

The minutes of the last annual meeting having been read and confirmed, Mr. R. W. Heneker, President of the Bank, submitted the following report on behalf the Board:

REPORT.

The Directors have much pleasure in meeting the Shareholders of the Bank at their annual gathering, and beg to submit the following report on the business of the Bank for the past year, with a statement of the profits made and the balance sheet of assets and liabilities on the 15th May, when the books were closed for the year.

It is with unfeigned regret that they cannot as yet express their belief that the severe crisis which has for so long a time hung over the commercial community is past. It was hoped that the productive harvest of last year, if it did not actually provide the means necessary to wipe out the liabilities incurred during many years of extravagance and speculation, would have so far mitigated the evil as to restore confidence, but it was too deeply rooted to be cured by one harvest, and time, with careful economy on the part of all classes of people, will prove the only cure. The failures in numbers and amount at the great commercial centres during last winter assumed so serious an aspect that it was impossible to gauge the extent of the evil, and, although the Eastern Townships Bank was not directly concerned in city business, yet the community generally are always more or less affected by heavy losses at the centre. Happily of late there has been a "lull in the storm," and a better spirit seems now to prevail. If reliance can be placed on the reports of supposed trustworthy persons, there is a much smaller load of debt weighing on the community than formerly, and at the same time there is a complete absence of speculative business. This will naturally tend to the accumulation of money, and a comparison of this year's deposits with those of last year will show clearly that this accumulation has not only begun, but has already reached a considerable amount.

In last year's Balance Sheet the ordinary deposits, amounted to:—

On demand.....	\$278,273 00
After notice.....	396,244 00
Together.....	\$674,518 00

They are for the present year:

On demand.....	\$325,804 80
After notice.....	584,453 00
Together.....	\$910,258 00

The condition of trade and the Dividends already declared by other Banks will doubtless have prepared the Shareholders to expect only a moderate return for the past year. The Directors feel that they have just cause for congratulation that the net profits, if they have not been all that could be desired, have yet been sufficient to enable them to declare a four per cent. dividend for the half year, after making a liberal provision for bad and doubtful debts, leaving a small balance to be carried forward, and the Reserve Fund of \$300,000 intact. The Profit Statement might easily have been made to appear larger by including the interest on accounts which, although perfectly secure, are yet inactive at the present time, but the desire of the Directors was rather to act prudently than to show a large profit.

A careful and searching examination of the branches has been made twice during the year, and the business at the head office has also undergone rigid scrutiny.

During last summer the Merchants Bank withdrew from Granby, and an agency was opened in that village, the Eastern Townships Bank taking over the old office and safe of the outgoing Bank. The Directors would not at the present time have thought of extending the business, but there were peculiar circumstances attending this case, which induced them to open the agency under the management of Mr. Robin-

son, of Waterloo. The result has been such as to justify the course taken.

The Directors have to express their deep regret at the decease of their colleague, Mr. Brigham. He was a man of high character in the commercial world, and, until struck down with illness, took great interest in the prosperity of the Bank.

Besides the old Board who offer themselves for re-election, the Directors have the pleasure to state that Mr. Galer, of Dunham, has been induced to offer himself as candidate to fill the place left vacant by the death of Mr. Brigham. Mr. Galer has always shown great interest in the welfare of the Bank, and has ever been ready to assist the Manager at Cowansville with his friendly advice.

The following is the Profit and Loss Statement for the year ending 15th May, 1878:—

Balance of Profit and Loss Account, 15th May, 1877, after providing for Dividend No. 35, paid in July last.....	\$10,963 49
Add earnings for past year, after deducting cost of management and amount written off for bad debts.....	100,115 77
	\$111,079 26

DEDUCT.

Dividend No. 36, paid 1st January last, 4 per cent.....	53,660 37
Dividend No. 37, payable 2nd July next, 4 per cent.....	54,700 00
	108,360 37
Balance of Profit and Loss carried forward.....	\$2,718 89

The whole respectfully submitted.

R. W. HENEKER.

President.

GENERAL BALANCE SHEET, 15TH MAY, 1878.

LIABILITIES.

