of Montreal, extreme interest attaches to its annual exhibits and to the policy which from time to time its directors declare. At this time nine years ago, the total discounts of Canadian banks were $88,000,000; of which $14,771,000, or 18½ per cent., were granted by the Bank of Montreal. In 1875, the total discounts had almost doubled, and the proportion of the Bank of Montreal had declined. The present total stands at $107,000,000, of which this bank's share is nearly one-fifth.

The recent reduction of dividend to one half that which shareholders received in former years, has given rise to much comment, and to no small dissatisfaction in certain quarters. But it ought not to need pointing out that the circumstances which made 16 per cent. dividends possible no longer exist. In those years, owing to the peculiar position of business matters in the United States, it had been possible to lend gold for short periods, say from a week or two up to sixty days, at rates varying from 1/16 to ½ per cent. *per day*, that is, from two per cent. to fifteen per cent. per month. And it is easy to see that an institution with millions of gold to lend at such rates on call, with ample collateral, must have made enormous profits. The present, however, is not the time for such business. There is no such demand for gold now; and the present plethora of money seeking safe investment, together with the continued stagnation in many kinds of business in Canada, renders it no easy matter to obtain a certain return for large amounts of capital.

The statement of the report, that the bank's earnings, management expenses but not losses deducted, for the past year reached 14½ per cent., and nearly equalled those of the previous year, would naturally lead to the expectation of anything but a reduced dividend, especially in view of the provision made in 1879 ($1,154,784) for what was bad or doubtful. But we are told by the General Manager that of the amounts written off during the last twelve months, not more than one-fourth arose out of the business of the year ended 30th April. A somewhat searching commentary, one would say, upon the nature of the business of the foregoing years, and upon the inadequate appropriations made to cover them. It is just here, however, that bankers sometimes encounter what overthrows all laboriously made calculations about the value of certain assets. Changes in the fiscal conditions of a country; the altered conditions of certain industries; or the non-recovery of a particular branch of business for which everything looked favorable, may in twelve, or even in six months, utterly overthrow the estimates made upon certain data. The shrinkage which sometimes takes place—and the past year or two supplies a sufficient example of the sort—" baffles all calculation," and appropriations are required " far beyond the most carefully considered estimates." It was perhaps a too sanguine reliance upon the indications of the times that made the President say, in 1878, that the directors " would seem to be justified in expecting a 12 per cent. dividend to be continued " in the future. Mr. Angus, however, was careful to warn shareholders at that meeting by expressing the hope " that nothing had been said which would indicate the certainty of 12 per cent. dividend being maintained." The need of this saving clause has been fully justified in the amount written off as relating partly, we may assume, to that very period.

A good deal of comment has been made from time to time, upon the relations to the bank of a certain American railway, with which the President and the former General Manager of the bank are intimately connected. The subject was brought up at the meeting, when particulars of the loans made by the bank to that road were asked for. The response made to this request, which for some reason it was not thought fit to give to a like request at the last annual meeting, showed that the amount so advanced had been greatly exaggerated by common rumor. The explanations given upon this point, by the President, the General Manager and one of the Directors, were such as to show that the transaction, while admittedly one in which directors were personally concerned, was by no means the gigantic one it had been surmised, and that ample security was held for the loan. Some pointed questions of the kind are, as we last week stated, quite in order; and are none the less desirable if the response to them serves to set at rest exaggerated stories as to bank management.

The dividend of the Eastern Towbships Bank is maintained at seven per cent., although the net profits of the past year are not equal, by some $16,000, to those of the previous one, which is described as the most difficult year which this bank ever passed through. It appears that in this case, too, the ugly ghosts of former losses survived to haunt the board-room, for we are told that the only loss sustained on current account for the year under review was on Mechanics Bank bills. The circulation of this bank has gone up more than a third since the date of its last report, evidencing the improvement in business in the Townships then foreshadowed. Its discounts, however, have not been increased, and we note a reduction of more than one-half in the item of overdue notes. Mr. John Thornton, of Coaticook, was chosen a director to replace the late Hon. T. Lee Terrill, whose death had taken place since the last annual meeting. The president and vice-president were re-elected.

The statement prepared for submission to the adjourned meeting of the shareholders of the Consolidated Bank is brought down to 28th ult. It shows liabilities of $513,705, of which $339,724 are deposits; only $59,276 circulation; and $39,124 a secondary liability, for endorsements on paper held by other banks. To pay these, there are nominal assets of $1,063,579, of which $35,904 consists of cash and amounts due from other banks or agents. Off the $332,000 of overdue paper held, a slice must be taken; and on the $345,000 current bills some loss may be expected. The overdrawn accounts, $159,670, form another item which must be considerably discounted. The loans to corporations and mortgages on real estate are reasonably safe. Perhaps $750,000 may be counted as good out of the total assets, which would leave nearly twelve per cent. for division amongst the holders of the reduced capital stock. The meeting was a very excited, not to say turbulent one. The chairman read out, in answer to repeated requests, the list of principal debtors, which showed $1,360,000 due by twelve firms in Montreal, and $326,000 by six concerns in Toronto. A feature of the meeting undoubtedly was the presence of a number of lady shareholders. Some of these, as at the former meeting, made themselves heard very emphatically, by means of questions and remarks upon the conduct of affairs. In amendment to a motion asking the adoption of the report, a resolution was carried to the effect that the late directors be asked to make over 8000 shares to be cancelled; and upon this being done the shareholders would agree to stay further legal proceedings against the board. Mr. R. Moat was chosen shareholders' liquidator, Hon. D. A. Macdonald is appointed creditors' liquidator for the Ontario Government, and Mr. W. W. Ogilvie had already been appointed the Dominion Government liquidator. These gentlemen are to wind up the Bank's affairs.

Those who are connected with the lumber and timber trade will look with especial interest for the report of the Quebec Bank, largely identified as that bank has long been with that industry. The view therein taken of the immediate future of the trade in wood is hopeful. It is stated that the supply of timber now in Quebec is no more than adequate to the demand and bespeaks ready sale for what there is yet to go forward. Still, from the practical ad-