and if they are able to convince the court that, individually, or severally, they had no such knowledge, it will then be apparent that the general manager carried these transactions through upon his own responsibility.

The propriety of the whole transaction is open to question, particularly when, as you will observe, the bank was expected to, and did put up the whole of the money for the purchase and operation of the mining company, when, at the most, it was to receive one-fourth of the profits, which might have been made from the undertaking, and stand the whole of the loss. There can be no doubt that the general manager of the bank was in a position of trust and it was his abuse of his position which allowed this condition of affairs to obtain.

We now come to the last item on the statement, Keeley Mines stocks and bonds account, \$535,000. It is in regard to this item in particular that action was taken against the general manager of the bank on the ground that he rendered false returns to the government; but \$75,000 of that amount represents actual cash expenditures by the bank in purchase of stock of the Keeley mine, and this \$75,000 represents \$60,000 credited to Beattie Nesbitt in liquidation of debts which he owed to the bank in consideration of his passing over to the bank \$250,000 Keeley Mine stock, \$10,000 to F. Crompton for \$100,000 stock in Keeley Mine Company, and \$5,000 to F. C. Whitney for \$50,000 stock in Keeley Mine Company.

The remainder of the account has been used to cover up losses made by the bank, and excepting to the extent of about \$156,000, which amount it is claimed the general manager of the bank obtained for his own personal purposes, transferring \$150,000 of Keeley Mine stock on account thereof.

It was partly in regard to part of this latter item that the Crown took criminal action against him.

So far as I can make out, the position assumed by the manager of the bank was that, as the bank had obtained \$500,000 of stock in the Keeley Mine, as a bonus for financing it, he had the right to allocate to this stock such value as he should see

fit, and to charge up against that value any amounts which the bank might lose, or that he might think necessary in order to present a profit sufficient to allow him to pay dividends. To this contention, I am utterly unable to agree.

The board of directors claim to have had absolutely no knowledge of what was being done in this connection, and there is nothing in the minutes of the bank to show that the matter came to their attention. It will, however, be necessary for the directors to prove to the court that they had no knowledge of it, for as members of the board will no doubt appreciate, it was quite possible for them to have thoroughly canvassed the situation from time to time, and deliberately left the particulars of the discussion out of the minutes of the bank.

The item was carried in the government returns under the heading of 'Stocks and Bonds Account' and the question must surely arise as to why the directors did not obtain particulars of what the stocks and bonds were when they were considering the statements of the bank from time to time. It is possible, but it would seem almost improbable that they did not do so. In my opinion, however, and without casting reflection upon the directors personally, it would seem to me that the board was one particularly unfitted to be a board of a financial institution, in as much as many of the members were not familiar with financial matters.

The statement of affairs discloses a nominal deficiency of \$436,000. This does not cover all the losses made by the bank by a considerable amount, as you will realize from what I have just told you. So far as I can ascertain the bank has lost at least \$780,000 in its four years in business. The amount disbursed in organization expenses and stock subscriptions was not less than \$55,000, and very probably it will be found to have been considerably more. The business of the bank has been conducted at a loss from the beginning. In 1907 its expenses were greater than its profits by \$66,666; in 1908 its expenses were greater than its profits by \$44,975, and in addition that year paid a dividend aggregating \$19,344; in 1909 its expenses were greater than its profits by \$30,422, and in addition to that paid dividends of \$22,410; in 1910 it lost \$46,255 and in addition paid a dividend of \$11,324. In the four years of its existence, therefore, its losses in business (a part from bad debts) amounted to not less than \$171,319, while it paid dividends to the extent of \$53,078 out of capital.

Beyond these losses on operation, the bank stands to lose at least \$440,000 on bad debts (in addition to \$30,000 or \$40,000 which is lost by reason of defalcations) —the total amount of these items aggregate about \$780,000, and they were charged \$234,000 against Keeley mine stock and bonds account, \$110,000 against other accounts and left the deficiency of \$436,000 as shown by the statement of affairs. That there will be other losses is undoubted, but it will mean carefully going over the books before they can be ascertained.

The Keeley mine stock account of \$535,000 includes \$75,000 paid for stock in the Keeley mine, \$234,000 of losses, \$156,000 money taken by the manager and the balance of \$70,000 charged up for other items. I carried this account in the statement of affairs at its face value by reason of the bank owning \$1,025,000 stock in the mining company, which stock may, or may not have a value according to the disposition which it may be found possible to make of the mine in future. I have not had the mine valued for the reason that any valuation made would be criticised, and I deem it distinctly against your interests and the interests of the bank that any statement should be made which would have an effect either of creating too much optimism in your minds or else of depreciating the price and perhaps compelling the bank thereby to take a lesser price than it might be able to obtain under other circumstances. Already a number of inquiries have been made for the mine, and it is probable that these inquiries would not be made unless the mining property had a substantial value, either speculative or in fact.

Considering the whole position of affairs of the bank, therefore, you will see that the prospect is not at all bright; shareholders can look for no return, but, on the other hand, I see little chance of their escaping a double liability. I do not

PROFESSIONAL PAPER No. 153a

advise creditors to look for more than a partial return of their claims, but I am not prepared at this time to make any estimate as to what this return will be.

It is apparent that the bank commenced business when it should not have done so; there was an impairment in its capital from the very start; the class of business which it took, excepting in the country branches, was not good, and in too many instances the bank supported undertakings to which it was lending money. Under these conditions the bank would have had a hard enough road to hoe anyway, but, when undertakings were entered into and the bank's money loaned to corporations in which an executive officer of the bank had a personal interest, it is apparent that its chances of success were not increased, and when the general manager of the bank undertook to abuse his trust and to use the moneys of the bank for his own personal benefit, violating the criminal laws and the by-laws of the bank and the confidence of everybody concerned, there could be but one end to it. As I have before stated, the personnel of your board of directors was not a means of strength so far as looking after the interests of the bank, under these circumstances, was concerned, in as much as they were hardly capable of discovering a number of the transactions entered into had they been alive to the necessity of investigating them, although I cannot see how they should have overlooked inquiring into the quality of the assets disclosed by the annual statements. If they are able to show to the courts that they were innocent of the condition of affairs, then I think you can attribute the failure of this bank to the dishonesty of the general manager.

RE KEELEY MINES.

On the 18th April, 1908, Dr. Beattie Nesbitt obtained an option on the property for \$300,000, payable \$50,000 on the 18th May, and the balance in instalments spread over a period of time.

On the 18th May, 1908, Dr. Beattie Nesbitt entered into an agreement under the terms on which Wishart, Travers and the Farmers' Bank were to participate in all benefits received by him from the option, and on the same day, he executed an additional agreement to the effect that he was not to deal with the option without the consent of the Farmers' Bank.

In May, 1908, the Keeley Jowsey Wood Mine Limited was formed, and, at a meeting of the Provincial Directors held in May, a resolution was passed by the Board to purchase the option from Dr. Beattie Nesbitt, and to issue to him the whole of the capital stock except \$25, the capital stock to be \$1,000,000 in payment for the option. On the same day, Wishart was elected President of the company, Nesbitt Vice-President and Travers was the third Director.

On the 20th May, the bank made an advance to Wishart of \$25,397, and to the Keeley Jowsey Wood Mine of \$25,000, apparently to take care of a payment of \$50,000 to be made under the terms of the option agreement on or about 18th to 20th May. There was no authority at this time given to Travers to advance the money of the bank; such authority was not obtained until June 17 following. The by-laws of the bank prohibited the Managing Director from lending more than \$10,000 of the bank's funds to any person, firm or corporation without specific authority of the Board.

On June 17th, 1908, a credit to some amount in four figures was given to the Keeley Jowsey Wood Mine Limited, and approved of by the Board of Directors, subsequently, the minutes authorizing this advance was changed, so that in its changed form it permitted the General Manager of the bank to advance to the mine in his discretion. It is claimed that the change in these minutes constituted a forgery, and the Crown are taking action in connection therewith.

The bank continued to advance money to the mining company, in large amounts, until December, 1908, when the shareholders of the Keeley Jowsey Wood Mine agreed to sell its assets, subject to its liabilities, the liability to the bank then being about \$150,000 to the Keeley Mine Limited, on condition that the stock in

the latter, which amounted to two and a half million dollars was to be issued, one-fifth to Travers, one-fifth to Nesbitt, one-fifth to Wishart, and one-fifth to the Farmers' Bank, and the balance to remain in the treasury. This transaction was put through and the Keeley Jowsey Wood Mine was wound-up, Fitzgibbon, the chief accountant of the bank, being the liquidator.

No authority appears on the books of the bank authorizing any advance to the Keeley Mine Limited, the Keeley Mine, however, assumed the liability of \$150,000 of the Keeley Jowsey Wood Mine, and from that time forward, the bank loaned to the company another \$471,000 so that at this date, the mining company is indebted to the bank in \$621,000 for actual cash advanced. Of this \$621,000 advanced to the mine, the general manager of the bank, Travers, took for his own benefit, \$35,000 in two amounts of \$15,000 and \$20,000. The \$15,000 obtained on October 6th, 1909, from the bank, when he discounted a note of the Keeley Mine in the bank for \$15,000, and had the proceeds put to his own credit, subsequently using the same.

The mining company books show this advance of \$15,000 from the bank, and they also show the Manager Travers, indebted to the company in the same amount, but, in the statements of the mining company rendered to its shareholders, both of these items are eliminated and not shown, showing that Travers was deceiving the shareholders of the mining company.

With regard to the \$20,000, it covers an amount obtained from the bank by Travers on November 3, 1910, when he discounted a note of the Keeley Mine in the bank and had the sum put to his credit. This note is still in the bank, but the mining company has never received any of the money nor did it get any benefit. This means that out of the \$621,000 advanced to the mine, \$35,000 went to Travers for his personal use, and \$585,000 apparently to the company.

SESSIONAL PAPER No. 153a

RETURN

(110c)

To an Address of the House of Commons, dated the 16th January, 1911, for a copy of all applications, petitions, letters, telegrams and other documents and correspondence, and all Orders in Council and certificates, relating to or connected with the establishment of the Farmers' Bank of Canada and its operations.

CHAS. MURPHY,
Secretary of State.

HOME LIFE BUILDING, VICTORIA STREET,
TORONTO, Oct. 8, 1906.

Counsel:
Wallace Nesbitt, K.C.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

My Dear MR. FIELDING,—I have been consulted on behalf of a number of subscribers to the shares of the Farmers' Bank, and from the instructions I have received a number of the subscribers will dispute the bona fide character of the subscriptions. I have not time to-night to give a full statement of the grounds of this request to you, but I beg to assure you that grave conditions have arisen which will require careful consideration before the Treasury Board would grant any certificate for the organization of this bank.

I therefore ask you to be good enough to stay any action which might be taken until I have had an opportunity of discussing this with you. If it is not asking you to hold it too long, I would prefer not having to go to Ottawa this week, but will go any day next week which would suit your convenience. Of course if there is no immediate prospect of your granting such a certificate my seeing you at an early date will not be necessary.

LEIGHTON McCARTHY.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH,

TORONTO, Ont., Oct. 11th, 1906.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

Please wire me assurance in reference to stay of certificate of Treasury Board mentioned in my letter of Monday night.

LEIGHTON McCARTHY.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH.

OTTAWA, October 11, 1906.

LEIGHTON McCARTHY, M.P.,
Toronto.

No application yet received for the certificate referred to. Please forward your representations immediately and they will be considered when application comes.

W. S. FIELDING,
Minister of Finance.

MINISTER OF FINANCE, CANADA.

OTTAWA, October 11, 1906.

LEIGHTON G. MCCARTHY, Esq., M.P.,
Toronto.

My Dear Mr. MCCARTHY,—I have your letter of the 8th instant, and your telegram to-day on the subject of the Farmers' Bank.

I wired you to-day that no application had been made by the promoters for the Treasury Board certificate, and suggested that you send forward at once any representations which you may wish to make, to which we shall give all due consideration.

W. S. FIELDING,
*Minister of Finance.*Counsel:
Wallace Nesbitt, K.C.

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, October 12, 1906.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

My Dear Mr. FIELDING,—Many thanks for your telegram received last night, advising me that no application had yet been received for certificate of the Farmers' Bank and asking me to forward representations immediately when they will be considered. This will receive my attention.

I am obliged to you for the telegram.

LEIGHTON MCCARTHY.

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, Oct. 19th, '06.

Counsel:
Wallace Nesbitt, K.C.Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.*Re The Farmers' Bank of Canada.*

My dear Mr. FIELDING,—I beg to inclose the special endorsement upon a writ of summons in the High Court of Justice for Ontario, which will be issued by: William A. Saxon, John Sproat, George Castle, William McLean, Finlay McCallum, Robert Hume, James Murray, George Denoon, John McLeod, Jane Shuert, William Harris, on behalf of themselves and all other persons alleged to be subscribers for shares of the capital stock of the Farmers' Bank of Canada who may desire to come in and be parties to this action, against The Farmers' Bank of Canada, James Gallagher, John Watson, John Ferguson, Alexander Fraser, Alexander Shepherd, Lown, W. R. Travers, C. H. Smith, A. G. H. Luxton, and the Traders' Bank of Canada, and W. J. Lindsay, and I respectfully request that the Treasury Board will stay any action upon the application of persons professing to act in the name of the Farmers' Bank of Canada, or in the name of the provisional directors of the Farmers' Bank of Canada, for a certificate under section 15 of the Bank Act on the grounds alleged in the inclosed special endorsement, and other grounds which may be disclosed upon the examination of the alleged subscribers for shares.

SESSIONAL PAPER No. 153a

I have received information that the alleged subscribers for shares paid a large sum of money in cash and have signed notes for other large sums of money, and that the persons professing to act in the name of the bank have transferred notes and received the proceeds, and that a deposit either has been made or will be made of the cash received and the proceeds of these notes, or sufficient amount to make up \$250,000.

I wish you to have the kindness to acknowledge the receipt of this protest against the granting of a certificate so that I may advise the shareholders who are disputing their liability, and I would be pleased to go to Ottawa upon any appointment you may make for the further consideration of this matter.

LEIGHTON McCARTHY.

FINANCE DEPARTMENT, OTTAWA, CANADA,

LEIGHTON McCARTHY, Esq., K.C., M.P.,
Messrs. McCARTHY, OSLER, HOSKIN & HARCOURT,
Barristers, &c.,

October 23, 1906.

HOME LIFE BUILDING, VICTORIA STREET,
TORONTO, ONT.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 19th instant, to Mr. Fielding's address, respecting the Farmers' Bank of Canada.

When application is made by the Farmers' Bank to the Treasury Board for a certificate to enable them to commence business, the representations contained in your letter with its inclosure will be laid before the board.

T. C. BOVILLE,

For Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA.

TORONTO, October 23, 1906.

The Honourable,
The Minister of Finance and Receiver General of Canada,
Ottawa, Canada.

DEAR SIR,—I hereby beg to inclose you certificate No. 1150 from the Bank of Montreal, Toronto, \$250,000, to be deposited to the credit of the Farmers' Bank of Canada, in compliance with section 13 of the Bank Act.

Please acknowledge receipt, and oblige,

W. R. TRAVERS,

General Manager.

Toronto, Oct. 23, 1906.

No. 1150.

Duplicate for Department.

Bank of Montreal.

\$250,000.

.....190.....

Received from W. R. Travers on account of for deposit to credit of Farmers' Bank of Canada the sum of two hundred and fifty thousand dollars, which amount will appear at the Receiver General's credit with this bank.

Signed in triplicate.

H. A. DEAN,

Pro Manager.

3 GEORGE V., A. 1913

FINANCE DEPARTMENT, OTTAWA, CANADA.

October 24, 1906.

The General Manager,
The Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 23rd instant, inclosing receipt and draft of the Bank of Montreal, Toronto, for the sum of \$250,000 deposited by your bank in compliance with section 13 of the Bank Act.

I may say in this connection that opposition has been filed in this department to the granting of a certificate to your bank under section 14 of the Bank Act.

T. C. BOVILLE,
For Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA.

TORONTO, October 29, 1906.

The Hon.
The Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—Yours of the 24th, post-marked October 26, was received here on the 27th.

I was surprised to know that any one had filed an opposition against this bank being granted a certificate.

Would you kindly do me the favour of supplying me with a copy of the said objections as I do not know up to the present moment wherein we have deviated in the slightest effect from the Bank Act.

W. R. TRAVERS,
General Manager.

FINANCE DEPARTMENT, OTTAWA, CANADA.

October 31, 1906.

LEIGHTON G. MCCARTHY, Esq., K.C., M.P.,
Messrs. McCarthy, Osler, Hoskin & Harcourt,
Home Life Building, Victoria Street,
Toronto, Ont.

