

for the purchase of bank premises in Victoria, B.C., had been put down to current expenses or had been otherwise carried forward.

The Chairman—It has not been otherwise carried forward.

Mr. John Crawford—Was the profit upon the loan of two millions which you negotiated for the city a short time ago included in the financial year ending the 30th of April?

The Chairman—Only partially.

Mr. Clouston—It was not included except to a very small extent, because the operation was not completed.

Mr. John Crawford—That is a good feature, I think, because I understood it was a very successful venture and very profitable to the bank, so that the probability is that it will appear to the credit of the profit and loss account for the next year. I would like to have just a word or two from the chairman as to the position which this bank holds in Newfoundland, where we recently established an agency. It is an important island, and when the branch was established there, it was thought there were going to be very great advantages accruing from it. I think it would be of interest to the shareholders generally to hear a few remarks from the chairman as to the result of that extension. I would also like to hear some general remarks upon the position of our money in the United States of America, as well as in our branches in London, Chicago, and so forth. I should also like the directors to consider a small request I made at the last meeting, that the general statement should be printed in parallel columns with the results for the previous year.

The Chairman—Mr. Crawford is quite right in describing his request that the figures should be given in parallel columns as a very small and moderate request. I remember him making it last year. It was referred by the board of directors to the general manager, and he took the trouble of explaining just now the reason why it was not adopted. I am sure he had no desire to ignore the request made by Mr. Crawford at the last meeting, but the matter will once more be considered by the board of directors, I am sure; and if it can be accomplished without departing very largely from the practice of the bank, I think it will be done. As to the other inquiries, I think they can be more properly answered by the general manager than by myself. Those also were very proper questions. One was as to whether the agency in Newfoundland had proved satisfactory, and in a general way I may say that it has fully answered the expectations and anticipations of the board. It did good service on the Island in a time of panic and distress, and it has done so with good results to the bank.

Mr. John Crawford—You don't feel disposed to withdraw it?

The Chairman—No, certainly not. If there was any other point which I failed to note, I shall be glad to be reminded of it. I will now ask the general manager to give more specific details.

Mr. Clouston—I should like to disabuse Mr. Crawford's mind of the idea that we made large profits out of the loan we negotiated for the city. We simply act with several financial houses, taking a participation in the loan, and receiving a small commission for making the issue. We do not get the difference between what we pay the city and what we issue in London, not by any manner of means. Our business at St. John's, Newfoundland, has been satisfactory. As Mr. Drummond says, when we went there we were of very great use to the Island in re-establishing the finances of the country, which were very much disorganized. Since then the loans made at that time have been paid off, and we have a large amount of deposits, showing that the Island is not at all in the impoverished condition which has been sometimes represented. It has turned out a very valuable branch indeed. With regard to the money in the United States Mr. Crawford asked about, you will understand that we put it there in order to have a reserve fund to draw upon in case of necessity. There are two classes of reserves—one is the call loans payable in the currency of the country, which may be called in in a few hours, so that we can bring in money to this country at very short notice. Beyond that we have time loans, which are made payable at longer periods, and are payable in gold; these are chiefly in Chicago. These are spread over certain periods, but I have no doubt that in case of necessity we could get them in in 30 days, so that it makes a very valuable second reserve.

Mr. John Crawford—Have you time loans to any considerable extent? I see there is no mention of them in the statement. Banks in England generally place the time loans in their statement—the number at three months, the number at four months, and so on. I simply submit that as a suggestion which would be appreciated by the shareholders, who will be glad to know that there is provision made in case of an unexpected contingency arising.

Mr. Clouston—We practically have no call loans in Canada. When we make a call loan, it is practically not a call loan, because if we called it, it would disturb the market, so we keep all our call money in the United States.

The motion for the adoption of the report of the directors was then carried unanimously.

Mr. John Crawford—I think the shareholders might have said that they thoroughly appreciated the remarks which our chairman made about the late Mr. King, formerly chairman of the board in London. I think the eulogium passed upon his great character was fully endorsed by every person at this meeting.

The Chairman—I might say that a resolution of condolence with the widow, Mrs. King, was passed by the board here and forwarded to her at the time of her husband's death.

VOTES OF THANKS.

Mr. G. F. C. Smith moved:—

"That the thanks of the meeting be presented to the president, vice-president and directors for their attention to the interests of the bank."

In making the motion, Mr. Smith said that such a resolution was looked upon by many as being merely formal, and yet it should not be so, when there was taken into consideration the interests that were placed in the hands of the board, and the management of which involved the comfort or discomfort of the shareholders. The word "thanks" was hardly enough, though it was the term generally used.

The motion was seconded by Mr. Alexander Mitchell, and unanimously concurred in.

The Chairman—I have to acknowledge, on behalf of the directors and myself, the kindly terms in which the motion just passed by you has been prefaced, and in doing so, I can say that the board has been distinguished above most boards with which I have anything to do by its close attention to the interests of the bank.

