

was now held by the Bank? The Chairman replied, 1,955 shares. To be in order Mr. Gault said he would move the adoption of the report, which Mr. Caverhill would second. A shareholder asked what was inferred by "other assets" as mentioned in the report? Mr. Craig said that included the Telegraph stock. The Chairman added that the Bank was in the same position now as it was before the Telegraph stock was purchased. Mr. Crathern said the Directors, since the last meeting, had taken upon themselves the responsibility and assumed the loss which had occurred on the Telegraph stock over and above that which came into the possession of the Bank at the time of the business done with the Messrs. Bond Brothers. The number of shares in the Telegraph held at the last meeting was 3,754, but the Directors had relieved the Bank of a great portion, and any sales which had been made had been assumed free from loss to the Bank. Indeed, the entire loss on that business had been assumed by the Directors, and seven of them had assumed the balance. Mr. Gilman asked a question, when the Chairman replied the Bank advanced to Bond Bros. & Co. at 145 when the shares were at 160. The balance of the stock they had sold during the winter, and so much balance as had been left the Directors had assumed, so that the Bank was relieved of the stock without any loss. Mr. Caverhill pointed out that not only had the Directors assumed that loss but also of any future loss which might occur on account of these shares. The Bank now stood in the same position as it was during the time the dividends were being paid. Mr. H. Bulmer said he was surprised, indeed, very agreeably surprised, to hear on the street and elsewhere that the Directors had taken up \$27,000 or \$28,000 of a loss, which was to be divided amongst seven of them. He felt sure there would not be found very many seven men who would be prepared to do such a thing. It had seemed to be an understood thing that they were to lose \$27,000, but now they found it was only 1,900 shares. This was one of those things which they did not expect to meet with in life, but it was certainly a very pleasing circumstance. The Chairman offered an explanation that the late cashier manipulated those shares, and the Directors were thunderstruck when they discovered the position in which he had placed them. They did not, at any time, expect to hold more than Bond Bros' stock, but when he found the true state of affairs he felt bound in honor to make up the difference, and he was pleased to say the other Directors had given him their assistance. Mr. Caverhill felt he must correct the President. Mr. Murray and he (the speaker) were deputed to deal with these shares, and they went over the stock. The last time he (Mr. Caverhill) had asked about the number of shares held, he was told they had 2,000. When Mr. Murray was examined the other day at Niagara Falls he said he never reported the sales, only of those which were actually paid for by the Bank. Had he reported what belonged to the Bank the stock would have been down to 123, and they were all surprised to learn the Bank held so much. Mr. Gilman asked if the \$65,000 from other banks was deposited? The Chairman replied that the \$65,000 was placed with them on deposit, and four per cent. was allowed on it. Mr. Goddard wished to know what the Directors proposed to reduce the capital to? The Chairman replied, after consideration they proposed to make the capital \$500,000, which would at once put the shares of the Bank above par. Mr. Cruickshank asked if it would not be better to wind up the affairs of the Bank at once. He was of opinion that the expense of carrying on a bank with so small a capital would not be at all profitable? Mr. Greene replied that the Board had taken that part of the question into very serious consideration, and after weighing the matter over, they thought the shareholders would lose much less by carrying on the business than by winding up the affairs. Mr. Gilman asked if there was any other Bank in Canada with so small a capital as \$500,000? Mr. Ogilvie said yes; the Jacques Cartier. That was reduced from \$2,000,000 to