DEAR SIR,—Referring to your letter of the 19th instant, addressed to Mr. Fielding, on the subject of the Farmers' Bank of Canada and the issue of a certificate to that bank to commence business under section 15 of the Bank Act, I notice recently a reference in the newspapers for a judgment given by Judge Anglin in a suit relating to this matter. In view of the decision rendered I shall be obliged if you will let me know if you still desire the protest contained in your letter to be brought before the Treasury Board upon an application of the Farmers' Bank for a certificate to be considered.

T. C. BOVILLE,
For Deputy Minister of Finance.

Counsel:
Wallace Nesbitt, K.C.

SESSIONAL PAPER No. 153a

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, NOVEMBER 1, 1906.

T. C. BOVILLE, Esq.,
Acting Deputy Minister of Finance,
Ottawa.

DEAR SIR,—With reference to yours of the 31st ulto., I will be in Ottawa on Monday or Tuesday of next week when I will do myself the pleasure of calling upon you with reference to the subject matter of your letter.

LEIGHTON McCARTHY,

FINANCE DEPARTMENT, OTTAWA, CANADA.

OTTAWA, November 2, 1906.

W. R. TRAVERS, Esq.,
General Manager, The Farmers' Bank of Canada.
Toronto, Ont.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 29th instant, and in reply I beg to inclose herewith a copy of a letter addressed to Mr. Fielding by Mr. Leighton McCarthy by way of protest to the granting of a certificate to your bank to commence business. Of the inclosure with Mr. McCarthy's letter I have not sent you a copy as it is lengthy and I have no doubt you already have a copy of it in your possession.

T. C. BOVILLE,
Deputy Minister of Finance.

Counsel:
Wallace Nesbitt, K.C.

HOME LIFE BUILDING, VICTORIA STREET,

TORONTO, November 2, 1906.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

DEAR SIR,—Referring to my letters of the 8th and 9th inst. with reference to the application for a certificate made on behalf of the Farmers' Bank; I am advised by those who are instructing me that the claims made by them in the action brought have been settled by their subscriptions being taken up by some parties interested in the bank and refunding the money paid by the individuals or returning the notes which had been given. The objections which I made on their behalf to the issue of the certificates are therefore withdrawn. Would you mind therefore returning to me the papers which I forwarded to you.

LEIGHTON McCARTHY,

3 GEORGE V., A. 1913

FINANCE DEPARTMENT, OTTAWA, CANADA,

November 7, 1906.

LEIGHTON G. MCCARTHY, Esq., K.C., M.P.,
Messrs. McCarthy, Osler, Hoskin & Harcourt,
Home Life Building, Victoria Street,
Toronto, Ont.

DEAR SIR,—Referring to your letter of the 2nd instant, in the matter of an application of the Farmers' Bank of Canada for a certificate to commence business, I beg to inclose herewith the papers forwarded with your letter of the 19th October.

T. C. BOVILLE,
Deputy Minister of Finance.

FINANCE DEPARTMENT, OTTAWA, CANADA,
November 7, 1906.

W. R. TRAVERS, Esq.,
General Manager, The Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—Referring to my letter to you of the 2nd instant, inclosing copy of a letter addressed to Mr. Fielding by Mr. Leighton McCarthy by way of a protest to the granting of a certificate to your bank to commence business, I beg to state that I am advised by Mr. McCarthy that the objections which he made to the issue of a certificate have been withdrawn.

T. C. BOVILLE,
Deputy Minister of Finance.

FINANCE DEPARTMENT, OTTAWA, CANADA,

OTTAWA, November 21, 1906.

W. R. TRAVERS, Esq.,
General Manager, The Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—Referring to your letter of the 23rd October, making a deposit under section 13 of the Bank Act of the sum of \$250,000, I have no doubt that you will be applying very shortly for a certificate under section 14 to commence business. In the papers to be submitted to the Board in support of the application there is a list of bona fide subscribers of capital stock of the bank showing subscriptions to the extent of \$500,000. Would you be so good as to have added to this list, for submission to the Board, a statement showing the actual amount of cash paid up by each subscriber.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA.

TORONTO, November 27, 1906.

Deputy Minister of Finance,
Parliament Buildings,
Ottawa, Ont.

DEAR SIR,—I have the honour herewith to forward declaration of the General Manager of the Farmers' Bank of Canada setting forth facts relating to the incorporation and organization of the said Bank, and also giving the names of the

SESSIONAL PAPER No. 153a

Directors elected at the meeting of Subscribers and such other particulars as are required by the Bank Act. The provisions of the Act as to subscriptions and deposit with the Receiver General having been fully complied with on behalf of the said bank, I apply for the Certificate of the Treasury Board permitting the said bank to commence the business of banking.

W. R. TRAVERS,
General Manager.

DOMINION OF CANADA,
Province of Ontario,
County of York.)

To wit:—

IN THE MATTER of the Bank Act and Amendments and of the Farmers' Bank of Canada.

I, WILLIAM R. TRAVERS, of the City of Toronto, in the County of York, General Manager of the Farmers' Bank of Canada, do solemnly declare:—

1. The Farmers' Bank of Canada was duly incorporated by an Act of Parliament of Canada, being chapter 77 of the Statutes of 1904; The said Act of Incorporation was amended by a further Act of the Parliament of Canada being chapter 92 of the Statutes of 1905, and was further amended by an Act of the Parliament of Canada, being chapter 94 of the Statutes of 1906. A true copy of each of the said Acts are now shown to me and marked Exhibit 'A' to this my declaration.

2. The Provisional Directors of the said Bank proceeded in accordance with the Bank Act to open the stock books and issued a prospectus. A true copy of the said prospectus is now shown to me and marked Exhibit 'B' to this my declaration.

3. On or about the Twenty-second day of March, 1906, I was appointed by the Provisional Directors General Manager of the Bank and still occupy the same position, and have knowledge of the matters hereinafter set forth.

4. On the Twenty-third day of October, 1906, there had been actually bona fide subscribed five thousand seven hundred and fifty-seven shares of the Capital Stock of the Farmers' Bank of Canada and I have had personal knowledge of the applications and subscriptions and each and all of the said subscriptions is and are on the printed form of application—a copy of which is now produced and marked Exhibit 'C' to this my declaration, and that the said subscription appeared on the stock books of the said Bank, and that a sum beyond \$250,000 thereof in cash has been actually paid in by the subscribers of the same.

5. Now shown to me and marked Exhibit 'D' to this my declaration is a list of the subscribers to the Capital Stock of the said Bank correctly setting forth as to each subscription the name of the subscriber, his address, the number of shares subscribed for by him, the amount of such shares and the amount paid in thereon. Each of the said subscriptions is a bona fide subscription to the Capital Stock of the said Bank.

6. The Provisional Directors of the said Bank on the said Twenty-third day of October, 1906, caused \$250,000 of the moneys so paid in and which actually had been received in respect of the shares of the Capital Stock of the said Bank to be deposited in the Bank of Montreal to the credit of the Minister of Finance and the Receiver General and that the deposit receipt therefor was forwarded to the Deputy Minister of Finance who acknowledged receipt of the same under date of the twenty-fourth day of October, 1906.

7. In accordance with the provisions of the Bank Act the Provisional Directors by public notice for at least four weeks, called a meeting of the subscribers to the said stock to be held at the offices of the Bank in the Stair Building, corner Bay and Adelaide streets in the City of Toronto in the Province of Ontario on Monday the Twenty-sixth day of November, 1906, at ten o'clock in the forenoon.

8. The said notice appeared by advertising in the issues of the *Canada Gazette* dated October 27th, November 3rd, 10th, 17th, and 24th, and the same notice also appeared in the issues of the *Toronto Daily Globe*, dated October 24th, 25th, 26th, 27th, 29th, 30th, and 31st, and November 1st, 2nd, 3rd, 5th, 6th, 7th, 8th, 9th, 10th, 12th, 13th, 14th, 15th, 16th, 17th, 19th, 20th, 21st, 22nd, 23rd, 24th, and 26th, and the said notice also appeared in the issues of the *Toronto Daily Mail and Empire*, dated October 24th, 25th, 26th, 27th, 29th, 30th, 31st, and November 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 12th, 13th, 14th, 15th, 16th, 17th, 19th, 20th, 21st, 22nd, 23rd, 24th, and 26th. A file of the issues of the *Toronto Daily Globe* and of the *Toronto Daily Mail and Empire* containing the said advertisement are produced and marked Exhibit 'E' to this my declaration.

9. A printed copy of the said notice was also sent by post letter prepaid to each of the subscribers of the Capital Stock of the Bank at the address of such subscriber upon the books of the Bank by depositing the same in the General Post Office Branch B, Toronto, on the Twenty-third day of October, 1906. One of the said individual notices is now shown to me and marked Exhibit 'F' to this my declaration.

10. I acted as Secretary to the said meeting of subscribers holden on the said Twenty-sixth day of November, 1906, and at the said meeting upwards of eighty subscribers were present in person and upwards of three hundred and seventy subscribers were represented by proxy. The subscribers adopted by-laws for the bank and determined the day upon which the annual general meeting of the Bank is to be held being the fourth Monday in November in each year, and the subscribers elected nine directors duly qualified under the Bank Act to hold office until the annual general meeting in the year 1907. The directors so elected are as follows:—

Lt.-Col. R. McLennan, of Cornwall, Ontario.
 Lt.-Col. Jas. Munro, M.P., of Embro, Ont.
 Allan Eaton, Esq., of Mount Nemo, Ont.
 Robt. Noble, Esq., of Norval, Ont.
 W. G. Sinclair, Esq., of Zimmerman, Ont.
 A. Groves, Esq., M.D., of Fergus, Ont., and
 N. M. Devean, Esq., W. Beattie Nesbitt, M.D.; and John Gilchrist, Esq.,
 of Toronto, Ont.

11. The provisions of the Bank Act as to the subscribers to the Capital Stock of the said bank and the deposit with the Receiver General and as to the notice of the said meeting of subscribers and the proceedings of the said meeting have been fully complied with and pursuant to the direction of the said meeting of subscribers and Board of Directors elected at such meeting application hereby is made for the Certificate of the Treasury Board to permit the said bank to commence the business of banking in accordance with the said Act.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act, 1893.

Declared before me at the City
 of Toronto in the County of
 York this twenty-seventh day
 of November in the year of
 our Lord, 1906.

W. R. TRAVERS.

W. H. HUNTER,
 A Com., &c., in H.C.J.

SESSIONAL PAPER No. 153a

4 EDWARD VII., CHAPTER 77.

An Act to incorporate the Farmers' Bank of Canada.

(Assented to 18th July, 1904.)

WHEREAS the persons hereinafter named have, by their petition, prayed that an Act be passed for the purpose of establishing a bank in Canada, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The persons hereinafter named, together with such others as become shareholders in the corporation by this Act created, are hereby constituted a corporation by the name of "The Farmers' Bank of Canada, hereinafter called "The Bank."
2. The Capital Stock of the bank shall be one million dollars.
3. The chief office of the bank shall be at the City of Toronto.
4. James Gallagher, of the village of Teeswater, John Watson, of the town of Listowell, John Ferguson and Alexander Fraser, both of the City of Toronto, and Alexander Shepherd Lown, of the village of Drayton, shall be the provisional directors of the bank.
5. This Act shall, subject to the provisions of section 16 of the Bank Act, remain in force until the first day of July, in the year one thousand nine hundred and eleven.

4—5 EDWARD VII., CHAP. 92.

An Act respecting the Farmers' Bank of Canada.

(Assented to 20th July, 1905.)

WHEREAS the Farmers' Bank of Canada has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything contained in the Bank Act, or in chapter 77 of the Statutes of 1904, incorporating the Farmers' Bank of Canada, the Treasury Board may, within two years after the eighteenth day of July, one thousand nine hundred and four, give to the said Bank the Certificate required by section 14 of the Bank Act.
2. In the event of the said bank not obtaining the said certificate from the Treasury Board within the time aforesaid, the rights, powers and privileges conferred on the said bank by the said Act of Incorporation and by this Act shall thereupon cease and determine, but otherwise shall remain in full force and effect notwithstanding section 16 of the Bank Act.

6 EDWARD VII., CHAPTER 94.

An Act respecting the Farmers' Bank of Canada.

WHEREAS the provisional directors of the Farmers' Bank of Canada, have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in the Bank Act, or in chapter 77 of the Statutes of 1904, incorporating the Farmers' Bank of Canada, or in chapter 92 of the Statutes of 1905, extending the time for obtaining the certificate required by section 14 of the Bank Act, the Treasury Board may, within six months after the

eighteenth day of July, nineteen hundred and six, give to the said bank the certificate required by section 14 of the Bank Act.

2. In the event of the said bank not obtaining the said certificate from the Treasury Board within the time aforesaid, the rights, powers and privileges conferred on the said bank by the said Act of Incorporation and by this Act shall thereupon cease and determine, but otherwise shall remain in full force and effect notwithstanding section 16 of the Bank Act.

A

In the matter of the Bank Act and amendments and of the Farmers' Bank of Canada. This is Exhibit 'A' to the declaration of W. R. Travers declared before me this 27th day of November, 1906.

W. H. HUNTER,
A Comm. &c.

PROSPECTUS.

THE FARMERS' BANK OF CANADA. INCORPORATED BY SPECIAL ACT
OF THE PARLIAMENT OF THE DOMINION OF CANADA, 1904.
HEAD OFFICE: TORONTO. CAPITAL, \$1,000,000, IN 10,000 SHARES
OF \$100 EACH.

THE FARMERS' BANK OF CANADA.

The following gentlemen have consented to act as directors if elected:—His Honour A. E. Forget, Lieutenant-Governor, Saskatchewan; Major Thomas Beattie, President London City Gas Company, Director Agricultural Savings and Loan Company, London; Lieut.-Colonel R. R. McLennan, Contractor, Cornwall, Ont., Director Manufacturers' Life Insurance Company, Director Trufts and Guarantee Company, Director Cornwall Paper Company; John D. Ivey, President, John D. Ivey & Company, Limited, Toronto; Thos. Charlton, Lumberman, Collingwood, Ont., North Tonawanda, N.Y.; H. W. Anthes, President and Managing Director Toronto Foundry Company, Limited; W. S. Calvert, M.P., Manufacturer, Strathroy, President Cameron Dun Company, Limited, President Canadian Oil Company, Limited, Vice-President Northern Life Insurance Company; D. P. McKinnon, Finch, Ont., Ex-President Board of Agriculture and Arts, Director International Portland Cement Co., Ltd.; Colonel James Munro, M.P.P., Banker, Embro, Ont.; Hon. A. G. McKay, K.C., Owen Sound, Ex-Commissioner Crown Lands; George W. Neely, M.P.P., Farmer, Dorchester, Ont.; Thos. Urquhart, Ex-Mayor, Toronto; D. N. McLeod, General Merchant, Parkhill, Ont.; John Ferguson, M.D., M.A., Director Excelsior Life Insurance Company; Robert Noble, Miller, Norval.

General Manager.—W. R. Travers, formerly Manager of the Merchants' Bank of Canada, Hamilton.

Solicitors.—Urquhart, Urquhart & McGregor.

Bankers.—The Traders' Bank of Canada.

MORE BANKING FACILITIES REQUIRED.

The Farmers' Bank of Canada is being formed to meet the increased banking facilities required by the natural and steady expansion of business coincident with the rapid development of the country, particularly its agricultural industries, to whose interests, whilst conducting a general banking business, it will aim to give special consideration.

No other safe business has been as profitable as banking.

No other profitable business has been as safe as banking.

SESSIONAL PAPER No. 153a

EARNING POWER OF BANKS.

The profits of a bank are due to the fact that every business enterprise requires the assistance of a bank. The surplus money, large or small, of individuals is deposited in the bank and loaned by them at a higher rate of interest to business enterprises all over the country.

According to the latest bank report, chartered banks had—

Total Deposits.....	\$578,750,561
Total Loans.....	\$514,943,121

Under the banking laws of Canada a chartered bank has also this additional earning power—that for every dollar of paid-up capital, it can issue its bills to that amount, thus doubling the earning power of its stockholders' money. For instance, the authorized capital of the Farmers' Bank of Canada is \$1,000,000; if this were fully paid up the bank could issue \$1,000,000 in bills, thus earning for its stockholders dividends on \$2,000,000, giving the bank a double earning power on its capital.

The profits on bank stocks are distributed to the shareholders in two ways:

- 1st. Dividends paid direct to stockholders.
- 2nd. Profits over and above paying dividends placed to Rest account, which increase the value of their stock.

