

1865  
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The Directors consider it right to allude briefly to a subject which, of late, has called forth a good deal of discussion in Banking circles, viz., the evils arising from "accommodation paper," and the necessity for Banks declining to make advances upon any such securities. The Directors, while concurring generally in the soundness of the views taken regarding such bills, yet feel called upon to express their conviction that in carrying out any such radical change in business as is involved in the total suppression of that class of securities, it should be the gradual work of years; and that undue pressure would result in losses scarcely less than the evils which it is sought to cure.

The Directors deem this a fitting occasion to call attention to the grave mischief resulting from the present state of the law as regards interest. These restrictions, so far at least as they affect commercial transactions, have been abolished, they believe, in almost every civilized country, and the experience of the last few years has shown conclusively, that, wholly apart from the interest of the Banks themselves, the whole mercantile community have been great sufferers from the unwise attempts to regulate the price of money by artificial means. The Board are convinced, that not only much of the distress, but much of the overtrading, which have occurred in this country, are directly traceable to this cause, and that its removal would greatly facilitate a return to a sound and healthy system of trading.

Reverting to matters in which the Shareholders are more immediately concerned, the Directors have again to express regret at the vexatious delay which has retarded recovery of the debt due by the Great Western Railway Company to the Bank. At the date of last Report, it was believed the case would be brought before the Judicial Committee of the Privy Council in November last. It was found to be impracticable to have it brought on at that time. Then, the Great Western Railway Company, following out the policy adopted from the first, availed themselves of their power to postpone the hearing. The Counsel of the Bank pressed in every way they could do so, and at last obtained a peremptory order, under which the Directors are informed the appeal was to be heard at the present (June) sittings of the Court, and probably about 19th inst. The Directors are also advised that judgment will be had in August, and means will be taken to communicate the result to the Shareholders at the earliest practicable moment. That the decision will be in the Bank's favor, the Directors have no reason to doubt. The eminent Counsel in England, who appear for the Bank, continue to hold the same opinion as that formerly expressed. One of the Bank's Canadian Counsel is now in England, attending to the case, so that should anything new have arisen during the argument, he might be at hand to supply the requisite information at the moment, from the thorough knowledge of the case which he possesses. In short, nothing has been left undone to press forward the matter, and to secure a favorable result.

It only remains for the Directors to express their satisfaction at the accounts of the crops which reach them from all quarters. Should these expectations of a bountiful harvest, now almost certain, be realized, the Board look forward to a prosperous season for Canada.

The past year has been one involving much more than ordinary anxiety to all connected with the management of Banks, and the Directors consider it due to the Managers and Agents of the Bank, to state, that the Cashier reports the general efficient co-operation which he has received, in carrying out the views and policy rendered necessary by the peculiar circumstances of the times.

COMMERCIAL BANK OF CANADA, }  
KINGSTON, 22nd June, 1865. }

R. J. CARTWRIGHT,  
President

It was then moved by SAMUEL MUCKLESTON, Esq., seconded by WM. FERGUSON, Esq., and

*Resolved*,—That the General Statement of the affairs of the Bank, and Report of the Directors, now submitted, be received, adopted, and printed for the information of the Shareholders.

It was moved by ROBERT ANDERSON, Esq., seconded by GEORGE BAXTER, Esq., and

*Resolved*,—That the thanks of the Shareholders are due and are hereby given to the President, Vice-President, and Directors, for their attention to the interests of the Bank during the past year.

It was moved by JOHN PATON, Esq., seconded by ALFRED FINNEMORE, Esq., and

*Resolved*,—That the thanks of the Shareholders be given to the Cashier, Managers, Agents, and other Officers of the Bank, for their attention to the duties of their respective offices.

SAMUEL MUCKLESTON, Esq., and JOHN M. MACHAR, Esq., having been requested to act as Scrutineers, the Shareholders proceeded to the election of Directors, when the following gentlemen were duly elected for the ensuing year:—

EDWARD BERRY, Esq.,  
RICHARD JOHN CARTWRIGHT, Esq.,  
CHARLES F. GILDERSLEEVE, Esq.,

MAXWELL W. STRANGE, Esq.

JAMES HARTY, Esq.,  
HON. JOHN A. MACDONALD,  
HON. JAMES PATTON,

At a subsequent meeting of the Directors, RICHARD JOHN CARTWRIGHT, Esq., was unanimously re-elected President, and EDWARD BERRY, Esq., Vice-President, for the ensuing year.