

And making the Rest Account....\$500,000 00  
To which has to be added the premium from the new stock paid in 74,468 50

Total Rest Account.....\$574,468 50

The business of the bank continues to grow steadily, and in order to meet its increased requirements, the directors have availed themselves of the authority given at the special meeting of shareholders, held on 30th September last, by allotting the new stock (the issue of which was at that time authorized), to the shareholders as on 31st October last, at a premium of \$42.50 per share. The very prompt acceptance of the new issue by the shareholders has been a source of much satisfaction to the directors.

The usual careful inspections of the different offices of the bank have been made during the past year.

The officers of the bank have performed their respective duties diligently and to the satisfaction of the directors.

All of which is respectfully submitted.

JAMES MACLAREN,  
President.

GENERAL STATEMENT OF LIABILITIES AND ASSETS  
AS ON 30TH NOVEMBER, 1891.

*Liabilities.*

Notes in circulation.	\$1,031,468 00
Deposits bearing interest .....	\$2,692,953 99
Deposits not bearing interest .....	531,523 39
	3,224,477 38
Balances due to other Canadian banks in daily exchanges.....	804 91
Balances due to agents in the United Kingdom.....	15,441 25
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Total liabilities to the public.....	\$4,272,191 54
Capital paid up (subscribed \$1,387,100)	1,175,220 00
Rest .....	574,468 50
Dividend No. 31....	40,962 37
Former dividends unpaid.....	723 00
Reserved for interest and exchange..	26,831 00
Rebate on current discounts.....	25,762 00
Balance of Profit and Loss Account carried forward.....	28,678 62
	1,872,645 49
	\$6,144,837 03

*Assets.*

Specie .....	\$ 115,715 29
Dominion notes....	111,358 00
Notes of and cheques on other Canadian banks .....	85,042 96
Deposits in other Canadian banks...	311,131 55
Balances due from other Canadian banks in daily exchanges .....	2,346 47
Balances due from other banks in foreign countries..	145,361 66
Dominion Government debentures or stock .....	172,300 00
Deposit with Dominion Government for security of note circulation .....	19,300 00
	962,555 93
Loans and bills discounted.....	5,084,185 57
Overdue debts .....	14,626 57
Real estate, the property of the bank, other than bank premises	24,729 38
Mortgages on real estate sold by the bank.....	8,239 58
Bank premises .....	50,500 00
	\$6,144,837 03

GEO. BURN,  
Cashier.

In moving the adoption of the report, the vice-president said:

I regret the absence of our respected president, Mr. MacLaren, to-day, as I am sure every

one in this room will, when they know that he is seriously ill. I am very glad, however, to learn that his condition is very much improved within the last few days, and that he was able to examine the figures of the statement and sign the report.

The statement which you have just heard read, ought to be very satisfactory to the shareholders. It is the best showing we have yet been able to make, and that is saying a good deal, as we have been fortunate in having a series of successful balance sheets.

The net profits are over 15 per cent. on the paid up capital—this is after making provision for every debt of a doubtful character, and writing off \$2,900 from bank premises account.

The head office building, including safes and fittings, now stands at \$40,000, the property at Carleton Place at \$8,000, whilst the safes and fittings at the other offices are held at merely nominal figures.

Comparing the figures in the report with those of last year, I find that in circulation there is an increase of \$174,094, in deposits of \$78,766, and in loans and discounts of \$678,641.

The directors have, as usual, made careful inspections of all the offices and valuations of the securities held for loans and bills under discount, and to the best of their judgment the business of the bank is in sound and healthy condition, as well as being strong in the confidence of their customers and the public generally.

I therefore think I can congratulate the shareholders, not only on the results of the past, but on the prospects of the future. We have had a very abundant harvest this year, and owing to the failure of the crops in many parts of Europe, good prices are being realized for our surplus. The effect of the good harvest is being felt in every Province in the Dominion, and I look forward to a very general revival of business. The lumber trade promises to be fairly remunerative. The labor strike of last summer reduced the output of sawn lumber, and profiting by past experience, the manufacturers of square timber are acting cautiously and are not likely to over stock the market this year.

The bank is doing a large and profitable business at Winnipeg and Keewatin, and, in fact, business at all the branches, as well as at this office, is prosperous.