WHAT BANKS HAVE DONE—CANADIAN BANKS.

The following table shows what Canadian banks have done in the past for their stockholders:—

	Par Value.	Present Selling Price.	Dividend Now Paid.
Dominion Bank.....	\$100	\$280	10 per cent.
Bank of Nova Scotia.....	100	278	11 "
Bank of Montreal.....	100	259	10 "
Bank of Toronto.....	100	249	10 "
Imperial Bank of Canada.....	100	244	10 "
Standard Bank.....	100	234	10 "
Bank of Hamilton.....	100	229	10 "
Bank of Ottawa.....	100	228	10 "
Canadian Bank of Commerce....	100	182	7 "
Merchant's Bank of Canada.....	100	165	7 "
Traders' Bank of Canada.....	100	154	7 "
Sovereign Bank of Canada.....	100	154	6 "

The stockholders in these banks have thus received their dividends, and in addition their stock has more than doubled in value except in two or three cases.

This splendid showing has been made during a period when the trade of the country was stationary. At the present time, with our trade increasing very fast, the earning power of the banks will be greater than ever, as, for example, is shown by the following list of American banks under like conditions:—

AMERICAN BANKS.

	Par Value.	Present Selling Price.
Chemical National Bank of New York.....	\$100	\$4,850 00
Fifth Ave. National Bank of New York.....	100	3,750 00
Farmers' Deposit Bank, Pittsburgh.....	100	1,600 00
Pittsburgh Bank for Savings.....	100	800 00
Second National Bank.....	100	820 00
First National Bank, Kansas.....	100	700 00
German American Bank, St. Louis.....	100	900 00

Bank stocks, therefore, offer to the investor—

1. A profitable investment.
2. A safe investment.
3. An investment increasing in value.
4. An investment easily realizable.

INVESTMENTS IN BANKS RARE.

The opportunity for investment in stock in a new bank in Canada is rare. It is impossible to get stock in a chartered bank at other than market prices. The stock of a chartered bank which has been going on for some time sells so readily, that it must be purchased at the large premiums at which such shares sell in the open market.

Banks have the power of easily increasing the amount of their capital stock, but whenever they do so the new stock must be first offered pro rata to existing shareholders. In every case in which such has been done the existing shareholders have taken up the whole of the issue, and the general public has been unable to obtain any of it. Should the Farmers' Bank of Canada increase its capital stock in the future, shareholders would also have this privilege, which is considered one of the advantages of being a shareholder.

CAPITAL STOCK.

The capital of the Farmers' Bank of Canada is \$1,000,000, divided into 10,000 shares of \$100 each.

The first block of \$500,000 is offered at par, and will be payable as follows:— On subscription, \$10 per share; a further \$20 per share upon allotment; and seven equal payments of \$10 each per share; the first of such payments to be made 30 days after allotment and the succeeding payments at intervals of 30 days each.

On payments made in advance of monthly instalments interest at the rate of four per cent. per annum will be allowed.

MANAGEMENT.

The gentlemen who have consented to act as directors have been successful in their own business affairs, and are men in whom the public have the highest confidence.

Their selection will have to be ratified at the first meeting of the shareholders. Additional directors will also be selected from amongst the shareholders at the said meeting by the shareholders themselves, so that the shareholders will have a direct opportunity of seeing that the affairs of the bank shall be entrusted to careful and competent management.

Arrangements have been made whereby the office of General Manager will be filled by a well-known, experienced and successful banker, who has held very responsible positions in one of the largest Canadian banks.

The Stock books are now open for subscription at the Provisional Office, 118 King street west, Toronto.

The Provisional Directors reserve the right to allot or reject any subscription in whole or in part.

Cheques, drafts, money orders, and other remittances on account of stock subscriptions should be made payable to 'The Farmers' Bank of Canada;' any payments made otherwise entirely at the subscriber's risk.

Applications for stock can be made in person or by Power of Attorney, form of which is inclosed.

Any further particulars will be furnished on application to C. H. Smith, The Secretary of the Provisional Board of Directors of the Farmers' Bank of Canada, 118 King street west, Toronto, Ont.

SESSIONAL PAPER No. 153a

THE FARMERS' BANK OF CANADA.

Capital \$1,000,000.

Par Value each share \$100.

To the Farmers' Bank of Canada:

We, the undersigned, do hereby severally apply for, and subscribe for, the respective number of shares of the capital stock of the Farmers' Bank of Canada set opposite our respective signatures hereto, and we hereby respectively offer and agree to pay for the said stock, \$100 for each \$100 share as follows: \$10 per share upon the signing hereof, a further \$20 per share upon allotment by the provisional board of directors or the directors of the said bank to the undersigned respectively, and the balance in seven equal monthly payments of \$10 each per share, the first of such payments to be made thirty days after allotment, and the succeeding payments at intervals of thirty days, making in all \$100 per share.

And we respectively agree to accept and pay for, as above mentioned, whatever number of shares of our said respective subscriptions may be allotted, notwithstanding that the whole number of shares applied for be not allotted.

We further respectively agree that, if default be made in the payment of any of the instalments or percentages above mentioned, the board of provisional directors, or the directors of the said bank, may at their option enforce payment by action in the usual way, or may proceed under the provisions of the Bank Act and the by-laws of the bank, for the forfeiture of the said shares.

NAME.	RESIDENCE.	CALLING.	NO. OF SHARES.	AMOUNT WITH PREMIUM.	SIGNATURE.	DATE.	WITNESS.

NOTE.—The foregoing is a facsimile of the Subscription Book which shall be signed by the subscriber in person or by his Attorney duly constituted.

In the matter of the Bank Act and amendments and of the Farmers' Bank of Canada. This is Exhibit "B" to the declaration of W. R. Travers, declared before me this 27th day of November, 1906.

W. H. HUNTER,
A Com., &c.

APPLICATION FOR STOCK.

To the Secretary of the Farmers' Bank of Canada.

SIR,—I hereby apply to the provisional directors or the directors of the Farmers' Bank of Canada for _____ shares of the capital stock of the said bank of the par value of \$100 each at the price of \$100 per share.

And I hereby agree with the Farmers' Bank of Canada to accept the shares now applied for or any lesser number that may be allotted to me, and to pay for the same as follows: \$10 per share upon the signing hereof, a further \$20 per share upon allotment, and seven equal monthly payments of \$10 each per share, the first of such payments to be made thirty days after allotment, and the succeeding pay-

ments at intervals of thirty days. I reserve to myself the right to pay these shares in full upon the allotment on the terms of the prospectus.

I hereby make and appoint the Secretary of the Provisional Board as my attorney to sign and subscribe my name to the subscribers, agreement in the stock books of the said bank, and to accept such shares as may be allotted to me and to register me therein as the holder of the said shares.

I further hereby make and appoint (as a term of my application for shares hereinbefore contained)

my proxy to vote for me and in my behalf at all meetings of the shareholders or subscribers of the stock of the said bank, and at any adjournment thereof, at which I may not be personally present, upon and in respect of all shares of the stock of the Farmers' Bank of Canada which shall be allotted or transferred to me.

Cheques, drafts, money orders, and other remittances on account of stock subscriptions should be made payable to the Farmers' Bank of Canada; any payments made otherwise entirely at subscriber's risk.

Signature

Date

Name in full

Occupation

Address

In the matter of the Bank Act and amendments of the Farmers' Bank of Canada.

This is Exhibit 'C' to the declaration of W. R. Travers, declared before me this 27th day of November, 1906.

W. H. HUNTER,

A Com., &c.

SESSIONAL PAPER No. 153a

'D' IN RE BANK ACT AND FARMERS' BANK OF CANADA.

This is Exhibit 'D' to the declaration of W. R. Travers, declared before me this 27th November, 1906.

W. H. HUNTER.

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name	Residence	No. Shares Subscribed for	Amount Subscribed.	Amount Paid.
Brimblecomb, Wm.	Drayton, Ont.	5	\$ 500	\$ 25
Tucker, Geo.)	Bosworth, Ont.	2	200	10
Dowling, John J.	Drayton, Ont.	1	100	5
Gibb, Hugh C.	Drayton, Ont.	2	200	140
Page, Garnet L.	Drayton, Ont.	10	1,000	700
Wilson, Wm. and H.	Rothsay, Ont.	2	200	200
Noble, Robert	Bosworth, Ont.	2	200	60
Whyte, John	Drayton, Ont.	1	100	40
Gordon, Lottie Mrs.	Drayton, Ont.	2	200	10
Ritch, Wm.	Drayton, Ont.	2	200	70
Dales, John N.	Kingston, Ont.	1	100	5
Cunningham, H.	Drayton, Ont.	5	500	100
Wadel, Joseph	Whitechurch, Ont.	10	1,000	1,000
Fowler, Geo. S.	Teeswater, Ont.	5	500	275
Casey, Con.	Drayton, Ont.	5	500	450
Mayne, Ellen Mrs.	Stirton, Ont.	2	200	175
Downey, James	Goldstone, Ont.	2	200	10
Ellis, George	Drayton, Ont.	5	500	500
Johnston, James	Winfield, Ont.	2	200	40
Johnston, Robert	Winfield, Ont.	5	500	100
Lain, Helen	Drayton, Ont.	10	1,000	1,000
Davidson, E.	Drayton, Ont.	10	1,000	1,000
Wooddise Bros.	Rothsay, Ont.	10	1,000	1,000
White, Charles	Drayton, Ont.	5	500	25
Corbitt, R. H.	Rothsay, Ont.	10	1,000	1,000
Groves, A.	Fergus, Ont.	100	10,000	3,000
Elsley, Levi	Nassagaweys, Ont.	7	700	700
Visger, J. S.	Montreal, Que.	1	100	5
Ryan, J. G.	Elizabeth, N. J.	1	100	5
Fortier, Joseph	Montreal, Que.	2	200	10
Forget, A. E.	Regina, Sask.	50	5,000	.....
Munro, James	Embro, Ont.	50	5,000	3,250
Lavertin, L. V.	Montreal, Que.	3	300	15
Davidson, W. F.	Drayton, Ont.	2	200	20
McKay, Alex.	Holiday, Ont.	5	500	350
McKay, Hugh	Holiday, Ont.	5	500	350
Sutherland, G. A.	Embro, Ont.	5	500	500
Goddes, W. J.	Embro, Ont.	10	1,000	1,000
Sutherland, Geo.	Chicago, Ill.	10	1,000	1,000
Keseltine, W. H.	Rothsay, Ont.	10	1,000	100
Stevens, F. B.	Detroit, Mich.	20	2,000	1,000
Newman, R. A.	Detroit, Mich.	50	5,000	5,000
Elsley, Levi	Nassagaweys, Ont.	3	300	300
Lathrop, F. E.	Aramada, Mich.	10	1,000	1,000
Walker, Joseph	Niagara-on-the-lake, Ont.	2	200	20
Murray, C.	Embro, Ont.	10	1,000	1,000
Sutherland, R.	Golspie, Ont.	5	500	500
Brand, C. A.	Embro, Ont.	5	500	500
Sutherland, M.	Golspie, Ont.	5	500	500

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed	Amount Paid.
Walsh, Mrs. J.	Hollin, Ont.	6	\$ 600	\$ 600
Paterson, W. A.	Flint, Mich.	10	1,000	500
Ferguson, A.	Edinburgh, Scot.	10	1,000	500
Lindsay, James.	Fergus, Ont.	10	1,000	1,000
Sutherland, Geo. A.	Embro, Ont.	5	500	500
Simpson, G. A.	Leamington, Ont.	10	1,000	1,000
Morse, G. A.	Leamington, Ont.	5	500	500
Nelson, J. H.	Kingsville, Ont.	20	2,000	2,000
Samson, James.	Windsor, Ont.	5	500	50
Watt, J. A.	Salem, Ont.	1	100	40
Charlton, Thomas.	Collingwood, Ont.	30	3,000	.....
McLennan, R. R.	Cornwall, Ont.	50	5,000	3,000
Webb, Thomas.	Brighton, Ont.	10	1,000	1,000
Gilchrist, A.	Napanee, Ont.	3	300	240
Armstrong, R. W.	Bracebridge, Ont.	1	100	50
Harris, M. A.	Toronto, Ont.	2	200	200
Witham, A. J.	St. Catharines, Ont.	25	2,500	.....
Wise, Henry.	St. Catharines, Ont.	5	500	500
McMillan, Isabella.	Hamilton, Ont.	5	500	500
Brown, J. G.	Humber Bay, Ont.	2	200	200
Barnhill, John.	Norval, Ont.	2	200	200
Noble, Robert.	Norval, Ont.	30	3,000	3,000
Hunter, Francis.	Norval, Ont.	10	1,000	1,000
Cook, James E.	Hamilton, Ont.	4	400	400
Day, G. H.	Norval, Ont.	3	300	300
Turner, W. D.	Norval, Ont.	2	200	200
Watson, Robert, sr.	Norval, Ont.	5	500	50
Anthony, F. W.	Norval, Ont.	1	100	10
Early, M. J.	Norval, Ont.	6	600	600
Sykes, A.	Glenwilliams, Ont.	10	1,000	1,000
Tumulty, T. H.	Madoc, Ont.	1	100	100
Hyatt, W.	Norval, Ont.	10	1,000	1,000
Hunter, John.	Norval, Ont.	1	100	100
Chisholm, William.	Antigonish, N.S.	3	300	300
Cook, John C.	Norval, Ont.	5	500	50
Switzer, Jos. C.	Norval, Ont.	5	500	50
Leslie, Matilda.	Georgetown, Ont.	5	500	500
Leslie, R. F.	Georgetown, Ont.	10	1,000	1,000
Summers, Jane.	Corinth, Ont.	1	100	100
Fisher, A. E.	Whitehorse, Yukon.	5	500	500
Eccles, John.	Glenwilliams, Ont.	10	1,000	.....
Showler, T. W.	Arkona, Ont.	10	1,000	30
Hotson, Alexander.	Parkhill, Ont.	15	1,500	900
Dickison, Thos.	Arkona, Ont.	4	400	400
Dickison, Jennie.	Arkona, Ont.	5	500	500
Hunter, John W.	Toronto, Ont.	5	500	500
Ellis, J. S.	Toronto, Ont.	1	100	50
Green, C. J.	Kingsville, Ont.	2	200	200
Smith, A. E.	Parkhill, Ont.	4	400	400
Bowley, James.	Strathroy, Ont.	10	1,000	500
Sunstrum, John.	Ottawa, Ont.	25	2,500	.....
Merner, Samuel.	Berlin, Ont.	50	5,000	.....
McKinnon, D. P.	Finch, Ont.	10	1,000	100
McMillan, D. A.	Finch, Ont.	5	500	450
Simpson, J. P.	Finch, Ont.	3	300	270
Adams, Benjamin.	Finch, Ont.	5	500	500
Deese, D. F.	Finch, Ont.	5	500	500

