

ences as to the accuracy of General Butler's knowledge and the soundness of the arguments which he builds on his grotesque misconceptions. He is in a muddle, like that of the foreigner who displayed his knowledge of our public men by confounding Webster, the statesman, with the author of the Dictionary.

After this specimen of General Butler's discrimination his other blunders will not seem surprising. He thinks an "intrinsic" value can be given to the legal tender notes by making them always interchangeable with three-sixty-five bonds. Mrs. Malaprop herself never misused language more ridiculously. General Butler does not seem to understand the distinction between intrinsic value and exchangeable value. He thinks that a piece of green paper worthless in itself may have intrinsic value conferred upon it by being made exchangeable for government paper of another form! And a man who talks such stuff as this erects himself into a financial instructor.

We select for illustration only such blunders as any reader of ordinary intelligence is competent to judge of. General Butler seeks to give stability to the value of money by fixing a uniform rate of interest at which it can always be reciprocally lent and borrowed. This idea only betrays the looseness of his thinking. The phrase "value of money" has two meanings—one the rate of interest paid for its use, the other the quantity of other things it will exchange for. General Butler confounds these totally different meanings, and reasons as if what is true of the one must also be true of the other. It cannot be denied that if the government always held itself ready to borrow or lend money at a fixed interest without any limit, the value of money in the sense of the rates paid for its use would not vary but its value as compared with commodities would be just as liable to fluctuations as before. If the government should establish a system of public granaries and engage to borrow and lend wheat, payable in kind, a hundred bushels could always be had by giving security to pay 103.65 bushels in the following year; but can anybody suppose that such a contrivance would make the price of corn uniform in spite of differences in the crops? The depreciation of the currency has no connection with the rate of interest. When the rate is seven per cent. for paper money at par it will also be seven per cent. for paper money worth but fifty cents to the dollar. The only difference would be that a man would have to borrow two hundred dollars and pay fourteen dollars for its use instead of one hundred and pay seven for its use. General Butler asserts that an increase in the quantity of money does not depreciate its value, which is another remarkable exhibition of acumen. He ought to be able to see that money, like wheat or any other commodity, has its value affected by scarcity or abundance and in accordance with the same laws. Another specimen of brilliancy is his assertion that there is no more necessity for making the measure of value redeemable than for making yardsticks redeemable. It is true enough that it would be nonsense to talk of making gold dollars redeemable, because they carry their value in themselves. But it is still greater nonsense to confound paper dol-

lars of no intrinsic value with pieces of coined metal, which are worth as much without the government stamp as with it. We have neither space nor patience to follow General Butler further in his wilderness of absurdities, the specimens we have noticed being sufficient to expose the quality of his financial thinking.

### MOLSONS BANK.

#### ANNUAL GENERAL MEETING.

The annual general meeting of the shareholders of the Molsons Bank was held Oct. 11th in the Banking House, the President, Mr. John Molson, in the chair. Amongst the shareholders present we noticed Messrs. John Molson, Thos. Workman, D. L. McPherson, T. J. Claxton, R. W. Shepherd, Thomas Cramp, Directors; and Messrs. C. Roy, J. H. R. Molson, Hon. Judge Day, David Rea, E. F. Carter, W. D. McLaren, Frank Bond, Thos. Wilson, R. Wood, John Phelan, G. K. Starke, C. Alexander, J. Nolan, R. Campbell, John Hutchinson, John Crawford, F. X. St. Charles, W. D. McLaren, R. Moat and others.

Mr. F. WOLFEERSTAN THOMAS read the report, as follows:—

Gentlemen,—

Your directors submit for consideration the annual statement of affairs to the 30th September, resulting in a net profit of

\$211,529 19

To which add the balance at credit of profit and loss account 30th September, 1874. 1,997 42

\$213,526 61

This has been appropriated as follows:—

To 30th dividend, 4 per cent, 1st

April, 1875.....\$79,646 00

To 40th dividend, 4 per cent, 1st

October, 1875.....79,759 60

To Rest.....50,000 00

\$209,405 60

Balance remaining at credit profit and loss.....\$4,121 01

Due allowance being made for the severe and long-continued depression in every branch of trade and manufactures, we believe you will share our satisfaction at the result of the year's business, for whilst ample provision has been made for bad and doubtful debts, the customary dividends have been paid, and the Rest has been increased to \$500,000, a sum equivalent to 25 per cent. on the subscribed capital of the Bank.

The adjoining premises, at present partially occupied by the Mechanics Bank, have been acquired at a cost of \$100,000. Full possession will not be obtained until the 1st May ensuing, at which time it is our intention to remove thither the Savings' Department of the Bank. The change will increase the more efficient working of the general business of the Bank, our present office room being somewhat limited.

The Branches of the Bank have been once or oftener inspected during the past year.

Since our last annual meeting we, in common with you all, have suffered a sad loss in the death of Mr. William Molson, one of the founders of the Bank of which he had been President from its inception, a term of nearly twenty years. What success the Bank has achieved must be mainly attributed to him, to his constant vigilance, his practical commercial ex-

perience, his sterling common sense, and his unswerving fidelity to the Bank's interests. He passed away on the 18th February last, after a well spent life, full of years and honours, regretted alike by rich and poor.

Mr. John Molson was elected to succeed him as President, and the vacancy at the Board was filled by the election of the Hon. D. L. Macpherson, of Toronto.

*General Statement of the affairs of Molsons Bank on the 30th September, 1875.*

Capital authorized.....\$2,000,000  
Capital subscribed.....2,000,000

#### LIABILITIES.

Capital paid up.....\$1,993,990.00  
Notes in circulation.....943,574.00  
Dominion Government  
Deposits payable on demand.....212,319.97  
Dominion Government  
Deposits payable after notice.....100,000.00  
Other Deposits payable on demand.....1,868,853.27  
Other Deposits payable after notice.....465,877.23  
Due to other Banks in Canada.....80,724.10  
Due to Foreign Agents.....8,283.95  
Due to agents in United Kingdom.....169,763.59  
Rest.....500,000.00  
Profit and Loss.....4,121.01  
Thirty-eighth Dividend.....79,759.60  
Dividends unclaimed.....440.41  
Interest, Exchange, &c., reserved.....46,905.12  
\$6,474,511.35

#### ASSETS.

Specie.....\$198,599.07  
Dominion  
Notes.....332,599.50  
\$521,358.57  
Notes and Checks of other Banks.....181,453.01  
Balances due from other Banks in Canada.....20,144.58  
Balances due from Foreign Agents.....91,782.11  
Balances due from Agents in United Kingdom.....77,232.79  
Loans and Bills discounted on Bank Stocks.....101,530.55  
Loans and Bills discounted on Bonds, Stocks, &c.....73,673.65  
Bills discounted and current.....5,092,145.16  
Bills discounted, past due, secured.....17,757.40  
Bills discounted, past due, and not secured.....115,807.24  
Real Estate other than Bank premises.....625,300.00  
Bank premises at Head Office and Branches, at their actual cost.....156,326.29  
\$6,474,511.35

Molsons Bank,  
Montreal, 11th October, 1875.

The CHAIRMAN—Gentlemen: In reference to the report which has just been read I have only to remark that it appears to me we have every reason to congratulate ourselves upon being able at the close of such a year of commercial difficulties as that we have passed through to shew a substantial addition to our reserve fund—an addition which I believe to have been secured after the most ample and careful provision for every contingency. I have much pleasure in