Capital paid in.....	\$1,370,748 78
Reserve Fund.....	\$300,000 00
Profit and Loss Balance.....	2,718 89
	302,718 89
E. T. Bank Bills in Circulation.....	376,114 00
Dominion Government Deposits on demand.....	86,763 24
Other Deposits on demand.....	325,804 92
Other Deposits after notice.....	584,451 49
Dividends unclaimed.....	1,852 32
Dividend No. 37, of 4 per cent, payable 2nd July next.....	54,700 00
Due to other Banks in Canada.....	5,261 19
	\$1,434,950 39
	\$3,108,418 06

ASSETS.

Coin.....	80,107 27
Dominion Notes.....	60,264
Bills and Cheques on other Banks.....	17,321 22
Due from other Banks in Canada.....	118,735 02
Due from other Banks not in Canada.....	82,772 48
Due from other Banks in the United Kingdom.....	22,333 60
	\$31,535 59

Bank Premises and Furniture.....	115,209 82
Notes and Bills discounted current.....	2,426,716 99
Debts secured by Mortgages and other securities.....	87,090 92
Notes and Bills Overdue.....	97,864 74
	2,726,882 47

\$3,108,418 06

WM. FARWELL,
Cashier.

Sherbrooke, P. Q., 15th May, 1878.

After remarks by the President and several Shareholders, the Report was adopted and ordered to be printed for distribution. Votes of thanks to the President, Vice-President and Directors, also to the Cashier, Managers and other officers of the Bank were unanimously passed, after which the election of Directors was proceeded with, which resulted in the election of the following gentlemen, viz.:—A. A. Adams, Chas. Brooks, M. H. Cochrane, G. K. Foster, J. N. Galer, R. W. Heneker, John Henry Pope, G. G. Stevens, and T. Leo Terrill, being the old Board, with the exception of Mr. Galer, elected in place of the late Mr. Brigham.

After the usual votes of thanks to the Chairman, the meeting adjourned.

At the meeting of the new Board, R. W. Heneker was re-elected President, and Chas. Brooks, Vice-President.

BUSINESS CHANGES.

Among the business changes of the past week we note the following:—

Dissolutions:—Amherst Warehouse Co., Amherst, N. S., W. M. Sleep retires, continued by J. E. Purdy, C. H. Bent, and B. W. Ralston; Reiner, Stein & Co., grist mill, Wellesley; M. Korosk & Co., dry goods and furs, Montreal; W. J. McMaster & Co., dry goods, Montreal, continued by Jas. McMaster, of London, Eng., W. J. McMaster, of Montreal, and John McClung of Bowmanville, under style of McMaster, McClung & Co., and J. T. Lewis & Son, hardware, Yorkville.

Offer to compromise:—D. Barteaux, general store, Somerset; J. H. McLaughlin, grocer, Montreal, at 15 cents; and J. Titterton, grain, St. Catharines.

Compromised:—John Howse, stores and tin, St. Catharines, at 50 cents, secured; Drake & Joyce, furniture, Windsor, Ont.; and Wm. Campbell, boots and shoes, Goderich, at 50 cents.

Commencing or recently commenced business:—J. Hyland, watches, Sherbrooke; Jas. Waite, hotel, Allandale; Rose & Weissenbach, grocers, Port Perry; and Scott & Carson, grocers, Winnipeg.

Sold out:—R. Sears, jun., house furnishings, Toronto; W. K. Colville, flour and feed, Toronto; and J. Alexander, dry goods, Toronto.

New co-partnership:—Carron & West, boots and shoes, Montreal, composed of A. Carron of Montreal and And. B. West of Ottawa.

A demand of assignment has been made upon Alfred Perry, insurance agent, Montreal. A. H. Sims & Co., gents' furnishings, Montreal, have admitted a special partner to the extent of \$15,000. H. B. Rathbun & Son, sash and door factory, Mill Point, have opened a branch at Toronto, and have placed Wm. McFadden as agent.

—If the furniture manufactured by the Moorhead Manufacturing Co. of London, Ontario, is of the same character and quality of workmanship as some recently sold in this city, it is not to be wondered at that the concern has got itself into trouble. There is altogether too much "slop" furniture made in Canada, and those who complain of the flux of American furniture, some of which is bad enough also, have themselves chiefly to blame. It is really a pity to spoil good material by such wretched workmanship. If we are to compete successfully with our neighbors, we must study to keep pace with the improvements of the age, which is undoubtedly one of increasing advancement.