SESSIONAL PAPER No. 153a

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
Sutherland, D.	Golspie, Ont.	3	\$ 300	\$ 300
Showler, T. W.	Arkona, Ont.	20	2,000	70
Moore, Louisa Miss	Arkona, Ont.	1	100	100
Smith, Sarah Mrs.	Arkona, Ont.	1	100	100
Smith, George	Arkona, Ont.	10	1,000	485
Copeland, E. M.	Arkona, Ont.	5	500	500
Greenlees Bros.	Milton, Ont.	10	1,000	1,000
Kerr, John	Milton, Ont.	50	5,000	3,000
Waters, Wm.	Springbank, Ont.	10	1,000	1,000
Waters, Sarah	Springbank, Ont.	10	1,000	1,000
McLaughlin, J. C.	Norval, Ont.	2	200	100
Sutherland, James	Holiday, Ont.	10	1,000	1,000
Darragh, Robert	Milton, Ont.	10	1,000	1,000
Scott, W. N.	Milton, Ont.	50	5,000	1,500
Daniels, Geo.	Milton, Ont.	5	500	200
Cheyne, Luther	Brampton, Ont.	5	500	100
McCann, Ed., jr.	Omagh, Ont.	10	1,000	100
Bell, Geo. A.	Lowville, Ont.	53	300	30
Powell, H. H.	Lowville, Ont.	15	1,500	825
McCall, Hugh A.	Milton, Ont.	10	1,000	.....
Dewar, Duncan	Milton, Ont.	5	500	200
Stewart, Jno.	Milton, Ont.	5	500	250
Travers, W. R.	Toronto, Ont.	50	5,000	500
Hunter, John	Milton, Ont.	15	1,500	1,500
Ford, John A.	Omagh, Ont.	5	500	50
Sutherland, Robert	Golspie, Ont.	5	500	500
Sutherland, Hugh	Holiday, Ont.	5	500	500
Elliot, William	Milton, Ont.	5	500	500
Irving, John	Milton, Ont.	5	500	50
Panton, William	Milton, Ont.	10	1,000	100
McLeod, John	Milton, Ont.	1	100	50
Scott, J. B.	Milton, Ont.	5	500	100
Mathews, Alex.	Guelph, Ont.	5	500	500
Brandon, J. S.	Milton, Ont.	5	500	.....
Lindsay, Wm. J.	Toronto, Ont.	50	5,000	500
Storey, Geo.	Milton, Ont.	50	5,000	5,000
Muir, Gertrude	Almonte, Ont.	5	500	500
MacDowall, Wm. S.	Almonte, Ont.	5	500	500
McCuaig, Malcolm	Peveril, Que.	10	1,000	1,000
Cattanach, J. F.	North Lancaster, Ont.	2	200	200
McCuaig, Donald	Dalhousie Stat., Que.	5	500	500
McDonald, P. D.	Bridge End Stat.	2	200	200
Beaty, Wm. T.	Omagh, Ont.	50	5,000	5,000
Elliot, Dollie	Milton, Ont.	1	100	100
Foster, James	Moray, Ont.	10	1,000	1,000
McLachlin, Donald	Parkhill, Ont.	1	100	100
Augustine, W. A.	Arkona, Ont.	1	100	100
Foster, Joseph, sr.	Greenway, Ont.	1	100	100
Kemp, D. C.	Hornby, Ont.	50	5,000	5,000
Bate, Joseph E.	Scotch Block, Ont.	50	5,000	5,000
Geer, Jennie B.	Milton, Ont.	50	5,000	.....
Hunter, William	Ashgrove, Ont.	25	2,500	2,500
Hunter, Thomas	Norval, Ont.	25	2,500	2,500
Elliott, J. W.	Milton, Ont.	5	500	100
Roper, J. P.	Milton, Ont.	1	100	100
Sproat, John	Mansewood, Ont.	100	10,000	1,000
Edmonstone, Jas.	Balaclava, Ont.	4	400	240

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			\$	\$
Gillies, Mary	Watford, Ont.	1	100	100
Thompson, Lizzie	Watford, Ont.	1	100	100
Saunders, Annie N.	Tillsonburg, Ont.	5	500	500
Saunders, Wm. H.	Tillsonburg, Ont.	5	500	250
Dewar, John	Milton, Ont.	5	500	
Sayers, Peter	Guelph, Ont.	10	1,000	
McDuffe, P. A.	Omagh, Ont.	10	1,000	1,000
Gastle, George	Milton, Ont.	10	1,000	1,000
Shortreed, Jno. H.	Mansewood, Ont.	5	500	500
McCallum, Finlay	Milton, Ont.	10	1,000	1,000
Scott, Mary Moore	Milton, Ont.	10	1,000	30
Scott, Flora	Milton, Ont.	10	1,000	100
Ford, James	Boyne, Ont.	50	5,000	200
Pell, John	Omagh, Ont.	10	1,000	1,000
Aitkens, Thomas	Milton, Ont.	25	2,500	2,500
Dixon, W. A.	Milton, Ont.	50	5,000	500
Whitney, W. P.	Milton, Ont.	1	100	100
Pearce, Edith E.	Springford, Ont.	5	500	500
Bunt, Wm. T.	Springford, Ont.	2	200	60
Somerville, Wm.	St. Marys, Ont.	10	1,000	100
Moffatt, James	Kelso, Ont.	10	1,000	1,000
Thompson, Geo. H.	Hornby, Ont.	50	5,000	5,000
Emerson, Andrew	Zimmerman, Ont.	50	5,000	500
Joyce, Clark	Mansewood, Ont.	5	500	50
Dewar, W. F.	Milton, Ont.	10	1,000	300
Joyce, Robert	Mansewood, Ont.	10	1,000	600
Bridgmann, Burwell	Zimmerman, Ont.	1	100	10
O'Hagan, James	Toronto, Ont.	1	100	80
Murray, James	Mansewood, Ont.	10	1,000	300
Galloway, Chas. E.	Milton, Ont.	5	500	50
Robertson, Hugh	Martintown, Ont.	5	500	500
Robertson, Duncan J.	Martintown, Ont.	10	1,000	1,000
Moffat, James F.	Martintown, Ont.	3	300	300
Ewing, James	Eden Mills, Ont.	5	500	500
Hollinrake, C. E.	Milton, Ont.	5	500	300
Alderson, Thos.	Drumquin, Ont.	5	500	50
Howden, Thomas	Milton, Ont.	5	500	50
Coulson, John	Kilbride, Ont.	25	2,500	450
Bowes, G. S.	Milton, Ont.	2	200	200
Coulson, Wm. J.	Kilbride, Ont.	5	500	50
Bradshaw, J. L.	Stratford, Ont.	5	500	250
Wilson, Isabella	Edinburgh, Scot.	2	200	80
Robertson, Wm.	Hamilton, Ont.	5	500	500
Cruikshank, Anne	Hamilton, Ont.	10	1,000	1,000
Hume, John	Scotch Block, Ont.	5	500	50
Andrews, Jos. W.	Milton, Ont.	2	200	20
Shuert, Jane	Milton, Ont.	3	300	30
Stewart, Jno.	Milton, Ont.	10	1,000	100
Bell, Geo. A.	Lowville, Ont.	7	700	70
Ford, John F.	Omagh, Ont.	50	5,000	1,000
Cox, Thomas	Milton, Ont.	50	5,000	5,000
McDuffe, P. A.	Omagh, Ont.	15	1,500	1,500
Kennedy, Wm. N.	Hornby, Ont.	5	500	250
Powell, Hy. H.	Lowville, Ont.	15	1,500	825
Pearce, Edith F.	Springford, Ont.	5	500	500
Ross, Andrew J.	Nairn, Ont.	1	100	60
McGregor, Chas. D.	Milton, Ont.	5	500	150

SESSIONAL PAPER No. 153a

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
Wilson, Hugh E.	Keyser, Ont.	5	\$ 500	\$ 500
Kelly, P. J.	Stratford, Ont.	10	1,000	100
Fraser, Edna S.	Surgoinsville, Tenn.	2	200	200
Handy, Lottie O. M.	Surgoinsville, Tenn.	1	100	100
Handy, F. T.	Surgoinsville, Tenn.	1	100	100
Roper, Jno. P.	Milton, Ont.	4	400	400
Darling, Robt. A.	Mansewood, Ont.	5	500	50
Clements, Mathew	Milton, Ont.	5	500	50
Denoon, Geo.	Milton, Ont.	20	2,000	2,000
Bridgman, Burwell	Zimmerman, Ont.	4	400	75
Mowbray, Jno. W.	Camden, East, Ont.	6	600	600
Haydon, Jas. S.	Camden East, Ont.	10	1,000	1,000
Ford, Edward	Omagh, Ont.	15	1,500	150
Fox, Robert W.	Omagh, Ont.	15	1,500	150
Ratz, John	Khiva, Ont.	10	1,000	400
Johnson, Harry F.	Boyne, Ont.	2	200	20
Fox, Robert W.	Omagh, Ont.	10	1,000	100
Hamilton, Alice	Milton, Ont.	10	1,000	1,000
Hume, Robert	Milton, Ont.	10	1,000	100
McLean, William	Milton, Ont.	5	500	50
McLean, Margaret D.	Milton, Ont.	5	500	50
Shortreed, Walter	Milton, Ont.	10	1,000	1,000
Rose, And. J.	Nairn, Ont.	2	200	120
Arnald, Agnes	Kingsville, Ont.	3	300	300
Chapman, H.H.	Brantford, Ont.	1	100	55
Amey, Elgin B.	Camden East, Ont.	2	200	200
Stover, Lewis H.	Caden East, Ont.	10	1,000	1,000
Dickson, Alex.	Camden East, Ont.	4	400	400
Stedman, N.	Camden East, Ont.	5	500	500
Parrott, Herman H.	Camden East, Ont.	4	400	400
Lynch, M. J.	Kingston, Ont.	5	500	500
Haydon, James A.	Camden East, Ont.	4	400	400
Osborn, Annie	Glenwilliams, Ont.	1	100	100
Sloan, W. J.	Glenwilliams, Ont.	5	500	500
Johnson, Caroline	Boyne, Ont.	1	100	100
Peddie, Jas. C.	Milton, Ont.	5	500	250
Porter, Alex.	Omagh, Ont.	5	500	50
Foster, H. A.	Lowville, Ont.	15	1,500	150
Gunby, Burdge	Kilbride, Ont.	50	5,000	2,000
Scott, Mary M.	Milton, Ont.	20	2,000	70
Walker, Wm. D.	Milton, Ont.	1	100	10
Downs, Edward W.	Drumquin, Ont.	25	2,500	650
Porter, Alex.	Omagh, Ont.	5	500	50
Cartwright, A.	Zimmerman, Ont.	10	1,000	1,000
Sinclair, W. G.	Zimmerman, Ont.	50	5,000	2,775
Edmonstone, Jas.	Balaclava, Ont.	2	200	120
Ford, Edward	Omagh, Ont.	10	1,000	100
Ford, David F.	Omagh, Ont.	10	1,000	1,000
Anderson, R. K.	Milton, Ont.	10	1,000	300
Grigg, Emma J.	New York, N. Y.	1	100	100
Brough, James	Springford, Ont.	5	500	500
Brough, Ida L.	Springford, Ont.	2	200	200
Randall, Claretta	Springford, Ont.	2	200	200
Fuller, Eliat	Thornhill, Ont.	5	500	150
Fuller, Eliat	Thornhill, Ont.	5	500	150
Smith, Mathew W.	Thornhill, Ont.	10	1,000	500
Sackrider, Chas.	Burgessville, Ont.	1	100	50

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			\$	\$
Allin, Jesse.	Holbrook, Ont.	10	1,000	700
Topham, John.	Burgessville, Ont.	2	200	20
Sutherland, Sarah.	Leamington, Ont.	2	200	200
Ross, A. J.	Nairn, Ont.	1	100	60
Marshall, Jas.	Glasgow, Scotland.	5	500	500
Ferguson, George.	Glasgow, Scotland.	15	1,500	1,500
Murray, John.	Embros, Ont.	5	500	500
Murray, George.	Embros, Ont.	10	1,000	1,000
Lindsay, J. R.	Georgetown, Ont.	5	500	500
McCullough, R. C.	Georgetown, Ont.	5	500	500
Bowman, Wm.	Georgetown, Ont.	5	500	50
Logie, James.	Nassagaweya, Ont.	5	500	500
Peddie, John.	Milton, Ont.	5	500	500
Peddie, James.	Milton, Ont.	5	500	500
Wilson, Wm. G.	Ashgrove, Ont.	5	500	500
McCann, Rebecca	Omagh, Ont.	5	500	500
Griffin, Joshua H.	Burgessville, Ont.	2	200	200
Siple, R. A.	Burgessville, Ont.	2	200	20
Hoard, William.	Glenwilliams, Ont.	5	500	50
Bennett, David H.	Zimmerman, Ont.	10	1,000	325
Scott, Alex. P.	Brampton, Ont.	2	200	20
Chapman, Jno. A.	Sandwich, Ont.	25	2,500	250
Brown, R. L.	Georgetown, Ont.	50	5,000	500
Edmonstone, Jas.	Balaclava, Ont.	4	400	240
Elliott, Robt. A.	Milton, Ont.	5	500	500
Laird, Geo.	Ashgrove, Ont.	10	1,000	500
Kennedy, G. A.	Milton, Ont.	10	1,000	100
McCallum, M.	Ashgrove, Ont.	2	200	100
Sinclair, D.	Freeman, Ont.	5	500	200
Commins, A. C.	Burlington, Ont.	5	500	250
Bingham, Jno.	Georgetown, Ont.	1	100	50
Leslie, J. T.	Norval, Ont.	2	200	20
Southcott, J.	Grand Pond, Ont.	1	100	100
Burland, G. B.	Montreal, P.Q.	150	15,000	2,000
Cartwright, Jno. A.	Zimmerman, Ont.	10	1,000	1,000
Chisholm, L. W.	Limchouse, Ont.	1	100	40
Davis, C. G.	Freeman, Ont.	10	1,000	1,000
Stork, Ira A.	Mono Mills, Ont.	1	100	100
Richardson, T. W.	Glenwilliams, Ont.	10	1,000	100
Standish, J. L.	Esquesing, Ont.	1	100	10
Near, Frederick S.	Ballinafad, Ont.	3	300	30
Campbell, Donald.	Ballinafad, Ont.	3	300	30
Hoare, Sarah.	Glenwilliams, Ont.	4	400	400
Brown, John K.	Georgetown, Ont.	20	2,000	200
McDonald, John.	Acton, Ont.	2	200	110
McDonald, Alex.	Acton, Ont.	3	300	30
Campbell, John.	Glenwilliams, Ont.	3	300	30
Stalker, John.	Acton, Ont.	2	200	200
Devean, Nathan M.	Toronto, Ont.	10	1,000	1,000
Devean, N. M.	Toronto, Ont.	190	19,000	19,000
Bowand, Bessie K.	Walkerton, Ont.	10	1,000	1,000
Thompson, David.	Walkerton, Ont.	20	2,000	1,880
Ford, Mary E.	Omagh, Ont.	2	200	200
Ford, Ida A.	Omagh, Ont.	5	500	500
Robinson, Margaret.	Omagh, Ont.	5	500	500
Gowan, Chas. W.	Ballymote, Ont.	1	100	100
Norris, Henry.	Alliston, Ont.	5	500	500

SESSIONAL PAPER No. 153a

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			\$	\$
Elliott, Thomas.....	Lowville, Ont.....	10	1,000	1,000
Alwin, Chas. S.....	Freeman, Ont.....	10	1,000	500
Robinson, George.....	Omagh, Ont.....	10	1,000	1,000
Downs, Albert J.....	Drumquin, Ont.....	25	2,500	250
Sinclair, Wm. G.....	Zimmerman, Ont.....	50	5,000	2,775
Ford, D. Frank Ford.....	Omagh, Ont.....	15	1,500	1,500
Tullis, Harry P.....	Glasgow, Scot.....	5	500	350
Starret, Margaret J.....	Glenwilliams, Ont.....	1	100	10
Simpson, Robert.....	Kilbride, Ont.....	10	1,000	1,000
Simpson, Mary Ann.....	Kilbride, Ont.....	5	500	500
Phillip, Annie.....	Kilbride, Ont.....	2	200	200
Bell, Robert.....	Zimmerman, Ont.....	10	1,000	1,000
Eaton, Allan.....	Mt. Nemo, Ont.....	100	10,000	7,500
Freeman, J. G.....	Box Grove, Ont.....	3	300	200
Newman, R. A.....	Detroit, Mich.....	50	5,000	5,000
Freeman, Helen.....	Box Grove, Ont.....	10	1,000	100
Thompson, Agnes.....	Terra Cotta, Ont.....	14	1,400	1,100
McMillan, Harriet L.....	Westmount, Que.....	5	500	500
Rae, James.....	Malcolm, Ont.....	10	1,000	1,000
Rae, Alexander.....	Malcolm, Ont.....	10	1,000	1,000
Rae, Betsy.....	Malcolm, Ont.....	10	1,000	1,000
Findlay, Robert.....	Malcolm, Ont.....	3	300	300
Macdonald, John.....	Markham, Ont.....	5	500	500
Meyer, Pauline V.....	Toronto, Ont.....	10	1,000	500
Pfister, John.....	Toronto, Ont.....	10	1,000	500
Sinclair, Grant W.....	Zimmerman, Ont.....	10	1,000	500
Krupp, Samuel.....	Caro, Mich.....	4	400	40
Shreve, Mary L.....	Caro, Mich.....	2	200	120
McClure, Samuel.....	Glenwilliams, Ont.....	5	500	225
Cook, Thomas.....	Ballinafad, Ont.....	1	100	10
Tolton, James.....	Walkerton, Ont.....	5	500	250
Little, John D.....	Walkerton, Ont.....	10	1,000	500
Robb, Elsie.....	St. George, Ont.....	5	500	50
Robb, William.....	St. George, Ont.....	20	2,000	400
McKechnie, John.....	Ballinafad, Ont.....	1	100	100
Morrison, Alfred.....	Ashgrove, Ont.....	1	100	10
Morrison, Hugh.....	Ashgrove, Ont.....	5	500	50
Near, Martin L.....	Erin, Ont.....	10	1,000	100
Hanna, William.....	Erin, Ont.....	2	200	200
Murray, George.....	St. Andrews, Scotland.....	5	500	500
Thompson, Elizabeth.....	Ballinafad, Ont.....	15	1,500	1,100
Wait, Christina.....	St. George, Ont.....	10	1,000	1,000
Sager, Sarah.....	St. George, Ont.....	10	1,000	1,000
Appleyard, Thos. E.....	Georgetown, Ont.....	1	100	100
Appleyard, Albert.....	Georgetown, Ont.....	1	100	100
Curry, Eliza R.....	Esquesing, Ont.....	1	100	100
Denny, Jos. H.....	Ballinafad, Ont.....	5	500	50
Kennedy, Paul S.....	Acton, Ont.....	2	200	20
Arnell, Peter.....	Teeswater, Ont.....	1	100	60
Wharton, Miss E.....	Teeswater, Ont.....	3	300	.....
Thomson, Malcolm.....	Walkerton, Ont.....	5	500	500
Allin, Jesse.....	Holbrook, Ont.....	5	500	50
Allin, Hiram.....	Ostrander, Ont.....	5	500	200
Allin, Nellie.....	Ostrander, Ont.....	5	500	200
Clement, Ethel P.....	Burgessville, Ont.....	1	100	50
Topham, John.....	Burgessville, Ont.....	1	100	50
Corless, John G.....	Burgessville, Ont.....	1	100	10

