The Shareholder

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THE SHAREHOLDER.

MONTREAL, FRIDAY MORNING, JULY 13, 1883.

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THE BANK REPORTS.

WE have of late presented from time to time as they appeared the official Reports of the various leading Banks of Ontario and Quebec. It is difficult to conceive how, taken as a whole, these exhibits could have been more satisfactory, whether to the shareholders themselves or to that portion of the public which reads in them the actual degree of prosperity or otherwise in which the country to-day finds itself. Nearly without exception the net profits during the past year have largely increased, and in one instance where a slight falling-off is observable a dividend of 10 per cent. for the year was nevertheless declared. The dividends indeed in all cases have been either up to the average or beyond it, and this in face of the fact that exceptionally large additional amounts have been set apart to the Rest. In some cases this point has not been reached without a good deal of opposition, a larger dividend having been pressed for at the expense of an augmented reserve. The wiser and more conservative policy has, however, always managed to prevail, thus securing added stability and putting the institutions adopting it into a better position to meet any sudden future attack. In fact, this very precaution will in itself go farther to prevent any panic and establish confidence than any other policy could do. If we could correctly deduce an opinion as to the prosperity of the country from a contemplation of its lately-published balance-sheets the inference would be that it was never in a sounder condition. We fear, however, that such a conclusion would not be a wholly accurate one, as some recent failures and other marks of instability only too plainly show. They prove, however, that the Banks themselves are all conducted with splendid ability, while the total amount of the losses is only such as to show that Managers have not lent themselves to aid unsound speculations. This indeed had already been gathered by some precedent presidential remarks at the annual meetings—remarks which continue to be well remembered from the wise and timely caution they recommended and which was so largely followed. In fact had it not been for the great prudence of these institutions, and the general determination among them to be led away by no tempting risks for visionary large profits, we should no doubt have had to deplore to-day a widespread depression and a much longer list of exploded or embarrassed firms.

REPORT OF THE EXCHANGE BANK.

THE statement of this Bank was looked forward to with more than ordinary interest by its shareholders. Some time since the price of its stock took what was for the moment considered an unaccountable decline. M. H. GAULT, Esq., M. P., suddenly resigned his position at the Board, and, it was rumored, sold out a large block of the stock. This brought "the street" out from their holes, and a buzz of curiosity was heard from right to left. The President, Mr. THOMAS CRAIG, however, kept cool, with his hand firmly placed on the helm, and, knowing everything was all right, met the trial bravely. It was just here that the President showed his metal as a manager of the Bank, for although it appears Mr. GAULT retired on account of ill health, it was a serious course to adopt so suddenly when the well-known position of the ex-President is considered. However, "all's well that ends well," and the position of the Bank as shown by the Report is a most satisfactory one. With a capital of $500,000, a Rest of $300,000 is no mean strength to fall back upon. The President referred to the past due loans as being reduced to $25,676.20, and to the past due loans *not secured* as being completely wiped out. This is a satisfactory statement beyond dispute. The future of the Bank appears to be well assured. The shareholders have a united body of wealthy men on their Board, and the President has shown good proof, in trying times, that he understands how to work the Exchange Bank for the mutual benefit of all concerned. Mr. E. K. GREENE made a few pointed remarks which are worth insertion here.

Mr. E. K. GREENE, in returning thanks on behalf of the Directors, said:—"We are always grateful for acknowledgments, especially at this time, and we have good cause, so far as the success of the bank is concerned. We have no past due debts which are not secured; we have gone through the books of the Bank, and have carefully analysed the accounts and have written off every bad debt so far as known, so that, with the addition of $50,000 to the Rest and an additional amount added to the Contingent Fund, we have every reason for congratulation, and I only hope we shall be as successful this year as we have been in the past. Gentlemen, on behalf of myself and my co-Directors, I thank you for the resolution just passed."

THE HUDSON'S BAY CO.

THE annual meeting of the shareholders of this Company has just been held in London, when the usual statement was presented. So far as that important element of prosperity, the fur trade, is concerned the results were so far unsatisfactory that the profits during the past year had considerably decreased, so much so as to make a difference of $100,000 in the dividend. This arose, however, from no diminution in the product, which in fact exceeded the average, but to the lower prices which everywhere prevailed. In all the minor items the statement was satisfactory, but it was of course in the land transactions that the interest of the meeting chiefly concentrated. According to the official statement the balance of the land account on the 28th of February last was £116,801, from which it was proposed to make a return of £1 a share, which would reduce the nominal value of their shares to £14. When the Company was re-organized their nominal value was £20. The result of their land transactions from the beginning was that they had actually received cash instalments amounting to £356,000 and £36,000 in interest on unpaid instalments—together, £392,000. Charges of management, taxes, &c., had absorbed £73,000, and the return of capital made last year was £200,000, leaving a balance of £119,000. Nevertheless a very large amount of arrears on due instalments had occurred, though the prospect of a future large monthly reduction in this item is anticipated. It may also be noted as a disadvantage to the Company that the extent of its territorial possessions is not yet accurately known. This is owing to the surveys now in hand by the Canadian Government not having been completed. It is estimated, however, that it will fully reach 5,000,000 acres—a truly imperial sway. The report that the Hudson's Bay Co. had entered into engagements with the other great colonisation projectors was positively denied by the Chairman—an intimation which appeared generally acceptable. Some umbrage was taken by a few of the members present at the alleged fact that a favored few had been privately informed, in advance of the shareholders generally, as to the details the balance-sheet would present. A little discussion, however, served to dissipate this misconception, and the report was adopted. Altogether the statement was fully up to expectations, especially as sinister rumors to the prejudice of the Hudson's Bay Company had been widely circulated at the instigation of hostile interests.

WHAT AILS THE STOCK MARKET?—The Philadelphia *Record* tries, as will be seen in another column, to show what ails that institution in the city of Brotherly Love. Let us be thankful that our own brokers are not as other brokers are elsewhere.