Mr. Hugh McLennan moved:—

"That the thanks of the meeting be given to the general manager, the inspector, the managers and other officers of the bank for their services during the past year."

In supplementing the motion, Mr. McLennan said: "As one of the directors, I can say that, so far as our regular weekly supervision of the business of the bank was concerned, I might emphasize the resolution, on behalf of the board, by adding that the duties have been very efficiently discharged by the officers of the bank during the past year."

The motion, which was seconded by Mr. R. B. Angus, was unanimously agreed to.

The General Manager—I have to thank you, on behalf of myself and the other officers of the bank, for the motion just passed, and for the words of appreciation which have been spoken.

Capt. W. H. Benyon moved:

"That the ballot now open for the election of directors be kept open until three o'clock, unless fifteen minutes elapse without a vote being cast, when it shall be closed, and until that time, and for that purpose only, this meeting be continued."

This was seconded by Mr. Jesse Joseph, and unanimously carried.

Mr. John Morrison proposed a vote of thanks to the chairman for the able manner in which he had conducted the business of the meeting, a compliment that was most heartily accorded.

THE DIRECTORS.

The ballot resulted in the re-election of the old directors, as follows: Mr. R. B. Angus, Hon. George A. Drummond, Mr. A. F. Gault, Mr. Edward B. Greenshields, Mr. W. C. McDonald, Mr. Hugh McLennan, Mr. W. W. Ogilvie, Mr. A. T. Paterson and Sir Donald A. Smith, G.C.M.G.

At a meeting of the new board on Tuesday, 2nd inst., Sir Donald A. Smith was elected president and Hon. G. A. Drummond, vice-president.

—The Ophir mine at Rat Portage is reported to have been sold for \$80,000 cash.

QUEBEC BANK.

The seventy-eighth annual general meeting of the shareholders of the Quebec Bank was held in the banking house in Quebec, on Monday, 1st June, 1896.

There were present: Messrs. G. R. Renfrew, S. J. Shaw, Gaspard Lemoine, Wm. Tofield, Thos. Norris, John Shaw, Dr. Belleau, P. Johnston, Wm. Sutherland, Robt. Brodie, E. H. Taylor, Wm. Brodie, Jas. Morgan, Heber Budden, R. F. Cream, J. H. Simmons, and others.

On motion of Dr. Belleau, seconded by Mr. Heber Budden, the chair was taken by Mr. R. H. Smith, and Mr. J. M. Johnston was requested to act as secretary of the meeting.

The chairman read the report of the directors, and Mr. McDougall, general manager, read the statement of the affairs of the bank as on the 15th of May, 1896.

REPORT.

The directors beg to present to the shareholders the seventy-eighth annual report of the affairs of the bank, showing the result of its business for the fiscal year ended the 15th May, 1896.

Profit and Loss Account.

Balance of Profit and Loss account, 15th May, 1895	\$ 70,966 61
Profits for the year ended the 15th May, 1896, after deducting charges of management.....	266,320 29
	\$337,286 90
Divided $2\frac{1}{2}$ per cent., paid 2nd December, 1895	\$ 62,500 00
Dividend 3 per cent., payable 1st June, 1896	75,000 00
Appropriation for bad and doubtful debts, real estate and bank premises	108,310 45
	\$245,810 45

Balance of profit and loss carried forward

Compared with last year, the earnings of this year show a substantial increase.

The total amount of the loans is larger than it was in the previous year, and there is also a change to be observed in the items composing these loans as to the mode of investment. The notes and bills discounted have been increased at the expense of the loans on stocks, the bank having found the opportunity during the year to increase the number of its commercial accounts. The resources of the bank are somewhat enlarged by addition both to the deposits and to the notes in circulation.

Last year an amount of \$50,000 was taken from the rest account and placed to the credit of profit and loss, the directors having then in contemplation an appropriation for certain items of past due debts secured by real estate, the value of which was not at that time determined. These items have since been carefully considered, along with the rest of the real estate, and it is thought that all these holdings are now placed at figures which accord well with present values. The special provision required in this connection accounts for a large part of the appropriation for this year.

The bank premises are written down to a price which is considered just in relation to their value, for purposes of rental.

Two branches have been opened during the year, one in St. Roch's, Quebec, and the other in St. Catherine street east, Montreal, from which good results are expected.

All of which is respectfully submitted.

R. H. SMITH,
President.

GENERAL STATEMENT, 15TH MAY, 1896.

Liabilities.

Capital stock.....	\$2,500,000 00
Rest	500,000 00
Reserved for interest due to Depositors, and for Rebate of interest on current bills discounted.....	105,962 58
Balance of profits carried forward.....	91,476 45
Unclaimed dividends.....	1,602 15
Half-yearly Dividend No. 148, payable 1st June, 1896	75,000 00
Notes in circulation.....	864,752 00
Deposits not bearing interest..	1,474,126 76