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			\$	\$
Burgess, Charles E.	Burgessville, Ont.	1	100	10
Burwell, Matilda	London, Ont.	6	600	600
Burwell, Edward	London, Ont.	10	1,000	1,000
Baskett, Sarah	Ballymote, Ont.	1	100	100
Green, Arthur E.	St. George, Ont.	4	400	280
Kennedy, Thos. W.	Acton West, Ont.	1	100	10
Denny, Margaret	Ballinafad, Ont.	5	500	50
Watson, John	Acton West, Ont.	5	500	50
Lindsay, Ninan F.	Acton West, Ont.	5	500	50
Harris, William	Milton, Ont.	5	500	500
Ainslie, Mathew F.	Drumbo, Ont.	2	200	200
Ainslie, Mary J.	Drumbo, Ont.	2	200	200
Golding, Henry	Ingersoll, Ont.	10	1,000	1,000
Kinney, Lewis P.	Drumbo, Ont.	4	400	40
Weir, Andrew	Masonville, Ont.	2	200	20
Appleyard, Albert, sr.	Georgetown, Ont.	5	500	500
Lindsay, Jessie E.	Georgetown, Ont.	1	100	100
Gillson, Thos.	Masonville, Ont.	5	500	500
Monkman, John A.	Toronto, Ont.	6	600	600
Collids, Sophronia	St. George, Ont.	1	100	100
Coulson, John	Hornby, Ont.	1	100	100
Stafford, William	Wallacetown, Ont.	2	200	80
Bobier, Alfred F.	Port Talbot, Ont.	2	200	200
Telford, John	Wallacetown, Ont.	2	200	200
Barber, Jessie	Fingal, Ont.	2	200	.....
Turner, James	Fingal, Ont.	1	100	10
Fulton, Velma	Fingal, Ont.	1	100	.....
Garbutt, Robt. G.	Wallacetown, Ont.	1	100	.....
Page, William	Fingal, Ont.	1	100	.....
Tubby, E. H.	Fingal, Ont.	1	100	100
Edmonds, Geo.	Fingal, Ont.	1	100	.....
Kochler, Ed.	Tyrconnell, Ont.	1	100	40
Crane, James W.	Wallacetown, Ont.	1	100	.....
Brush, Herschel D.	Fingal, Ont.	1	100	50
Casey, Thomas	Fingal, Ont.	1	100	.....
Cameron, John A.	Wallacetown, Ont.	1	100	10
Stevenson, W. E.	Fingal, Ont.	1	100	.....
Docker, Anna F.	Wallacetown, Ont.	3	300	300
Barnum, Wm. E.	Dutton, Ont.	1	100	40
Bobier, James	Wallacetown, Ont.	1	100	100
Clay, Cleve B.	Wallacetown, Ont.	1	100	10
Watkins, James	Port Talbot, Ont.	1	100	100
Fitch, William	Port Talbot, Ont.	1	100	100
Burwell, Samuel E.	Fingal, Ont.	2	200	200
Barnes, Martha	Ash, Ont.	1	100	100
Husband, Geo. E.	Ash, Ont.	10	1,000	100
Horn, Thomas	Ash, Ont.	1	100	10
Husband, Robt. W.	Ash, Ont.	10	1,000	100
Witham, S. F.	Brantford, Ont.	20	2,000	200
Shaver, Wm. J.	Toronto, Ont.	20	2,000	2,000
Shaver, A. Rolph	Toronto, Ont.	10	1,000	1,000
Hoover, A. H.	Toronto, Ont.	50	5,000	.....
Graham, W. A.	Wallacetown, Ont.	1	100	30

SESSIONAL PAPER No. 153a

THE FARMERS BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			\$	\$
Bobier, R.....	Pt. Talbot, Ont.....	1	100	100
Dromoye, H.....	Wallacetown, Ont.....	1	100	
Bobier, Joseph.....	Dutton, Ont.....	5	500	500
Heeks, Henry.....	Palermo, Ont.....	10	1,000	100
Foster, Thomas.....	Brantford, Ont.....	3	300	60
Hazell, Horace.....	Hamilton, Ont.....	5	500	50
Irving, W. A.....	Tansley, Ont.....	5	500	50
Townsend, Josiah.....	Terra Cotta, Ont.....	1	100	100
Nixon, John F.....	Ashgrove, Ont.....	2	200	200
McKerlie, Marshall.....	Pt. Nelson, Ont.....	40	4,000	4,000
Hartman, Chas. H.....	Hamilton, Ont.....	2	200	20
Gow, Peter.....	Wallacetown, Ont.....	1	100	30
Bobier, David.....	Pt. Talbot, Ont.....	2	200	200
Garner, Thomas.....	Palermo, Ont.....	5	500	50
Burtch, David.....	Palermo, Ont.....	4	400	400
Burtch, Mary J.....	Palermo, Ont.....	2	200	200
Dearling, John.....	Palermo, Ont.....	1	100	10
Kirkpatrick, Wm.....	Burgessville, Ont.....	1	100	10
Thompson, Annie S.....	Ashgrove, Ont.....	2	200	200
Morrison, Loretta.....	Ashgrove, Ont.....	2	200	200
Lindsay, W. J.....	Toronto, Ont.....	500	50,000	5,000
McKee, Geo.....	Wallacetown, Ont.....	1	100	100
Blue, Dugald.....	Wallacetown, Ont.....	1	100	
McGeachy, John A.....	Iona, Ont.....	4	400	400
Patterson, Lewis.....	Palermo, Ont.....	3	300	300
Alexander, John.....	Palermo, Ont.....	8	800	800
Wood, Will S.....	Palermo, Ont.....	1	100	100
Wilkinson, Geo. H.....	Palermo, Ont.....	1	100	50
Bennett, W. J.....	Dundas, Ont.....	5	500	150
McCallum, Dugald.....	Adrian, Ont.....	2	200	200
Church, Ephraim.....	Iona, Ont.....	1	100	
Preston, Bert C.....	Armada, Ont.....	5	500	500
Wettlaufer, J. B. R.....	Palermo, Ont.....	2	200	20
Brush, Herschel D.....	Fingal, Ont.....	1	100	60
Bobier, Sarah J.....	Pt. Talbot, Ont.....	1	100	100
Edmonds, Geo. or Cora or surv	Fingal, Ont.....	1	100	
Turner, Frank E.....	Bracondale, Ont.....	10	1,000	
McCallum, Dugald.....	Adrian, Mich.....	1	100	100
Taylor, George E.....	Paris Station, Ont.....	5	500	50
Bobier, Harry.....	Pt. Talbot, Ont.....	1	100	100
McIntyre, Duncan.....	Fingal, Ont.....	1	100	100
Anderson, Martha.....	Fingal, Ont.....	2	200	20
Bobier, A. F.....	Pt. Talbot, Ont.....	3	300	300
Edmonds, Geo. or Cora.....	Fingal, Ont.....	3	300	
Casey, Thomas.....	Fingal, Ont.....	1	100	
McIntyre, Donald.....	Boxall, Ont.....	2	200	
Mitchell, Thomas.....	Ash, Ont.....	1	100	10
Newman, Walter T.....	Vancouver, B.C.....	5	500	50
Burwell, Edward.....	London, Ont.....	90	9,000	9,000
McIntyre, Colvin A.....	Fingal, Ont.....	2	200	20
Bobier, Sarah J.....	Pt. Talbot, Ont.....	1	100	100
Strong, George.....	Wallacetown, Ont.....	1	100	10
Bobier, Hattie.....	Pt. Talbot, Ont.....	5	500	500

THE FARMERS' BANK OF CANADA.

LIST OF SHAREHOLDERS.

Name.	Residence.	No. Shares Subscribed for.	Amount Subscribed.	Amount Paid.
			\$	\$
Davison, Mathew.....	Flint, Mich.....	50	5,000	.....
Smith, Flint P.....	Flint, Mich.....	50	5,000	.....
Cook, Edward.....	Leamington, Ont.....	3	300	30
Cook, Richard.....	Leamington, Ont.....	2	200	20
Walker, Peter M.....	Milton, Ont.....	1	100	.....
Stewart, Neil.....	Milton, Ont.....	25	2,500	.....
Murray, James.....	Mansewood, Ont.....	25	2,500	.....
Hirst, Edward.....	Campbellville, Ont.....	10	1,000	1,000
Cunningham, Lizzie.....	Hornby, Ont.....	3	300	300
Coulson, Maggie.....	Hornby, Ont.....	1	100	100
Elsley, Charles A.....	Campbellville, Ont.....	5	500	250
Menzie, R. L.....	Kelso, Ont.....	1	100	100
Menzie, Wm.....	Kelso, Ont.....	1	100	50
Weir, Eliza A.....	Kelso, Ont.....	5	500	500
Cairns, Samuel.....	Campbellville, Ont.....	2	200	200
Miller, John.....	Leamington, Ont.....	5	500	500
Sprowl, Mrs. Wm.....	Acton, Ont.....	3	300	300
Sprowl, Wm.....	Acton, Ont.....	3	300	300
Hanley, John.....	Milton, Ont.....	1	100	100
Honeywill, E. H.....	Mallinamad, Ont.....	25	2,500	2,500
McClure, Samuel.....	Glenwilliams, Ont.....	5	500	225
Stair, Fred. W.....	Toronto, Ont.....	100	10,000	1,000
Bastedo, Ida A.....	Milton, Ont.....	5	500	50
Haist, Aaron Y.....	Stratford, Ont.....	4	400	400
Ford, James.....	Omagh, Ont.....	2	200	20
Snelgrove, E. W.....	Brighton, Ont.....	10	1,000	1,000
Symons, W. L.....	Toronto, Ont.....	10	1,000	100
Patterson, Earnest.....	Palermo, Ont.....	1	100	25
Beaty, Ella M.....	Milton, Ont.....	2	200	20
Bobier, Jos. or Jane.....	Dutton, Ont.....	5	500	500
Dewar, John.....	Fingal, Ont.....	1	100	.....
McCurdy, Robert.....	Hornby, Ont.....	1	100	100
Brill, S. R.....	Teeswater, Ont.....	2	200	200
Davidson, J. A.....	Milton, Ont.....	1	100	.....
Campbell, A.....	Mountsberg, Ont.....	2	200	50
Beattie, M.....	Campbellville, Ont.....	5	500	.....
Nesbitt, William B.....	Toronto, Ont.....	100	10,000	3,000
Lown, A. S.....	Toronto, Ont.....	1	100	10
Hunter, W. H.....	Toronto, Ont.....	1	100	10
Macorquodale, D. S.....	Toronto, Ont.....	1	100	.....
Wood, W. R.....	Toronto, Ont.....	1	100	10
Macorquodale, B. E.....	Toronto, Ont.....	1	100	.....
Macorquodale, F. D.....	Toronto, Ont.....	1	100	.....
Parmenter, L. S.....	Flushing, N. Y.....	1	100	30
Fitzgibbon, J. G.....	Toronto, Ont.....	1	100	.....
Latch, Emma.....	Toronto, Ont.....	8	800	800
Wilson, Maggie E.....	Toronto, Ont.....	5	500	500
Gallagher, James.....	Toronto, Ont.....	1	100	10
Thomas, A. Wm.....	Toronto, Ont.....	10	1,000	.....
Luxton, A. G. H.....	Milton, Ont.....	10	1,000	.....
Bradley, A. B.....	Georgetown, Ont.....	10	1,000	.....
Linton, Adam.....	Guelph, Ont.....	10	1,000	100
Richardson, George.....	Toronto, Ont.....	1	100	10
Mitchell, J. W.....	Toronto, Ont.....	1	100	.....
Gilchrist, John.....	Toronto, Ont.....	30	3,000	3,000

N.B.—Of the foregoing the following were received subsequent to October 22, 1906.

SESSIONAL PAPER No. 153a

Name.	Residence.	No. Shares	Amount	Amount Paid.
			\$	\$
Latch, Emma.....	Toronto, Ont.....	8	800	800
Linton, Adam.....	Guelph, Ont.....	10	1,000	100
Wilson, Maggie E.	Toronto, Ont.....	5	500	500
Gallagher, James.....	Toronto, Ont.....	1	100	10
Thomas, A. W.....	Toronto, Ont.....	10	1,000	.....
Richardson, George.....	Toronto, Ont.....	1	100	10
		35	3,500	1,420

The foregoing is certified to be a true copy of the share list of the Farmers' Bank of Canada.

W. R. TRAVERS,
General Manager.

COPY

'E' CANADA GAZETTE.

THE FARMERS' BANK OF CANADA.

To the subscribers of the capital stock of the Farmers' Bank of Canada:—

Public notice is hereby given that a meeting of the subscribers to the capital stock of the Farmers' Bank of Canada will be held on Monday, the twenty-sixth day of November, 1906, at ten o'clock in the forenoon, at Room No. 103, Stair Building, corner Bay and Adelaide streets, in the City of Toronto, in the Province of Ontario.

The business of the meeting will be:—

To determine the day on which the annual general meeting of the bank is to be held.

To elect such number of directors duly qualified under the Bank Act as the subscribers may think necessary, who shall hold office until the annual general meeting of the year next succeeding their election.

To fix the quorum for a meeting of the directors, which shall be not less than three.

To fix the directors' qualifications subject to the provisions of the Bank Act.

To fix the method of filling vacancies in the board of directors whenever the same occur during each year.

To fix the time and proceedings for the election of the directors in case of the failure of any election on the day appointed for it.

To determine when to close the stock books for subscription of the bank's stock by the public at par.

To prescribe the record to be kept of proxies and the time not exceeding thirty days within which proxies must be produced and recorded prior to any subsequent meeting in order to enable the holder to vote thereat.

3 GEORGE V., A. 1913

And to regulate such other matters by by-law as the shareholders may regulate pursuant to the terms of section 18 of the Bank Act.

By order of the provisional directors.

W. R. TRAVERS,
Provisional General Manager.

C. H. SMITH,

Secretary of the Provisional Board of the Farmers' Bank of Canada.

Dated at Toronto, 18th October, 1906.

In the matter of The Bank Act and amendments and of the Farmers' Bank of Canada. This is Exhibit 'F' to the declaration of W. R. Travers, declared before me this 27th day of November, 1906.

W. H. HUNTER,
A Com., &c.

THE FARMERS' BANK OF CANADA.

To the Subscribers of the Capital Stock of The Farmers' Bank of Canada.

Public Notice is hereby given that a meeting of the subscribers to the Capital stock of the Farmers' Bank of Canada, will be held on Monday, the Twenty-sixth day of November, 1906, at ten o'clock in the forenoon, at Room No. 103, Stair Building, corner Bay and Adelaide streets, in the city of Toronto, in the Province of Ontario. The business of the meeting will be: To determine the day on which the annual general meeting of the Bank is to be held; to elect such number of directors duly qualified under the Bank Act as the subscribers may think necessary, who shall hold office until the annual general meeting of the year next succeeding their election; to fix the quorum for a meeting of the directors, which shall be not less than three; to fix the directors' qualifications, subject to the provisions of the Bank Act; to fix the method of filling vacancies in the Board of Directors whenever the same occur during each year; to fix the time and proceedings for the election of directors in case of the failure of any election on the day appointed for it; to determine when to close the stock books for subscription of the bank's stock by the public at par; to prescribe the record to be kept of proxies and the time, not exceeding thirty days, within which proxies must be produced and recorded prior to any subsequent meeting in order to enable the holder to vote thereat; and to regulate such other matters by by-law as the shareholders may regulate, pursuant to the terms of section 18 of the Bank Act.

