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No. 30 St. Sulpice, & No. 379 St. Paul Streets
MONTREAL.

1879. AUTUMN. 1879.

DRY GOODS
STOCK COMPLETE.

Having received the BULK of our NEW FALL GOODS, we take pleasure in announcing that we are now in condition to serve our customers, having determined to close out our whole Stock early. Special inducements will be offered.

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The Journal of Commerce
FINANCE AND INSURANCE REVIEW.

MONTREAL, SEPTEMBER 26, 1879.

THE CONSOLIDATED BANK.

Pursuant to public advertisement, the shareholders assembled at the Bank at noon on the 18th inst., but the crowd was so great that an adjournment to the Mechanics' Hall was proposed and carried by acclamation. Prior to the adjournment, the chair had been taken by the President, Sir Francis Hincks, and Mr. Wethey appointed to act as secretary. Mr. H. Joseph proposed Messrs. G. W. Simpson and E. L. Bond as scrutineers, when the Chairman suggested that Mr. Andrew Robertson should be substituted for Mr. Bond. Thereupon a shareholder proposed that Mr. Robertson should act with the other two gentlemen named by Mr. Joseph, which was unanimously agreed to. No other business was proceeded with until after the adjournment to the Mechanics' Hall, when the President opened the meeting by stating that it had been called at the earliest time practicable owing to the long notice re-

quired, for the purpose of laying before the shareholders a statement of its affairs, and of considering what course it was desirable to adopt in the interest, as well of the creditors of the Bank, as of its shareholders. In view of the conflicting opinions expressed at the meeting and its stormy character, we shall endeavour, in the limited space at our disposal, to treat under separate heads the different questions which came up for discussion during the two days that the meeting lasted.

FUTURE POLICY.

The Chairman in his opening remarks impressed on the meeting the importance of acting with unanimity for the common interests of the shareholders. He said that he was not unaware that there were among those present some who had threatened both criminal and civil proceedings against the late directors, but no object could be gained by discussing such proceedings at this meeting. The Courts of Justice were open to those who thought they could obtain legal redress, and it was unadvisable to bring such matters before this meeting. All the shareholders had a common interest in making the most of the assets of the Bank in the speediest manner possible under the circumstances. The best course that could be adopted, if it should be found feasible, would be to sell the Bank premises in Montreal to some other Bank, which might perhaps purchase the assets and assume the liabilities. Should that course be found impracticable, the Directors were sanguine that it might be found possible to resume specie payments at the end of the ninety days allowed by law. Should that be found impracticable the Bank might be forced into insolvency, which would certainly be the course that would prove most disastrous to the shareholders. It was unanimously resolved at a late period of the meeting, on the motion of the Honorable Joseph Robertson, that the directors be instructed to close the affairs of the Bank by voluntary liquidation without too much sacrifice of assets at as early a period as possible, and to dispose of the assets to another Bank or Banks. Under this head it may be convenient to notice some explanations with reference to the general statement which were made in reply to a question put by Mr. Robert Cassels, who desired to know whether the indirect liabilities to other Banks were included in the statement, and if not what was their amount. In reply, the Chairman stated that the indirect liabilities at the head office amounted in the aggregate to about \$554,000, and in addition there was an indirect liability on \$73,000 held by Banks which had pur-

chased the agencies. All this paper had been thoroughly examined, and ample allowance made for bad debts. The margin held by the Banks on re-discounted paper was accounted for in the statement under the head, notes discounted and current. When replying to this question the Chairman said that it might be interesting to the shareholders to have a comparative statement of the liabilities under the heads of deposits and circulation on the 31st December, 1878, and on the 31st July, the date of suspension. On the 31st December the deposits were \$4,818,617.29 and the circulation \$1,282,752, or \$6,101,369.29, while on the 31st July the deposits were \$1,347,249.38 and the circulation \$653,164, total \$2,000,413.38, or a decrease of liabilities in round numbers of \$4,200,000.

FUTURE MANAGEMENT.

At a very early stage of the proceedings it became manifest that there was a well organized party determined if possible to wrest the management of the bank from the present directors and to assume it for those in its own confidence. Early in August, very shortly after the suspension of the Bank, a number of shareholders met together in Montreal and organized themselves into a committee, of which Mr. E. L. Bond was appointed secretary. A few gentlemen were appointed an advisory committee to confer with the directors on the affairs of the Bank, and it was resolved to propose to the directors that they should consent to submit to the meeting to be held on the 18th the question as to their own retirement, and to give effect to the decision of the shareholders by voluntary resignation, and by the election of those to be nominated at the meeting. The directors promptly complied with both demands of the shareholders who had organized themselves, although they were well aware that there were many influential shareholders in the city who did not concur in the policy adopted by the organization. Unfortunately there seems to have been a misunderstanding between the parties on an essential point. Mr. E. L. Bond read the correspondence, and seemed to think that it justified the course pursued by those who were acting with the committee, of which he was the secretary, which was to request three of the directors named in the resolution to retire from the Board, and to nominate four others to take their places, and to fill a vacancy which now exists. The practical effect of this proceeding was to withdraw three names, one of them, that of Mr. Saunders, from the consideration of the meeting, and to name their successors in the resolution, whereas the reso-