\$500,000. The Board had considered the question in all its details, and had spent weeks in arriving at a conclusion, and they were now unanimously of opinion that it would certainly be the worse thing they could do to wind up the affairs of the Bank. They could not though expect to do any good until they had the opinion of that meeting, so that they would know what was the feeling of the shareholders on the question. The directors had only one opinion, and he felt that the shareholders could do better by going on than by stopping. They had written off \$107,000 from the value of buildings and premises, and that was no fault of the directors, but if they were to shut up the Bank they would not be able to do as well with the property as they could for themselves. The worst thing they could possibly do would be to stop business. In the States it was no uncommon thing to see banks with a capital of \$50,000 paying dividends of ten per cent. Mr. Bulmer asked if there was any amount the Board was prepared to recommend as the reduced capital. He thought they ought to know better than the shareholders what was necessary? The chairman said they proposed to reduce the capital to \$500,000, and have a rest of \$125,000. Mr. Crathern remarked they had a new charter for ten years, and in future no other bank could get the privilege of circulation. Mr. Morris suggested that they should seek amalgamation with some other Bank. Mr. Greene replied: No other Bank wished to assume the assets of another concern, only at a very reduced price. They were satisfied that in doing that they would lose more. The report was then adopted. Mr. H. Bulmer then proposed and Mr. John Ogilvie seconded, that inasmuch as the capital of the Bank appears, by the statement now submitted, to be impaired, and whereas it is expedient that the bank should resume the payment of dividends at as early a date as possible; therefore, be it resolved that the directors are hereby authorized to make application to Parliament for liberty to reduce the "paid up" capital stock of the Bank to such an amount as may be deemed advisable. Mr. Burland suggested that application should be made to reduce the paid-up capital to \$500,000. Mr. Gilman said all that was wanted was to insert the words "paid-up" (as quoted in the above resolution). If those words were inserted that would serve every purpose. Mr. Greene thought the difficulty could easily be reached if at any time in the future the Directors wanted more capital. Mr. Burland wished to give the Directors power to call up new stock if the business of the bank seemed to require it. Mr. Gilman asked that the Directors should seriously consider whether it was necessary to reduce the capital at all. He thought that it might be better to forego any dividends for a year or two in order that the Bank might benefit. (Hear, hear.) He would personally be content to do that. He saw by the report that they had earned two per cent. on a million dollars of capital, and he took it for granted next year the profit would exceed \$50,000. At that rate it would not take long to recuperate and make up the loss on the capital. Then, again, they had estimated loss on collaterals at a low point, and some of these they need not realize, and he did not suppose but Mr. Craig had put the figures on the right side, for he would be sure to have taken off all the accounts he could. He thought the Directors should consider seriously before they made any reduction in the capital. Mr. Crathern said the Directors did not think they would have been justified in asking for any new capital, although they had themselves thought that would have been the best course to pursue. If it could be done the best arrangement would be to let the capital stop at one million and pay dividends on \$500,000. He was convinced that the loss of the Bank had not been more than in other concerns, and he assured the meeting that in his own business his loss had been comparatively as great. The loss which they had incurred through Mr. Murray had spoiled \$100,000. Mr. A. W. Ogilvie thought the Directors personally were all of Mr. Gilman's opinion, but they must

consider that there were a great many shareholders who were depending on the dividend of the Bank in order that they could live. If, however, he thought the majority of the shareholders could get on without it, he would let it lay, but they must think of others as well as of themselves. Mr. T. Wilson would a great deal rather wait two or three years to get all his money than have only part of it now. Mr. Weir, as a dealer in Exchange, said if he wished to dispose of stock, he could not sell that on which there was no dividend, but if a Bank was returning a profit, he could. He thought they would be able to do as well as they thought, and instanced the success of the Merchants Bank. The resolution was then adopted. Mr. Bulmer expressed a feeling that it was only right that the shareholders should express their sense of the action of the Directors. The report presented to them was much better than they had been led to expect, and he felt great pleasure in moving the following resolution:—That the shareholders desire to express their appreciation of the liberality of the Directors in assuming the Telegraph stock bought by the late Manager without involving any loss to the Bank. Mr. G. Cheney seconded the motion, which was adopted. Messrs. Learmont and Norris were appointed scrutineers, and the old Board was re-elected as follows:—Messrs. M. H. Gault, M.P., President; T. Caverhill, Vice-President; James Crathern, E. K. Greene, T. Tiffin, A. Buntin and A. W. Ogilvie.

THE CANADIAN BANK OF COMMERCE.

The Thirteenth Annual Meeting of the Shareholders was held at the Banking House, Toronto, at Noon on Tuesday, 13th July, 1880. The President, the Hon. Wm. McMaster, having been called to the chair, and the General Manager appointed Secretary, it was moved by John F. McGlashan, Esq., of Drummondville, seconded by D. McGee, Esq., of Toronto, that the following gentlemen be appointed to act as Scrutineers—Messrs. James Browne and R. H. Temple. The Secretary read the following report. In conformity with the usual custom, your Directors submit, for the information of the Shareholders, the result of another year's business, accompanied by a statement of the assets and liabilities of the Bank:—

Balance at credit of Profit and Loss	
Account, June 1879.....	\$133,231 33
Profit of the year ending June, 1880	
after deducting charges of management, and providing for bad and doubtful debts.....	631,875 31
	\$765,106 69

Which sum has been disposed of in the following manner:—

Dividend No. 25, Jan....	\$240,000 00
Dividend No. 26, July..	240,000 00
Transferred to Reserve	
for rebate of interest on current discounts	10,000 00
Reserved for accrued interest on deposit receipts.....	46,558 44
	536,558 44

Balance at credit of Profit and Loss	
Account.....	\$228,548 25

It will be seen that the net earnings of the year enabled your Directors to pay the usual dividend of eight per cent., leaving a surplus of \$105,316 87, from which \$10,000 has been transferred to reserve for rebate of interest on current discounts, which fund now amounts to \$133,604, and the remaining \$95,316 87 has been carried to Profit and Loss Account, increasing it to \$228,548 25. This sum might have been transferred to the Rest, but it will be readily understood that the protracted depression may result in rendering some securities held by the Bank—which have heretofore been regarded as safe—not so perfectly satisfactory as the great body of its assets. The Directors, therefore, deemed it advisable to leave the whole of this amount at credit of Profit and Loss Account. It will be observed