By order of the Provisional Directors.

W. R. TRAVERS,
Provisional General Manager.

C. H. SMITH,

Secretary of Provisional Board of Directors, Farmers' Bank of Canada.

Dated at TORONTO, October 23, 1906.

FINANCE DEPARTMENT, OTTAWA, CANADA,

28th November, 1906.

E. L. NEWCOMBE, Esq., K.C.,
Deputy Minister of Justice,
Ottawa.

DEAR SIR,—I beg to inclose herewith a file of papers being an application from the Farmers' Bank of Canada for a certificate to commence business under section 13-17 of the Bank Act.

Kindly advise me if on the papers submitted such a certificate may legally issue.

T. C. BOVILLE,
Deputy Minister of Finance.

SESSIONAL PAPER No. 153a

DEPARTMENT OF JUSTICE OF CANADA,

OTTAWA, 28th November, 1906.

The Deputy Minister of Finance,
Ottawa.

SIR,—I have the honour to acknowledge receipt of your letter of the 28th instant, and of the inclosed papers, being the application from the Farmers' Bank of Canada for a certificate to commence business, under section 13-17 of the Bank Act, and papers in support thereof.

You ask me to advise you if on the papers submitted such certificate may legally issue.

In reply, I beg to state that the statements in the statutory declaration of Mr. Walter R. Travers are sufficient, if they are accepted, to show compliance with the statutory provisions, and that the evidence thus afforded is such as the Treasury Board may lawfully accept under the Act, and thereupon issue to the bank a certificate under section 14 of the Act.

Papers returned herewith.

E. L. NEWCOMBE,
Deputy Minister of Justice.

MINISTER OF FINANCE, CANADA,

OTTAWA, November 30th, 1906.

W. R. TRAVERS, Esq.,
General Manager of the Farmers' Bank of Canada,
Russell House, Ottawa.

DEAR SIR,—I regret that owing to pressing engagements yesterday, arising out of the Budget, I was unable to meet you to consider your application for the issue of a certificate to authorize the Farmers' Bank of Canada to commence business. I shall be glad to see you to-day, at my office, at any time before one o'clock if you can call. Or I might be able to see you later, between four and five, at the House of Commons, if that will be more convenient.

There is a phase of the matter which I should like to bring to your notice so that you may consider it at once. It has been represented to us that in some previous instances where an application was in all respects apparently regular, there was actually an evasion of the intention of the Bank Act in relation to the paid-up capital. We have been told that in some cases the subscribers did not actually pay in cash but gave notes to the provisional directors which were used to raise the money. On account of information of this kind, which has reached us in relation to a previous case, we deem it proper to scan very closely every application for a certificate which comes to us. I shall be glad to have an assurance that nothing of the kind has taken place in relation to the subscriptions for the Farmers' Bank, but that the amounts set forth in the application as having been paid up have in every case been bona fide cash payments.

W. S. FIELDING,
Minister of Finance.

OTTAWA, November 30, 1906.

The Hon. W. S. Fielding,
Minister of Finance, Ottawa, Ont.

DEAR SIR,—In reply to your letter of the 30th of November, I have to say that in the case of the Farmers' Bank of Canada, the provisional directors did not raise

the money in the way mentioned by you. You will find the statement put in by me absolutely correct as to the amount of stock subscribed and the amount paid up.

W. R. TRAVERS,
General Manager, Farmers' Bank of Canada.

EXTRACT from the minutes of a meeting of the Honourable the Treasury Board, held at Ottawa, on the thirtieth day of November, 1906.

Treasury Board.—The Board had under consideration an application made by the Farmers' Bank of Canada under the provisions of the Bank Act for the issue by the Treasury Board of a certificate permitting the said bank to issue notes and commence the business of banking.

It having been shown to the satisfaction of the Board that all the requirements of section 15 of the said Act have been complied with the Board authorize the issue of the certificate applied for.

T. C. BOVILLE,
Secretary.

TREASURY BOARD, OTTAWA, November 30, 1906.

CERTIFICATE.

This is to certify that the Treasury Board, at a meeting held on the thirtieth day of November, A.D., 1906, authorized the issue of a certificate under the provisions of the Bank Act permitting the Farmers' Bank of Canada to issue notes and commence the business of banking, and this certificate is hereby issued in accordance with such authority and for the purposes above mentioned.

Dated at Ottawa, this thirtieth day of November, A.D., 1906.

T. C. BOVILLE,
Secretary of the Treasury Board.

FINANCE DEPARTMENT,

OTTAWA, CANADA, 30th November, 1906.

W. R. TRAVERS, Esq.,
General Manager,
Farmers' Bank of Canada,
Toronto.

SIR,—Referring to your letter of the 27th instant to the address of the Deputy Minister of Finance applying for the certificate of the Treasury Board entitling the Farmers' Bank of Canada to commence the business of banking, I beg to hand you herewith a certificate issued under the authority of the Treasury Board, in accordance with the provisions of the Bank Act, permitting the Farmers' Bank of Canada to issue notes and commence the business of banking.

Having reference to the deposit of \$250,000 paid to the Minister of Finance and Receiver General under section 13 of the Bank Act, I beg to hand you herewith Finance Department cheque on the Bank of Montreal, Ottawa, in favour of the Farmers' Bank of Canada for \$245,000.

SESSIONAL PAPER No. 153a

The balance of \$5,000 is retained as a deposit in 'The Bank Circulation Redemption Fund' in accordance with the provisions of sub-section 3 of section 54 of the Bank Act.

T. C. BOVILLE,
Deputy Minister of Finance.

30th November, 1906.

Received from the Minister of Finance and the Receiver General cheque for the sum of two hundred and forty-five thousand dollars payable to the order of the Farmers' Bank of Canada in accordance with section 17 of the Bank Act.

W. R. TRAVERS,
General Manager, Farmers' Bank of Canada.

CANADIAN BANKERS' ASSOCIATION, INCORPORATED 1900,

MONTREAL, November 30, 1906.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa.

Farmers' Bank of Canada.

DEAR SIR,—In connection with the application of the Farmers' Bank of Canada for the usual certificate from the Treasury Board, I have reason to believe that the money lodged, or to be lodged, at Ottawa as stock subscriptions, cannot be regarded as paid-up capital, and that a large proportion of the amount necessary to the obtaining of a certificate is a loan made upon the promise of its payment when returned by your Department.

Permit me to request that, if only for the protection of the public, the Treasury Board will exercise its right to refuse to issue a certificate if it thinks best so to do, until a thorough investigation has been made into the circumstances stated herein.

E. S. CLOUSTON,
President.

FINANCE DEPARTMENT, OTTAWA, CANADA,

December 3, 1906.

E. S. CLOUSTON, Esq.,
President Canadian Bankers' Association,
Montreal, P.Q.

Dear Mr. CLOUSTON,—I beg to acknowledge the receipt of your letter of the 30th ultimo, respecting the Farmers' Bank of Canada. I note what you state with regard to the money paid in under section 13 of the Bank Act.

In view of the published reports in the newspapers, of some litigation in connection with the subscriptions to the capital of this bank, the matter has had the careful attention of the Department, and some time ago the general manager of the bank was communicated with to the effect that when applying for the certificate to commence business, in addition to the list of subscriptions to the extent of a half million required by the Bank Act, the statement should contain also the actual amount of cash paid up by each subscriber on his subscription. On the 29th ultimo application, in due form, was made by the bank for the certificate permitting it to commence the business of banking. The application was accompanied by the usual

documents and also by a list of the subscriptions of cash paid in by each subscriber. The list itself covers over 500 names and nothing therein appeared calling for any particular comment. From the statutory declaration of the general manager I quote the following paragraphs:—

4. On the twenty-third day of October, 1906, there had been actually bona fide subscribed five thousand seven hundred and fifty-seven shares of the capital stock of the Farmers' Bank of Canada, and I have had personal knowledge of the applications and subscriptions, and each and all of the said subscriptions is and are on the printed form of application—a copy of which is now produced and marked Exhibit 'C,' to this my declaration, and that the said subscription appeared on the stock books of the said bank, and that a sum beyond \$250,000 thereof in cash has been actually paid in by the subscribers of the same.

5. Now shown to me and marked Exhibit 'D' to this my declaration is a list of the subscribers of the capital stock of the said bank correctly setting forth as to each subscription the name of the subscriber, his address, the number of shares subscribed for by him, the amount of such shares and the amount paid in thereon. Each of the said subscriptions is a bona fide subscription to the capital stock of the said bank.

I previously had some conversation with Mr. Fielding, who was very busy in connection with the preparation of the Budget speech, with regard to this application. But on Friday last, the day after the delivery of the Budget speech, Mr. Travers, the general manager, had an interview with him. In the course of this interview that gentleman gave a most positive assurance that 'not a dollar' of the amount deposited had been borrowed. For the purpose of record Mr. Fielding wrote Mr. Travers a letter, of which I inclose a copy, asking for the assurance that the amounts set forth in the application as having been paid in were in every case bona fide cash payments. I inclose a copy of Mr. Travers' reply.

Under these circumstances there did not seem to be any warrant for the withholding of a certificate under section 14 of the Act, accordingly, a certificate was issued on the 30th ultimo.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,

MILTON, April 17, 1907.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa.

DEAR SIR,—Will you kindly give me your opinion as to the following: Our general manager sends to the different branches lists of notes given in payment of our capital stock. These notes he makes the managers put through as discounts, crediting the amount to H.O. This is figured in the government return as paid up capital and circulation issued to that amount. If I read the Bank Act correctly, section 76, he is asking us to do what is not right. As I do not wish to do anything contrary to the law I should be much obliged if you give me the ruling on it. With many apologies for troubling you.

G. VANKOUGHNET,
Manager.

P.S.—When answering please address to 68 Howard avenue, Toronto, and oblige.

SESSIONAL PAPER No. 153a

FINANCE DEPARTMENT,

OTTAWA, May 1, 1907.

G. VANKOUGHNET, Esq.,
68 Howard Avenue,
Toronto.

DEAR SIR,—I beg to acknowledge receipt of your letter of the 17th ultimo. I must apologize for the delay in replying. Parliamentary business at this time in the session takes precedence over other duties.

While it is not deemed expedient to enter into correspondence at this stage, the matter referred to by you is of sufficient importance to warrant further inquiry. This will shortly be made. I should like to have a copy of any of the notes.

T. C. BOVILLE,

Deputy Minister of Finance.

FINANCE DEPARTMENT,

OTTAWA, May 2, 1907.

W. R. TRAVERS,
General Manager, Farmers' Bank of Canada,
Toronto, Ont.

SIR,—I am directed by the Honourable the Minister of Finance to call for a special return of your bank showing:—

1. What portion, if any, of the \$375,473 paid up capital of the bank, as per return of liabilities and assets of March 30, 1907, is represented by promissory notes or other obligations of shareholders or the proceeds of the same of which the bank is the holder or is liable thereon.

2. The names and holdings of stock shareholders, if any, with particulars of such notes or obligations now current.

In this connection let me draw your attention to sub-sections 2 and 3 of section 113 of the Bank Act. I should be very much obliged to have this information at your very earliest convenience.

T. C. BOVILLE,

Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,

MILTON, May 3, 1907.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa.

DEAR SIR,—I have received your letter of 1st instant and inclose as requested one of the notes which I referred to in my letter to you of 17th ult.; when we

3 GEORGE V., A. 1913

renewed these notes we dated them 2nd Jany., '07, or later, and made them payable at this office.

The amount under discount at this office 30th April was about \$111,885.

G. VANKOUGHNET.

Address 68 Howard avenue, Toronto, when replying.

Due June 30, '07.

TORONTO, June 27, 1906.

\$4,500.00.

Twelve months after date I promise to pay to the order of the Provisional Directors of

The Farmers Bank of Canada

Forty-five hundredDollars
at the office of the Farmers' Bank of Canada, Toronto, for value received.
.....46

Endorsement as follows:—

Pay to the order of W. R. Travers,
John Ferguson,
Alex. Fraser,
Jas. Gallagher,
A. L. Lown,
John Watson,
Without recourse.
per W. R. Travers,
Attorney.

W. R. TRAVERS,

THE FARMERS' BANK OF CANADA,

TORONTO, May 7, 1907.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I beg to acknowledge receipt of your favour of the 2nd calling for a special return from this bank, which will have our careful attention in a day or two. The president is out of the city, but I expect him back this week.

W. R. TRAVERS,
General Manager.

THE FARMERS' BANK OF CANADA,

TORONTO, May 11, 1907.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I have the honour to inclose herewith return of the liabilities and assets of this bank to the 30th of April last and also the special return asked for in your letter of May 2.

W. R. TRAVERS,
General Manager.

SESSIONAL PAPER No. 153a

FINANCE DEPARTMENT,

OTTAWA, December 3, 1908.

Sir EDWARD CLOUSTON,
President Canadian Bankers' Association,
Montreal, P.Q.

DEAR SIR EDWARD CLOUSTON,—Mr. Knight telephoned me to-day with regard to the Farmers' Bank and a reported proposed transaction in connection with the sale of a large amount of stock. I have examined the bank's returns for some months past and I find in March last that the subscribed capital of the Farmers' Bank increased from \$638,700 in February to \$1,000,000 in March. The paid up capital from that time until the present has increased, but not very materially.

In view of Mr. Knight's message I thought it well, under section 113 of the Bank Act, to call for a special return showing the names and addresses of the new subscribers, the amounts subscribed and the amounts paid in on account thereof to date; also information with regard to any transfers which have taken place between that time and the present. This information may be of interest and of use to the department, and, so far as I can ascertain from the Bank Act, is as far as I have any authority to go.

T. C. BOVILLE,
Deputy Minister of Finance.

Telegram.

OTTAWA, December 3, 1908.

Sir EDWARD CLOUSTON,
Bank of Montreal,
Montreal.

Referring to Knight's message, special return called for respecting increase in subscribed stock March last.

T. C. BOVILLE.

FINANCE DEPARTMENT,

OTTAWA, December 3, 1908.

W. R. TRAVERS, ESQ.,
General Manager, Farmers' Bank of Canada,
Toronto.

DEAR SIR,—For the Minister of Finance I beg leave to ask you to furnish a special return under section 113 of the Bank Act, such return to state:—

(a) Names and addresses of subscribers to capital stock of the Farmers' Bank of Canada whereby the subscribed capital stock of the bank was increased from \$638,700 (the amount indicated by the monthly return of the bank in February, 1908) to \$1,000,000 (the amount indicated by the monthly return for March, 1908), together with the number of shares subscribed for by the respective subscribers and the amounts paid in in cash by each on account thereof to this date.

(b) Names and addresses of any and all transferees of any and all shares referred to in (a) together with the number of shares held by such transferees.

T. C. BOVILLE,
Deputy Minister of Finance.

Telegram.

MONTREAL, Que., December 3, 1908.

T. C. BOVILLE,
Deputy Minister of Finance,
Ottawa, Ont.

Would suggest suggest asking party named to telegraph exact figures of paid-up capital for thirtieth November.

JOHN KNIGHT.

Telegram.

OTTAWA, Dec. 4, 1908.

W. R. TRAVERS, General Manager, Farmers' Bank, Toronto.

Referring my letter of yesterday wire me exact figures of subscribed and paid-up capital for thirtieth November.

T. C. BOVILLE.

Telegram.

TORONTO, Ont., Dec. 4, 1908.

T. C. BOVILLE,
Deputy Minister of Finance,
Ottawa.

Subscribed capital one million dollars; paid-up five hundred and forty-one thousand eight hundred and eighty-one dollars.

W. R. TRAVERS.

Telegram.

OTTAWA, Dec. 4, 1908.

JOHN KNIGHT,
Secretary, Canadian Bankers' Association,
Montreal.

Referring to your message received this morning exact figures for thirtieth November are five hundred and forty-one thousand eight hundred and eighty-one dollars.

HENRY T. ROSS.

CANADIAN BANKERS' ASSOCIATION,

MONTREAL, December 4, 1908.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa.

Farmers' Bank of Canada.

Dear Mr. BOVILLE,—I am in receipt of your letter of 3rd inst. In transferring you, by 'phone, to Mr. Stavert, I was actuated by a desire to let him hear directly

SESSIONAL PAPER No. 153a

from you the intentions of your department. He is frequently in Toronto, is a close student of affairs of interest to the united banks, and has rendered valuable service to the Association.

JOHN KNIGHT,

FINANCE DEPARTMENT,

OTTAWA, Dec. 5, 1908.

