

The Register
15th April 1893

THE E., S., & A. C. BANK.

RECONSTRUCTION BEING PRESSED ON.

DELAY THROUGH LEGAL DIFFICULTIES.

Melbourne, April 14.

The management of the English, Scottish, and Australian Chartered Bank to-day received a brief cable message from London on the subject of the steps now being taken towards reconstruction. The message stated that reconstruction was being pressed on as fast as possible, but that some delay had been caused by certain legal difficulties arising from the fact that the Bank is incorporated under charter, and not under the Companies Act.

The name of the expert who is drawing up the scheme of reconstruction is not given, but it is surmised that the delicate task has been entrusted to the Auditor of the Bank.

Curiously enough, in spite of the publicity which has been given to all the details of the temporary suspension, no assurance has been sufficient to protect some sections of the public from their own folly. It has come to the knowledge of the Bank officials that a number of people have been selling banknotes at a sum varying from 17s. to 18s., and for the reason the Bank officials are anxious to give the widest possible publicity to the fact that the notes bear their full par value, and will be cashed on presentation, not only at the E.S. and A.C., but at any other Bank in the colony.

FAVOURABLE REPORTS FROM THE COUNTRY.

The Adelaide Branch of the E.S. & A.C. Bank are in receipt of very encouraging information from the country branches. The Managers report that customers are standing by the Bank, and encouraging promises have been made of support when the Bank re-opens.

Mount Gambier, April 14.

Consternation was felt yesterday when it was announced that the E.S. & A.C. Bank had temporarily suspended. The local branch has a large connection in the district, and serious inconvenience is likely to be the result. Among other institutions affected is the local Building Society, whose account is kept there.

Wentworth, April 14.

The suspension of the E.S. and A.C. Bank came as a surprise, and has been the topic of conversation; but customers generally view things quietly, hoping that matters will soon be settled satisfactorily. Great inconvenience will be most likely caused, as most business people here have accounts with the Bank. The local Bank has a branch at Tarko and Manero, and does a good business throughout the district.

THE BANK FAILURES.

OFFICIAL RECEIVER FOR THE E.S. & A.C. BANK.

RECONSTRUCTION OF THE FEDERAL ADVOCATED.

London, April 14.

An Official Receiver has been appointed in the matter of the English, Scottish, and Australian Chartered Bank.

The London Standard favours the reconstruction of the Bank.

The leading shareholders will meet to-day to consider the question of reconstruction.

Several Scotch depositors and Bank agents advocate the reconstruction of the Federal Bank upon somewhat similar lines to those recommended in the case of the Commercial Bank, with the stipulation that the head office should be in London.

THE E.S. & A.C. BANK.

SCHEME OF RECONSTRUCTION DELAYED.

AUSTRALIA'S FINANCIAL STABILITY.

London, April 14.

Some delay has taken place in arranging the terms of a scheme of reconstruction for the English, Scottish, and Australian Chartered Bank owing to certain legal considerations affecting the Bank's charter, but the depositors and shareholders are adopting a friendly attitude in the matter.

London, April 15.

The Times expresses the opinion that the fact that the E.S. and A.C. Bank has been careful in the selection of its business entitles it to more support in the matter of reconstruction than it could otherwise have expected to secure.

London, April 16.

The Observer, a London Sunday paper, in commenting upon the recent Bank failures, remarks that the whole of the energies of the best men of the Australian Colonies will be required to restore confidence in the financial stability of Australia, but the task is not beyond the strength of the southern continent.

The Advertiser

WEDNESDAY, APRIL 19, 1893.

THE E.S. AND A.C. BANK.

THE NEW ACCOUNTS.

A CIRCULAR TO DEPOSITORS.

Melbourne, April 18.

The officials of the English, Scottish, and Australian Chartered Bank have not yet received any news from London concerning the scheme of reconstruction.

Since the bank suspended payment on Thursday last 150 of the Melbourne depositors have opened new accounts.

Mr. Alexander Urquhart, the general manager, has cabled to London urging the directors to lose no time in making known the plans. He has also issued a circular to the depositors informing them that in order to reduce inconvenience to a minimum, the management have arranged to open credit current accounts for their customers, strictly in trust, and altogether distinct from the old business. He hopes the bank's old customers will avail themselves of this arrangement, and thus enable the institution to retain its valuable connection pending reconstruction.

The advertiser
April 22nd 1893.

E.S. & A.C. BANK.

A SCHEME OF RECONSTRUCTION.

London, April 21, 12.55 p.m.

Mr. C. J. Hegan, chairman of the London board of directors of the English, Scottish, and Australian Chartered Bank, meets the creditors of the bank and the representatives of insurance companies having money on deposit at Edinburgh to-day for the purpose of discussing a scheme of reconstruction by the issue of inscribed stock to the amount of the various claims.

It is expected that creditors to the amount of £250,000 will be represented at the meeting.

The Register.

ADELAIDE: SATURDAY, APRIL 22, 1893.

THE BANK FAILURES.

HOSTILITY TO THE SCHEMES OF RECONSTRUCTION.

London, April 20.

The hearing of the petition of Lord Iveagh (formerly Sir E. Cecil Guinness) for the compulsory winding up of the affairs of the Commercial Bank of Australia has been postponed till April 26.

London, April 21.

At a meeting of the Edinburgh insured depositors in the Commercial Bank a resolution was moved in favour of the rejection of the scheme of reconstruction unless the Insurance Companies accept liability for the deposits. Eventually the depositors decided to take individual action.

Messrs. Morton, Smart, & McDonald, Edinburgh agents, have issued a long circular hostile to the Commercial Bank's scheme of reconstruction. The circular especially condemns the favoured position which the shareholders are given. It declares that the recent Edinburgh meeting was an inadequate expression of Scotch opinion concerning the question.

The Standard remarks that the essential point of the English, Scottish, and Australian Chartered Bank scheme of reconstruction consists in the offer of 4 per cent. debentures in lieu of 90 per cent. in deposits. The great difficulty in the way of reconstruction lies, it adds, in the charter of the Bank, which prevents a call upon the reserve liability in any manner that may imperil its hypothesis to existing creditors.

London, April 21, 2.25 p.m.

The authorities of the Commercial Bank have already received 2,200 proxies representing £1,200,000 in favour of the scheme of reconstruction.

The Register
24th April 1893.

E.S. AND A.C. BANK.

London, April 22.

The Scotch Banks and Insurance Companies, in conjunction with the creditors, have accepted the reconstruction scheme of the English, Scottish, and Australian Bank.

Two Australian Banks cabled that they were prepared to offer £1,000,000 in gold in Sydney, but the offer was declined.