

Bank Premises.....	604,910 15
Other Assets not included under the foregoing heads.....	235,496 58

\$14,988,626 96

(Signed,)

G. HAGUE,
General Manager.

The Chairman moved the adoption of the report, which, he said, spoke for itself, and, on the whole, might be considered as satisfactory by the shareholders.

Mr. Wm. Darling seconded the motion.

Mr. Morrison thought it would hardly be well to review the Report, as that would be rather an extensive business. He called attention to the apparent reduction in deposits of over \$3,000,000 and also in discounts of \$1,645,000, and said he would like to see all interest-bearing deposits withdrawn in similar ratio. It would also be an improvement if the Bank Premises Account could be reduced. These were the principal matters that had occurred to him from a perusal of the report.

Mr. Stoddart said there was one small matter relative to the internal management of the Bank to which he had previously directed attention. He alluded to the Transfer Department. They would recollect that there is a certain provision laid down in the Act, section 20, relative to the internal economy of the Banks, whereby lists of transfers of shares registered in the books of the Bank shall be made up at the end of each day and left open for the inspection of shareholders. At the Bank of Montreal a list of all transfers made the previous day is left open for the inspection of shareholders the next morning.

Mr. Hague said there would be no difficulty in that being done; shareholders desirous of seeing the transfers any day could do so.

Mr. Mont stated that the list referred to is always to be seen in the Transfer Department of the Bank. He frequently had occasion to refer to it. Mr. Hague in reply to the remarks of Mr. Morrison said:—I may remark that it is of very great advantage that there has been a reduction made upon the deposits hitherto calling for the payment of a high rate of interest, and more than we could afford to pay. We have gained instead of losing by having these deposits taken away. Every one knows that a bank can pay a certain amount and no more for interest-bearing deposits, and whatever is paid beyond that is paid at a loss. I should be very glad indeed if we could get all our deposits without paying interest upon them, and if Mr. Morrison will let up an agitation throughout the country for this purpose, the Stockholders and Directors will, I feel assured, give him a very warm vote of thanks. The Directors have asked me to say a word or two with reference to some statements to the effect that at the annual meeting the Directors would be asked to account for a number of names left out of the list of Shareholders. This list was one of paid-up Shareholders, and should have been so designated. The names left out are those of Shareholders who had not paid up in full, but who having paid the first calls made upon them are entitled to vote. Another question which it was said would be asked. "Of the total deposits of \$5,500,000, how much is made up of special loans from other banks?" I can easily answer that question. The amount *nil*. There is not one dollar of it loaned from other banks. Last year some loans were made from some of the lending banks, but these were paid some time since, long before they fell due, the last of them being paid on the 7th November. Since that time we have had none. We have had offers from banks which had surplus money and thought we might make use of it. We declined these offers, however, because we did not want the money.

Mr. Hague went on to state, in reply to a criticism containing some calculations as to the Bank's position, that there was a fallacy pervading them in consequence of his remarks of December last as to the claims of the Contingent Fund having been entirely overlooked. These claims had been fully dealt with, and when al-

lowed for would account for the apparent anomaly referred to in the letter. It had been insinuated that the Bank had not really earned the dividend that had been paid. He had to say in reply that the Bank has had in active employment in loans and discounts, in Montreal, Toronto, Hamilton, and other places, between ten and eleven millions of dollars, and he would put it to any man of common sense whether, doing that amount of active business they could not have earned the amount of profit as stated in the annual report. He had before him a statement showing the amount earned at each office of the Bank, the amount of interest paid on deposits there, and the amount of charges accruing, with the net result. That statement he would be happy to show to any of the stockholders who had the curiosity to desire to see it. He could assure them on his honour as a banker that these earnings were all *bona fide*, but they were not so much as they ought to be, for reasons stated in the report itself. He hoped that they would be more next year. He had been asked what the item of \$236,000 of "other assets" in the balance sheet was composed of. Details were given in the statement of last year, and he was now ready to report that of this sum \$173,000 represented the value put upon the holding of First and Second Mortgage Bonds of the Detroit & Milwaukee Railway; \$35,000 consisted of several life insurance policies which were abundantly worth it, and the balance now made up of small assets such as were to be found in every banking institution. He might add that arrangements are now in progress with regard to the Detroit & Milwaukee Railway Bonds, which, if carried out, will most likely improve their value.

Mr. Gilmour said he knew something about these Detroit & Milwaukee Bonds, and had had some conversation in New York with parties respecting them. They are now considered to be worth 40c. in the dollar, and, if the arrangement is carried out, it is thought that they will be worth 50c.