In Ontario the mainstay of our business is the lumber trade, and in Manitoba it is the grain trade. Both of these businesses being conducted either on a cash or short credit basis, they are not subjected to as great risks from bad debts as other kinds of mercantile business at the larger centres, where long credits and renewals are customary. I do not wish to convey the idea that this bank confines its business to the staples mentioned. On the contrary the business is distributed amongst all the various kinds of manufacturing and mercantile operations carried on at the points where we have agencies; but what I want to point out is that necessarily the larger part of loanable funds of the bank is employed in facilitating the carrying on of the two leading lines of business I have mentioned, viz., grain and lumber, and business arising out of them, and although it may take considerable time for these products to reach the market, yet when sold, the terms of credit being short, the banker's risk is less.

The addition to the capital stock will strengthen the position of the bank and enable it to take business that would otherwise have had to be refused. The prompt acceptance of the allotment by the shareholders shows confidence in the management as well as faith in its earning powers. Although six months is given by law for the taking up of these allotments, \$423,000 has been subscribed in less than six weeks.

The amended Banking Act went into operation on the first of July last, and in many respects it is an improvement on the old Act. The Government acted wisely in taking counsel with the representatives of the banks and in adopting many of their suggestions. The most important amendment passed is the one requiring a deposit of five per cent. with the Government on the average circulation of every bank as security for the payment of the circulation of any suspended bank. There are still some amendments of a minor character that can with advantage be made.

At one of the bankers' meetings, held when the new bill was before Parliament, steps were taken for the formation of a Bankers' Association, and a committee was then appointed to

draft a constitution, and although this committee have been somewhat slow in getting to work, they are now ready to report and a meeting is to be held at an early day in Montreal.

An association of this kind is much needed, and in times of financial disturbance, or when danger is threatened, the Canadian banks by acting together would be able to strengthen and sustain the mercantile credit of the country. The importance of united action on the part of the British banks was recently seen when the great house of Baring Bros. was in difficulties, and a great disaster was only averted by the promptitude of Mr. Lidderdale, the Governor of the Bank of England, in making arrangements with other large banks to take up all Barings' acceptances as they fell due.

This Association could also watch legislation affecting banking and mercantile interests.

At the present time there is a very general demand for a "Dominion Act" to deal with the distribution of insolvent estates, and no class of business men could give better advice in the framing of such an Act than representatives of the banking interests.

Such an association could aid in devising some means of preventing the circulation of American currency to the loss and detriment of Canadian banks. The American government having placed an embargo of 10 per cent. on Canadian currency entering the United States, I think a little reciprocity in this direction would do no harm.

I need not take up more of your time in commenting on the report, but will move, seconded by Hon. G. Bryson: That the report of the directors and statement now read be adopted, and printed for the information of the shareholders. Before putting this motion to the meeting, however, I shall delay, in order to give any shareholder present an opportunity of commenting upon the report, or of making any enquiries he may see fit.

Hon. George Bryson having seconded the resolution, Mr. J. G. Whyte enquired whether, under the new Banking Act, the banks were obliged to hold a stated per centage of their public liabilities in specie and Dominion notes, to which the cashier replied in the negative, but he explained that the law required each bank to hold not less than forty per cent. of its cash reserves in Dominion notes.

No further remarks being offered, the motion was put and carried unanimously.

It was then moved by Mr. T. C. Keefer, and seconded by Mr. J. G. Whyte, "That the thanks of the shareholders are due and are hereby tendered to the president, vice-president and directors for their careful attention to the interests of the bank during the past year."—Carried.

Mr. Geo. Hay, on behalf of the board of directors, thanked the shareholders for the resolution just adopted.

It was then moved by Mr. David MacLaren, seconded by Mr. J. C. Edwards, "That the thanks of the shareholders be tendered to the cashier and other officers of the bank for the efficient manner in which they have discharged their respective duties." Before moving this resolution Mr. MacLaren said that his father, Mr. James MacLaren, had requested him to say that he regretted he was unable to be present to meet the shareholders, and that he wished to congratulate them on the success which had attended the bank's operations during the past year.

The resolution was then put to the meeting and carried unanimously.

Mr. Burn replied as follows: I thank you very sincerely on behalf of the other employees of the bank, and of myself, for the complimentary manner in which the motion, just carried, was received, and the words of kindly appreciation which accompanied it. I do not hesitate to say that we have a staff of officials who are diligent and zealous in the interests of the bank, and trustworthy in the highest degree. While we cannot hope always to show such good results as those now presented, we can, I trust, by prudence and care in the carrying out of the policy indicated from time to time by the directors, hope to deserve success, and to meet with comparatively few reverses.

He then made some remarks regarding the new Banking Act, quoting from a paper read before the recent convention in New Orleans of the American Bankers' Association, in which a United States banker spoke in terms of high commendation of the Canadian banking system. Allusions were also made by Mr. Burn to a decision of the United States Reve-