JOHN KNIGHT, Esq.,

Secretary, Canadian Bankers' Association,
Montreal, P.Q.

Dear Mr. KNIGHT,—I have your letter respecting the Farmers' Bank. At the suggestion of yourself and Mr. Stavert I telegraphed the Farmers' Bank, and of the information resulting from that telegram you are now in possession. If there are any developments which you think should be brought to my notice, I shall be very glad to hear from you.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,

TORONTO, December 4, 1908.

T. C. BOVILLE, Esq.,

Deputy Minister of Finance,
Ottawa.

DEAR SIR,—I received your telegram of to-day and wired as follows: 'Subscribed Capital \$1,000,000, Paid-up Capital \$541,881.'

This request strikes me as being rather strange considering that our statement to the 30th of November would be mailed in a few days. It must really be that some enemies of this bank are bringing some influence to bear upon the Department to try to injure this bank. Permit me to say that our affairs are in as good shape, or perhaps better for the size of the bank, than any other in Canada.

Should the public become aware that the department was asking for special statements from time to time, there being no earthly reason for them, serious trouble could not but ensue to this bank, and those to blame would have to accept the responsibility.

W. R. TRAVERS,
General Manager.

THE FARMERS' BANK OF CANADA,

TORONTO, December 12, 1908.

T. C. BOVILLE, Esq.,

Deputy Minister of Finance,
Ottawa.

DEAR SIR,—In reply to yours of the 3rd, I have the honour to hand you here-with the special statement called for therein, and also the Return of the Liabilities and Assets of this bank to the 30th of November.

W. R. TRAVERS,
General Manager.

THE FARMERS' BANK OF CANADA.

Statement under Section 113, Bank Act.

HORACE CHEVRIER }
 JOHN T. HUGGARD } Trustees, The Continental Security Co., Winnipeg.
 J. F. LANGAN }

Agreed to take either by allotment or transfer 5,100 shares, \$510,000, which was made up as follows:—

	Shares	
Unsubscribed capital by allotment..	3,613	\$361,300
Subscriptions cancelled by Board under Sec. 37 of the Bank Act, upon which no payments were made, and allotted..	774	77,400
Total by allotment..	4,387	\$438,700
By transfer from various shareholders	713	71,300 upon which was paid \$59,300
	5,100	\$510,000

These have since been transferred as follows:

John Tevis, Louisville, Ky...	1,120	\$112,000	upon which is paid \$112,000
Melville D. Chapman, New York	30	3,000	upon which is paid 3,000
" " (In trust) ..	3,850	385,000	
W. R. Travers ..	100	10,000	
	5,100	\$510,000	\$115,000

We declare that the foregoing return is made up from the books of the bank, and that to the best of our knowledge and belief it is correct.

J. FITZGIBBON,
Chief Accountant.

W. R. TRAVERS,
General Manager.

JAMES MUNRO,
President.

TORONTO, December 12, 1908.

SPECIAL RETURN—THE FARMERS' BANK OF CANADA.

Called for by the Honourable Minister of Finance in letter of May 2, 1907.

1. The portion of the \$375,473 paid up capital of the Bank, as per Return of March 30, 1907, represented by Promissory Notes of the Shareholders, held by the Bank, amounts to \$59,110.
2. The following is a list of the notes:—

Name.	Address.	Occupation.	No. Shares.	Amount.	Amount Note.	Date.	Payable.	Due Date.
				\$ cts.	\$ cts.			
Andrews, J. W.	Milton	Farmer	2	200 00	180 00	Jan. 2..	On June 1..	June 4
Alderson, Thomas	"	"	5	500 00	450 00	" 2..	" May 26.	May 29
Brown, R. L.	Georgetown	"	50	5,000 00	4,500 00	Feb. 27.	4 months...	June 30
Bell, G. A.	Lowville	"	7	700 00	630 00	" 28..	On June 2..	June 5
Bastedo, Ida A.	Milton	M. woman	5	500 00	450 00	Jan. 2..	" Dec. 1..	Dec. 4
Bennett, D. H.	Zimmerman	Farmer	10	1,000 00	675 00	" 2..	" Apr. 16.	Apr. 19
Bridgman, B.	"	"	5	500 00	360 00	" 2..	" June 1..	June 4
Bunt, Rev. W. T.	Springford	Clergyman	1	100 00	60 00	" 2..	6 months..	July 5
Bunt, Rev. W. T.	"	"	1	100 00	80 00	" 2..	12 " ..	Jan. 5
Bingham, J.	Georgetown	Farmer	1	100 00	90 00	" 2..	7 " ..	Aug. 5
Campbell, D.	Ballinfad	"	3	300 00	270 00	" 2..	6 " ..	July 5
Campbell, J.	Glenwilliams	"	3	300 00	270 00	" 8..	6 " ..	July 11
Clement, E.	Burgessville	Book-keeper	1	100 00	50 00	" 2..	6 " ..	" 5
Clement, M.	Milton	Sheriff	5	500 00	450 00	" 2..	On July 28	" 31
Coulson, W. J.	Kilbride	Farmer	5	500 00	450 00	" 2..	" " 1..	" 4
Coulson, John	"	"	25	2,500 00	2,050 00	" 2..	" " 1..	" 4
Downs, E. W.	Drumquin	"	25	2,500 00	1,850 00	" 2..	" June 16	June 19
Downs, A. J.	"	"	25	2,500 00	2,250 00	" 2..	" May 1..	May 4
Darling, R. A.	Mansewood	"	5	500 00	450 00	" 2..	" Aug. 1..	Aug. 4
Eaton, A.	Mt. Nemo	"	100	10,000 00	2,500 00	Mar. 31..	" July 11.	July 14
Ford, J. A.	Omagh	"	5	500 00	450 00	Jan. 2..	" May 10.	May 13
Ford, J. F.	"	"	50	5,000 00	4,800 00	" 2..	" June 3..	June 6
Ford, E.	"	"	25	2,500 00	2,250 00	Mar. 13..	" 15..	" 18
Ford, J.	Boyne	"	50	5,000 00	4,800 00	Jan. 2..	" May 17.	May 20
Foster	Lowville	"	15	1,500 00	1,350 00	" 2..	" June 8..	June 11
Fox, R. W.	Omagh	"	25	2,500 00	2,250 00	" 2..	" " 15..	" 18
Galloway, C. E.	Milton	Drover	5	500 00	450 00	" 2..	" May 25	May 28
Gunby, B.	Kilbride	Farmer	50	5,000 00	950 00	Mar. 8..	" July 1..	July 4
Hasetime, William	Rothsay	"	10	1,000 00	700 00	" 12..	6 months...	Sept. 15
Hume, John	Scotch Block	"	5	500 00	450 00	Feb. 27..	On June 2.	June 5

Name.	Address.	Occupation.	No. Shares.	Amount.	Amount Note.	Date.	Payable.	Due Date.
				\$ cts.	\$ cts.			
Husband, G. E.	Ash.....	Farmer.....	10	1,000 00	900 00	Jan. 2.	On Apr. 16.	Apr. 19
Husband, R. W.	".....	".....	10	1,000 00	900 00	" 2.	" " 10.	" 13
Heeks, Henry	Palermo.....	".....	10	1,000 00	900 00	" 2.	" " 10.	6 " 13
Irving, John	Milton.....	Grain buyer.....	5	500 00	450 00	" 2.	" May 9.	May 12
Joyce, C.	Mansewood.....	Farmer.....	5	500 00	450 00	Jan. 3.	" Aug. 1.	Aug. 4
Kennedy, W. N.	Hornby.....	".....	5	500 00	250 00	" 2.	" May 28.	May 31
Kennedy, G. A.	Milton.....	".....	10	1,000 00	900 00	" 2.	" July 1.	July 4
Kerr, John	".....	".....	50	5,000 00	2,000 00	Mar. 27.	" May 1.	May 4
Kirkpatrick, W.	Burgessville.....	".....	1	100 00	90 00	Jan. 2.	6 months...	July 5
Morrison, A.	Ashgrove.....	".....	1	100 00	90 00	" 2.	On Aug. 28	Aug. 31
Morrison, H.	".....	".....	5	500 00	450 00	" 2.	" July 23.	July 26
McGregor, C. D.	Milton.....	".....	5	500 00	350 00	" 2.	" June 4.	June 7
McCann, E., jr.	Omagh.....	".....	10	1,000 00	900 00	" 2.	" July 30.	Aug. 2
McKinnon, B. P.	Finch.....	".....	10	1,000 00	500 00	Mar. 21.	6 months...	Sept. 24
Panton, William	Milton.....	Publisher.....	10	1,000 00	500 00	Jan. 7.	3 " ..	Apr. 10
Patterson, E.	Palermo.....	Farmer.....	1	100 00	75 00	" 2.	On June 8.	June 11
Peddie, J. C.	Milton.....	".....	5	500 00	250 00	" 2.	" 9.	" 12
Powell, H. H.	Lowville.....	".....	30	3,000 00	1,350 00	" 2.	" May 5.	May 8
Ratz, John	Khiva.....	Lumberman.....	10	1,000 00	300 00	Mar. 1.	2 months...	" 4
Richardson, T. W.	Glenwilliams.....	Farmer.....	10	1,000 00	900 00	Jan. 2.	8 " ..	Sept. 5
Scott, W. N.	Milton.....	".....	50	5,000 00	3,500 00	Mar. 27.	On May 4.	May 7
Scott, Mary M.	".....	Spinster.....	30	3,000 00	2,900 00	Jan. 2.	" June 9.	June 11
Sinclair, W. G.	Zimmerman.....	Farmer.....	100	10,000 00	3,450 00	" 21.	" " 15.	" 18
Sanders, W. H.	Tillsonburg.....	".....	5	500 00	250 00	" 2.	6 months...	July 5
Starrett, M. J.	Glenwilliams.....	".....	1	100 00	90 00	" 9.	6 " ..	" 12
Thompson, Agnes	Terra Cotta.....	".....	14	1,400 00	300 00	Mar. 20.	4 " ..	" 23
				92,700 00	59,110 00			

We declare that the foregoing return is made up from the books of the Bank, and that to the best of our knowledge and belief it is correct.

W. BEATTIE NESBITT, *President.*

W. R. TRAVERS, *General Manager.*

I declare that the above return has been prepared under my directions and is correct according to the books of the Bank.
 TORONTO, ONT., this 10th day of May, 1907.

J. FITZGIBBON, *Chief Accountant.*

FINANCE DEPARTMENT,

OTTAWA, December 15, 1908.

W. R. TRAVERS, Esq.,
General Manager,
Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—I beg to acknowledge receipt of yours of the 12th instant, inclosing special return pursuant to the request of the Deputy Minister of date of the 3rd instant.

HENRY T. ROSS,

Assistant Deputy Minister.

CANADIAN BANKERS' ASSOCIATION,

SECRETARY-TREASURER OFFICE,

Bank of Montreal Building.

MONTREAL, December 7, 1909.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

DEAR SIR,—I am requested by the President of this Association to inform you that a deposit receipt issued by the Farmers' Bank of Canada in its own favour for one hundred to one hundred and fifty thousand dollars, made payable in March next, is being offered for sale in New York, and, in fact, was submitted yesterday with a request for an advance thereon to the New York agents of the Royal Bank of Canada. I am reporting this fact to you believing you will deem it necessary to ask for an immediate explanation and to call for special returns from the bank in question.

JOHN KNIGHT,

*Secretary.**Telegram.*

MONTREAL, Dec. 21, 1909.

T. C. BOVLILE,
Department of Finance,
Ottawa.

Referring to associated letter of seventh instant, can you inform Vice-President Burn result of action?

JOHN KNIGHT.

FINANCE DEPARTMENT,

OTTAWA, December 2, 1909.

JOHN KNIGHT, Esq.,
Secretary, Canadian Bankers' Association,
Montreal, P.Q.

DEAR SIR,—I have your telegram of yesterday to which I did not reply inasmuch as I had several conversations with Mr. Burn on the subject of it.

T. C. BOVILLE,
Deputy Minister of Finance.

SESSIONAL PAPER No. 153a

FINANCE DEPARTMENT,

OTTAWA, CANADA, December 23, 1909.

W. R. TRAVERS, Esq.,
General Manager, Farmers' Bank of Canada,
Toronto, Ont.

DEAR SIR,—I have been examining the Bank returns for November last, especially with regard to the reserve held by the Banks against immediate liabilities.

The amount of cash reserve held by the whole of the Chartered Banks is reported on that date as \$103,808,457, of which \$31,797,856 is specie and \$71,510,601 Dominion notes, or a little over 12 per cent against the amount of notes in circulation, and the deposits by the public payable on demand and the deposits by the public payable after notice. The total amount of the liabilities of all the Banks is reported as \$968,603,603. The total amount of specie and Dominion Notes held on the 30th November represents something over 10 per cent.

In analysing these figures in the case of individual banks I find that in your case the proportion of cash reserve to immediate liabilities to the public and also to the total liabilities is something over 2 per cent.

It seems to the department that a cash reserve of between 2 and 3 per cent to immediate liabilities totalling over \$2,000,000 seems very small compared with what is usually held. The Bank Act establishes no fixed proportion of cash reserve to be held; That is left to be governed by the particular circumstances of each bank. In the case of your institution there may be conditions of which this department is unaware which might enable the holding of an exceptionally small reserve.

I am directed by the Minister of Finance to ask you to be good enough to advise me of the nature of the special circumstances which you may regard as justifying you in holding such a small proportion of cash reserve against such a large amount of liabilities, the payment of which might be immediately demanded.

T. C. BOVILLE,
Deputy Minister of Finance.

THE FARMERS' BANK OF CANADA,
GENERAL MANAGER'S OFFICE,

TORONTO, December 27, 1909.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I have your favour of the 23rd, and in reply beg to say that under the heading of 'Other Assets not included under the foregoing heads' is a deposit with the Trusts & Guaranty Co. of \$147,380, which we have been placing under that head as per your instructions of February, 1907. By some oversight the usual notation was not made at the foot of our return as you will find on previous ones.

In addition to this, under the heading of "Deposits made and Balances due from other Banks in Canada" you will find \$96,154, both of which amounts are subject to our cheque on call and, therefore can be converted into legals any day we wish.

In addition to this, the legals and specie on hand, and it will make a total of over \$300,000, which equals 15 per cent upon our total liabilities, which is a better showing than the general average you speak of.

In the absence of a rest fund, we cannot afford to keep much idle money.

W. R. TRAVERS,
General Manager.

STATE OF NEW YORK,

INSURANCE DEPARTMENT,

ALBANY, January 11, 1910.

Honourable WILLIAM S. FIELDING,

Minister of Finance,
Parliamentary Building, Ottawa,
Dominion of Canada.

MY DEAR SIR,—Since December 25, 1909, this department has been investigating a transaction whereby, as now appears, the control of the People's Mutual Life Insurance Association and League, a fraternal beneficiary society organized under the laws of New York and doing business from a principal office at Syracuse, was by its then directors transferred to one John Tevis, of Louisville, Ky., and his associates, for what now seems to be a very substantial consideration. This company, being a fraternal society, under the decisions of the courts of this State, the moneys paid by Mr. Tevis and his associates to certain directors of the People's Mutual Life Insurance Association and League belong to that society and not to them. As at present advised, the amount of such payment was \$110,000.

The moneys to accomplish this transfer were, so this department is informed, raised by Mr. Tevis on his obligation, or the obligation of himself and his associates, given to the Farmers' Bank of Canada, located at Toronto. The statement is made that Mr. Tevis, or he and his associates, secured such loan on collaterals furnished by him or them. The facts thus far developed seem to indicate that, as a part of the transaction, the new management at once disposed of about \$180,000 of the securities of the insurance company and transferred \$150,000, which was the amount loaned by the Farmers' Bank to Mr. Tevis, or to him and his associates, to such Farmers' Bank, receiving therefrom a pen-written certificate of deposit dated December 20, 1909, the same having been issued by W. R. Travers, the general manager of such bank, who was at that time in Syracuse.

On learning the facts this Department required the insurance company to give notice to the Farmers' Bank that it elected to withdraw such deposit, the certificate issued seeming to require such notice, the following words having been used therein: 'Ninety days' notice to be given of withdrawal.' Were this bank in this state it would be easily possible under our insurance law for me to ascertain the facts as to this transaction, so far as such bank is concerned. It being an institution which, as I understand, it is under your jurisdiction, may I not request that if consistent with your duty you ascertain for this department:—

1. What was the arrangement between John Tevis, or John Tevis and his associates, whereby the Farmers' Bank of Canada advanced to him, or to him and them, \$150,000 shortly prior to December 20, 1909; the information desired to include, if you think proper, the names of any other persons associated with Mr. Tevis in borrowing this money from such bank, and the collateral or collaterals deposited by him or them in that connection.