The Chairman put the motion to the meeting. The motion was carried unanimously.

Mr. Morrison said if he could find a second he would move that a printed list of all expenses, in sum amounting to over \$50, be handed to the shareholders, along with the published report of the year. The shareholders would then have plenty of time to consider them before the meeting took place. The motion was lost for lack of a second.

Mr. Thomas Workman, M.P., moved, seconded by Mr. J. Y. Gilmour, that the thanks of the shareholders are due and hereby are tendered to the President and Directors for the efficient manner in which they have conducted the affairs of the Bank during the last year. He considered that, although the report was not as satisfactory as the stockholders had reason to expect from the statements submitted last year, yet he believed the majority of the shareholders would be satisfied that the President and Directors had devoted their best energies to the interests of the Bank. They had a most difficult task to perform, and the shareholders certainly ought to be satisfied at the result. Above all things, he considered that there should be no expressions used at the meeting which might tend to injure the prestige of the Bank or diminish the value of its stock. On the contrary, every stockholder should be interested in maintaining the reputation of the Bank. Every reflection of such nature tended to injure it in the eyes of the public. He considered that all should work in harmony to advance the interest of the Bank, as in doing so they were advancing their own interests. Mr. Morrison had stated that there was no depression existing in any branch of commerce in the country if he understood him aright. He was quite satisfied that, with the exception of the farming interests, great depression existed in nearly every branch of business.

Mr. Morrison said that all the depression was mere inflation and over-manufacture.

Mr. Workman advised thoughtfulness in the expression of views, and above all things share-

holders should try and improve the value of their stock.

Mr. Gilmour was convinced that the Directors had done their duty to the best of their ability, and had much pleasure in seconding the resolution.

Mr. Morrison had not the least doubt that they had done their duty to the best of their ability, but there was not a greater mistake that shareholders could fall into than in being too lavish of their praise. He advised the shareholders to watch the affairs of the institutions in which they are interested, and the administration of the officers, contending that Great Britain would never have taken the position she has done if the acts of her public men had not been reviewed at all times by the public and the Press; and if they (the shareholders) did not fairly review the accounts at the Annual General Meeting, how could they expect it to prosper?

Mr. John McLennan said:—I have been asked by the President, while the preparations for the ballot are being made, to acknowledge the vote of thanks to the President and Board of Directors. The duties of Directors are certainly real and arduous, and I do not know anything that would have kept the Directors up to their work, except that they had a very large aggregate interest in the bank! I think that something has been learned as to the duties of Presidents and Directors that may be useful, and may keep gentlemen in those positions up to their work! I need not say much as to Mr. Morrison's remark upon merchants making five dollars on one hand, and losing it on the other. That has been the experience of almost every business man in Canada, and I think we are rather fortunate if we pass this amount from one hand through the other, without losing a little finger along with it in the operation. (Laughter.) In conclusion I have only to say, on behalf of the Directors, that I thank you very much for your confidence.

After the usual complimentary resolutions and responses, a ballot was taken and the following gentlemen were elected Directors for the ensuing year:—Andrew Allan, Sir Hugh Allan, Robert Anderson, Wm. Darling, Hon. John Hamilton, J. Hodgson, Hector Mackenzie, John McLennan, Alfred Masson.

Hon. John Hamilton was re-elected President, and John McLennan, Esq., Vice-President.

A COUNTERVAILING DUTY.

To the Editor of the *Journal of Commerce*.

SIR,—In your leader of the 7th on the Sugar Duties, while admitting the advisableness of imposing a countervailing duty on foreign sugars equal to any bounty granted to them, you state that England has not acted on that principle.

Now, I think it can be proved that a countervailing duty would be consistent with the commercial policy which has been adopted by England. The policy of that country has for some years past been that of taking off duties rather than that of putting them on. The great prosperity of the country during the last fifteen years has resulted in large excesses of income over expenditure, which have enabled Parliament to carry out this policy, and it may be surmised that one of the objects in view, besides that of benefiting the consumer, has been the encouragement of the industries thus relieved from taxation.

The principle of assessing duties at such a rate as will prevent unfair advantage to one industry over another, where the same article is used for different purposes for different industries, has always been recognized. In the case of sugar, when this is used by refiners it pays no duty; when, however, it is used by brewers it pays a heavy duty, the object being partly, no doubt, to protect the revenue derived from malt, but also to put the producers of malt on an equal footing with the producers of sugar, as it would be manifestly unfair to tax malt free for a certain purpose, and to leave sugar free of duty when used for the same purpose.

In the French Commercial Treaty, which was negotiated by one of England's greatest free-