2. What arrangement there was between Mr. Tevis and this bank which led its general manager to proceed to Syracuse with the currency, instead of delivering to Mr. Tevis a draft or check, to which if he was a borrower in due course he should have been entitled.

3. Whether as a part of the arrangement it was understood and agreed between Mr. Tevis, or Mr. Tevis and associates, and the Farmers' Bank of Canada, that the insurance company should deposit with such bank said sum of \$150,000, that being the sum also loaned.

4. Whether or not The Farmers' Bank of Canada has any lien or claim upon the deposit of \$150,000, seeming to have been made with it on or about December 20, 1909, and evidenced by the certificate of deposit above mentioned. In this connection I hand you herewith a photographic copy of such certificate of deposit, which,

SESSIONAL PAPER No. 153a

in the opinion of this department, indicates that the transaction was not in due course of business.

I shall also be grateful to you for any other information which you care to furnish concerning this transaction.

WILLIAM H. HOTCHKISS,
Superintendent of Insurance, State of New York.

SYRACUSE, N.Y., December 20, 1909.

Received from the People's Mutual Life Insurance Association and League the sum of one hundred and fifty thousand dollars to bear interest at the rate of three per cent per annum, ninety days' notice to be given of withdrawal.

THE FARMERS' BANK OF CANADA.

Not negotiable,
W.R.T.

per W. R. TRAVERS,
General Manager.

ALBANY, N.Y., January 12, 1910.

Hon. W. S. FIELDING,
Minister of Finance, Ottawa, Ont.

After reading my letter written yesterday can you telegraph the address of the Toronto branch of your department together with authority to my examiner to proceed there at once and secure information in reference to matters mentioned therein. We desire the information before Saturday, thanks for your courtesy.

WILLIAM H. HOTCHKISS,
Supt. of Insurance.

OTTAWA, January 12, 1910.

To WILLIAM H. HOTCHKISS,
Superintendent of Insurance,
Albany, N.Y.

There being no Government bank inspection in Canada I do not see how we can at present take the action that you desire. Probably the bank on application from you would explain the whole matter.

W. S. FIELDING.

OTTAWA, January 13, 1910.

WILLIAM H. HOTCHKISS,
Superintendent of Insurance,
Albany, New York, U.S.A.

While unable to proceed in the particular manner indicated by you, we desire to make some inquiry which will necessitate making use of your letter in a communication to the bank. Have you any objections to our so using your letter?

W. S. FIELDING.

ALBANY, N.Y., January 13, 1910.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

Replying to your telegram you are at liberty to make use of Department letter as suggested.

WILLIAM H. HOTCHKISS,
Supt. of Insurance.

3 GEORGE V., A. 1913

FINANCE DEPARTMENT,

OTTAWA, CANADA, January 14, 1910.

W. R. TRAVERS, ESQ.,
 General Manager,
 Farmers' Bank of Canada,
 Toronto.

DEAR SIR,—I beg to inclose copy of a letter received by the Minister of Finance from Mr. William H. Hotchkiss, Superintendent of Insurance, Albany, New York State. The Minister did not feel that under the circumstances he would be justified in taking the particular step desired by Mr. Hotchkiss. Nevertheless, as the transaction appears to have been an unusual one, somewhat out of the ordinary course of banking business, the Minister will be pleased if you will furnish an explanation of it.

T. C. BOVILLE,
 Deputy Minister of Finance.

Telegram.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPHY.

ALBANY, N.Y., January 14, 1910.

Hon. W. S. FIELDING,
 Minister of Finance, Parl. Bldgs., Ottawa.

Before receipt of your telegraph yesterday afternoon had instructed Arthur F. Saxton, examiner this department, to proceed to Toronto, interview Farmers Bank and get facts. Should you desire you can reach him care King Edward Hotel to-day.

WM. H. HOTCHKISS,
 Supt.

STATE OF NEW YORK INSURANCE DEPARTMENT.

ALBANY, January 14, 1910.

Hon. WILLIAM S. FIELDING,
 Minister of Finance,
 Ottawa, Canada.

DEAR SIR,—In explanation of my telegram as follows:—

Before receipt your telegram yesterday afternoon had instructed Arthur F. Saxton, examiner this department, to proceed to Toronto, interview Farmers' Bank and get facts. Should you desire you can reach him care King Edward Hotel to-day.

permit me to say, the New York *World* of the 12th contained a telegram from Toronto, which stated in substance that W. R. Travers, the general manager of the Farmers' Bank of Canada, was willing to come to Albany at any time for examination touching his connection with the People's Mutual Life Insurance Association and League. On such matter being brought to my attention, I immediately wired Mr. Travers asking him to appear before me to-day, Friday. In reply thereto I received a telegram from him yesterday which stated in substance that he could not say at present when he could get away, but would advise me later. The facts surrounding the whole transaction with this bank being such, and there being a possibility that it might claim a lien upon the \$150,000 deposited with it by the

SESSIONAL PAPER No. 153a

People's Mutual on December 20, seemed to make it imperative that I send an examiner to Toronto immediately. Hence, I instructed Examiner Saxton, whose name is given you in the telegram, to start for that city and to gather such facts as he could there to-day. Information which has reached this department indicates that John Tevis, who purports to be the borrower of the \$150,000 from the Farmers' Bank of Canada, is a man without financial responsibility. Two creditors of his have already attached some of the funds still undistributed in this People's Mutual matter at Syracuse.

I wanted you to have these facts in explanation of the other fact that Mr. Saxton is in Toronto to-day, you having in your telegram yesterday—received after he was sent—indicated that you expected to bring the matter directly to the attention of the Farmers' Bank. Mr. Saxton will return to Syracuse to-night, but if needed for a further investigation in Toronto will be ordered back. He is thoroughly familiar with all of the facts surrounding this unfortunate transaction.

WILLIAM H. HOTCHKISS,
Superintendent.

THE FARMERS' BANK OF CANADA,
GENERAL MANAGER'S OFFICE,

TORONTO, January 21, 1910.

T. C. BOVILLE, Esq.,
Deputy Minister of Finance,
Ottawa, Ontario.

DEAR SIR,—I have yours of the 14th with inclosure, and regret that my actions have caused you trouble.

To understand this matter properly, I will require to go back a few months. Messrs. Knabe, of the American Piano Company, New York and Baltimore, hold \$112,000 stock in this bank in the name of their representative, Mr. John Tevis. They and their friends were anxious to obtain control of a Canadian Life Insurance Company and approached me to assist them with influence in the matter, which resulted in their obtaining control of a good company and their paying \$100,000 on account of the option.

They heard that the People's Mutual of Syracuse could be purchased, as it appeared to be a dying concern, although having large assets, and that the risks could be reinsured with profit with some of their other companies. They asked me to give them financial aid in acquiring this company and wanted a loan of \$150,000, secured by first-class collateral, and they were, after obtaining control of the company, to deposit \$150,000 in this bank.

I had not the New York exchange, and they said our circulation would be sufficient to make a tender, and if the deal went through the First National Bank would accept the same and pay it out by degrees.

I and my chief inspector took the circulation over there, but matters did not turn out just as we expected and we brought it back; therefore, it was never issued.

I did, however, take a demand note for \$150,000, secured by collateral, for which I issued an informal deposit receipt on obtaining from the majority of the directors an agreement to convert the said deposit into paid up stock in this bank. The agreement read, and the whole understanding was, that the entire deal was to be consummated on the 15th of January. Therefore I did not nor have not as yet made any entries, no loan having been made, nor no cash received.

In the meantime the State Department stepped in through some political influence and stirred up trouble, which has thrown everything into confusion in the meantime, but I have every reason to believe that a legitimate and favourable settlement will soon be made.

I regret that you consider this an unusual banking transaction, but my sole and only object was with a view of placing more of my stock and the obtaining of large deposits.

W. R. TRAVERS,
General Manager.

NEW RUSSELL,

OTTAWA, January 26, 1910.

The Honourable
Deputy Minister of Finance,
Ottawa.

SIR,—Since seeing you this afternoon I have communicated with Superintendent Hotchkiss on the telephone and ascertained that all the testimony in this case is in the hands of the grand jury and the district attorney of Syracuse, N.Y., from whom you will doubtless be able to obtain copies to use as you may desire.

If you or the Finance Minister desire to borrow the copies I have with me we shall be very glad to loan them to you for two or three days, in which case please communicate with me at the Russell House before 10.30 p.m., as, unless I can be of assistance to you by staying here, I shall leave for Toronto on the 11.10 p.m. train.

To-morrow and Friday I can be reached at the office of Blake, Lash and Cassels, Canadian Bank of Commerce Building, Toronto.

As I said this afternoon, I am prepared to stay here, or go anywhere, if in your judgment there is any chance of my presence being advisable.

My conversation with Superintendent Hotchkiss over the 'phone was necessarily hurried, but he expressed his gratification at the interest you have shown in the matter.

CHARLES HUGHES.

THE NEW RUSSELL,

MULLIGAN BROS., Proprs.

OTTAWA, Canada, January 26, 1910.

Hon. W. S. FIELDING,
Minister of Finance,
Ottawa.

DEAR SIR,—Following up the interview with you this morning, I write to ask that in the event of any further representation being made to you by the parties who now have possession of what is called a deposit receipt of the Farmers' Bank of Canada for \$150,000, or in the event of any application being made to you for departmental action against the bank or its manager, that you would be good enough to give us notice so that we may have an opportunity to attend again before you in the presence of these parties or otherwise, and then to present all the documents and correspondence and books to satisfy you that no liabilities exists on the part of the bank to pay the amount claimed.

I wish to repeat that my own inquiry has led me to the conclusion that no such liability exists and I have so advised the board of directors of the bank. Under the circumstances disclosed to me I think it would not be possible for the parties to recover against the bank in any proceedings they might be advised to institute, and, further, it would be a matter of surprise to me if under the circumstances they commence such an action in our courts.

I should add that I do not think the commencement of such an action would now lead to any crisis in the affairs of the bank or that it would cause very much embarrassment to the bank unless persons maliciously disposed should misrepresent

SESSIONAL PAPER No. 153a

the conditions or suppress material circumstances—and I do not think there should be reason to apprehend that. I will be here during to-morrow and I will be pleased to attend you further as you may request.

I will be glad also to make production to you from the bank of all documents and books that you may call for. It is, of course, very important to avoid publicity of any official inquiry by you, although, as stated, I do not apprehend any serious results of any action to recover the amount claimed.

I beg again to ask your consideration and that I should be notified of any further requests or claims made to you in the premises.

GEORGE H. WATSON.

FINANCE DEPARTMENT,

OTTAWA, January 27, 1910.

GEORGE H. WATSON, ESQ.,
The New Russell,
Ottawa.

DEAR SIR,—At the request of Mr. Fielding I beg to acknowledge receipt of your letter of the 28th instant respecting the Farmers' Bank of Canada.

T. C. BOVILLE,
Deputy Minister of Finance.

TORONTO, January 27, 1910.

Hon. The Deputy Minister of Finance,
Ottawa, Ont.

SIR,—It has occurred to me since seeing you yesterday that it might be well for me to explain in a letter the proceedings of the bank with reference to the repudiation of the deposit of the Insurance Company.

On Wednesday, the 19th inst., Mr. Hadley, the representative of this department, called at the office of the bank, and presenting the certificate of deposit applied for return of the amount of the deposit. After interviewing the General Manager, the Chief Accountant and Manager of the Toronto branch, the last stated that the receipt was informal and not on the bank's regular form, and that he could not recognize it without specific instructions from the General Manager. The General Manager told our representative to return about three o'clock in the afternoon. At a few minutes to three our representative knocked at the door of the General Manager's room, whereupon the General Manager opened the door a few inches, and stated that his Board of Directors had refused to accept the waiver of notice. This statement seemed to imply that the directors accepted the validity of the deposit receipt. The directors' meeting was, of course, held on that day in addition to the general meeting of the stockholders of the bank.

On the afternoon of January 24, Mr. A. W. Anglin, our legal representative and I had an interview with Mr. Watson, who represents the bank in this matter. Mr. Watson stated that there had been a meeting of the bank's directors that day at which Mr. Travers and Mr. Hunter, the legal representatives of the bank were present. At this meeting it had been decided that any liability upon the deposit receipt should be absolutely repudiated, and that the loan to Tevis should also be absolutely repudiated, and that a letter should be written to Tevis notifying him that the stock he had deposited with the bank and which was then in Toronto, was held subject to his order. Mr. Watson further stated that these decisions were entered in the minutes of the meeting of that date (January the 24th). Mr. Watson further stated that this had been the determination arrived at at the board

3 GEORGE V., A. 1913

meeting, held Wednesday the 19th of January, although no record of that fact had been made in the minutes of the meeting held on that date.

CHARLES HUGHES,
*Chief Inspector of Casualty and Miscellaneous Insurance Companies
for the Insurance Dept. of the State of New York.*

FINANCE DEPARTMENT,

OTTAWA, CANADA, January 28, 1910.

WILLIAM H. HOTCHKISS, Esq.,
Superintendent of Insurance,
Albany, N.Y., U.S.A.

DEAR SIR,—At the request of Mr. Fielding I beg to acknowledge receipt of your letter of the 14th instant on the subject of your inquiries into certain transactions of the Farmers' Bank of Canada.

At the same time I send you herewith a copy of the reply received from the general manager of that institution, to whom a copy of your letter of the 11th instant was sent for such explanation as could be offered. In connection with the above matter I may say that Mr. Hughes, your examiner, visited the department on the 26th instant.

T. C. BOVILLE,
Deputy Minister of Finance.

STATE OF NEW YORK, INSURANCE DEPARTMENT,

ALBANY, January 31, 1910.

Honourable T. C. BOVILLE,
Deputy Minister of Finance,
Parliament Buildings, Ottawa, Canada.

MY DEAR SIR,—This acknowledges yours of January 28, inclosing copy of letter addressed to you by W. R. Travers, general manager of the Farmers' Bank of Canada, which letter is dated January 21, 1910. I note that Mr. Travers takes the position that the certificate of deposit was informal merely. You will doubtless recall that when sworn and examined before me at Syracuse on January 17, 1910, Mr. Travers not only admitted that such certificate of deposit was a liability of his bank, but stated that the same would be paid. You will doubtless recall further a letter written by Mr. Travers to one M. G. Hunt on December 21, 1909, a copy of which was, I think, shown you by Chief Examiner Hughes when he was in Ottawa.

In view of the facts as they have been submitted to you since the receipt of the letter which you inclose, I trust that your department will feel it proper to continue its investigation to the end that justice may be done both in the Dominion and in the State of New York.

WILLIAM H. HOTCHKISS,
Superintendent.

SESSIONAL PAPER No. 153a

WATSON, SMOKE, CHISHOLM & SMITH,
Barristers, Solicitors, &c.,
National Trust Building, 20 King St. East.

TORONTO, ONT., May 10, 1910.

Honourable W. S. FIELDING,
Minister of Finance,
Ottawa, Ont.

DEAR SIR,—About two months ago, I spoke to you in connection with a matter in which the Farmers' Bank was interested. The First National Bank of Syracuse and the People's Life Insurance Company of same place, claimed to have a deposit receipt of the Farmers' Bank for the sum of \$150,000. It was deemed a matter of some importance, and you may recall that I then explained to you that the difficulty arose in relation to a proposed transaction never carried out and afterward entirely abandoned. I also then stated to you the circumstances under which the possession of the document was obtained.

I was at the time quite satisfied that there was no liability on the part of the Farmers' Bank in connection with the matter, and it was always quite certain that the bank had not received any money on deposit for which such a receipt could regularly or properly be issued.

On behalf of the bank, I am glad now to be able to state you that the document has been handed back to us by the First National Bank of Syracuse. We were informed that the parties who had obtained the moneys from that bank on the credit of this document made full refund of such moneys, and the document has, therefore, quite recently been delivered to us for the bank.

The result is a full confirmation of the instructions received by me from the Farmers' Bank and which I communicated to you on the occasion of.

I make this further communication to you so that you may be informed of the facts and in the interest of the Farmers' Bank.

GEORGE H. WATSON.

MINISTER OF FINANCE, CANADA,

May 12, 1910.

GEORGE H. WATSON, Esq., K.C.,
20 King Street, East,
Toronto.

DEAR SIR,—I beg to acknowledge receipt of your letter of the 10th instant.

I am obliged to you for the information you have given me concerning the Farmers' Bank.

W. S. FIELDING.