

## A BATTLESHIP AT AUCTION.

Ancient Agamemnon is sold for \$100,000.

In one of the old storehouses at

Portsmouth Dockyard, recently, His

Majesty's second-class battleship Agamemnon was sold by public auction,

along with a large quantity of ordi-

nary naval stores, to a party of metal

brokers for £200,000. Naval men who have

taken the trouble to think about the

matter at all are surprised that she

realized so much, for the Agamemnon

was an old turret ship built of iron,

and having steel-faced armor plates,

so that it will entail the further ex-

penditure of a large sum to break her

up. The sale of an old battleship in

this manner is an Admiralty experi-

ment to see if a complete ship will

sell better in the bulk than the

old turrets and armor plates. In

yesterday's results the Admiralty

will decide which system is to pre-

vail.

The Agamemnon is not without its

story. Launched at Chatham in 1883,

she is a second-class turret ship, arm-

ed with two 12-inch guns, and dis-

placed turret ship of 8400 tons dis-

placement, at a mean draught of 24

feet. She is 220 feet long, 35 feet

breadth and 22 feet depth of hold. Her

two inverted three-cylinder surface

condensing engines of an absolutely

obsolete pattern drive her 4000 in-

dicated horse power from ten 2 and 3-

furnace condensing boilers, and the

speed is 18 knots. She is 32 knots

per hour. The turrets are two in number

and they and the citadel armor plate

are four 24-ton rifled muzzle

loading guns. All the above and every-

thing on the ship was sold in the

sale. She cost £100,000, and 20

years ago. There were several im-

portant points in the conditions of

sale. For instance, the old ship, which

was in Devonport Dockyard, has to be

removed in two months or the Admiralty

may resell. She was sold subject

to the express condition that she

shall not be removed out of the United

Kingdom, and moreover, she is to be

broken up within two years. The War

Office has also the option of buying

the ship for the purpose of the armor

round price of two shillings per hun-

dredweight, and the auctioneer intimat-

ed that the department would require

some of the armor.

The old ship bears a name long hon-

ored in the annals of the British navy.

She is the successor of famous men-

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THE SOVEREIGN BANK  
ANNUAL REPORT

The first annual report of the Sovereign Bank was presented to the shareholders at a meeting held on Tuesday, June 9th, at the Head Office, 28 West King-street, Toronto.

Among those present were: H. S. Holt, Montreal; A. A. Allan, John Pugsley, Randolph Macdonald, Archibald Campbell, W. B. Tindall, P. M. Clark, M. A. Thomas, Edward Cronyn, A. Hutchison, Thomas McLaughlin, J. Hardy, George A. Begg, David Herring, Toronto; Hon. Donald McMillan, Alexandria; George A. Begg, St. Catharines; J. A. Hopkins and George H. H. Smith, Hamilton; Frank Turner, Brantford; J. Urquhart, J. Dougherty, F. Williamson, A. Sangster, G. Collier and N. W. Blackwell, Stouffville; R. S. Schell, Brantford; G. C. Martin, Hamilton; J. Cobbedick and John Farmer, Exeter; Alex. Graham and J. J. Gould, St. Catharines; G. F. Bruce, Beaverton; Fred. G. Allenby, Galt; George W. Holmes, Hamilton; David Smith, Toronto.

It was proposed by George A. Begg, seconded by F. G. Allenby, that Mr. H. S. Holt be appointed Chairman, and Mr. J. A. Begg as Secretary of this meeting.

The Chairman requested Mr. D. M. Stewart, General Manager, to read the following report:

## DIRECTORS' REPORT.

The Directors beg to present to the Shareholders the first Annual Report, showing the result of the bank's business for the year ended 30th April, 1903.

The net profits for the year ended 30th April, 1903, after paying all interest, charges, cost of management, advertising, etc.; providing for depreciation of fixed assets (\$2610) and written off all doubtful debts, amounted to \$51,233.60.

This has been appropriated as follows:

Transferred to Reserve Fund to replace the amount used to defray all organization expenses \$4,481.89

Written off bank premises account 5,000.00

49,851.89

Leaving a balance to carry forward at credit of profit and loss \$1,351.71

Branches of the Bank have been opened at the following places: Amherstburg, Clinton, Crediton, Exeter, Harrow, Havelock, Markham, Milton, Montreal, Montreal West End, Mt. Albert, Newmarket, Ottawa, Perth, St. Catharines, Stirling, Stouffville, Sutton, P. Q.; Toronto, Unionville, Waterloo, P. Q.

Business at all these places has come up to expectations, and the outlook at the present time for the year is favorable. Only three offices have been closed, and the average of the profits for the year is 12 per cent.

The profits of the Bank, amounting to \$51,233.60, will no doubt be entirely satisfactory to the Shareholders, when it is remembered that the cost of opening so many branches was necessarily very heavy. Indeed, many of the expenses incident to the first year's business will never have to be borne again.

The organization expenses incurred prior to the opening of the Bank covered a period of eleven months, and amounted to \$4,481.89, or slightly less than 2 3/4 per cent. of the Capital and Surplus, which is a very small charge, considering the satisfactory manner in which the Bank was organized and the very wide distribution of its stock. A large proportion of these expenses might quite legitimately be spread over a period of years, but your Directors considered that the most prudent and conservative course would be to wipe them off altogether out of the first year's profits, and they feel confident that the application of the profits towards the strengthening of the Bank in this way will meet with the hearty approval of the Shareholders.

The business of the Bank is increasing steadily in a healthy, legitimate manner, and your Directors expect that the profits will be such as to admit of a first quarterly dividend being paid at the end of next month, 31st July, and regularly every quarter thereafter.

The Head Office and Branches of the Bank have been inspected during the past year.

The Directors have much pleasure in recording their appreciation of the zeal and efficiency displayed by all the officers of the Bank.

H. S. HOLT, President.

Montreal, June 3rd, 1903.

## GENERAL STATEMENT—30th April, 1903.

Notes of the Bank in circulation \$80,375.00

Deposits not banked \$80,375.00

Interest on deposits \$80,375.00

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client and at the same time courteous and obliging staff. I felt the great importance of installing public confidence, of securing a proper footing, and of placing the business of the institution upon a thoroughly sound and safe basis.

These and many other vital points were constantly in my mind, while there were no doubt before me the possibility of other banks and savings banks, and the weak points of other institutions on which we were to practice which bankers generally consider to be not incompatible with the etiquette of the profession. It, therefore, affords me much gratification to meet you at this, my first annual meeting, with such statements as have been laid before you today. Without going into detailed comparison, I may say that it took other leading banks varying periods of from four to sixteen years in the majority of cases, up to more than thirty years in one instance, to attain the figures which our deposits reached at the close of the first year. Other words, no bank that was ever started in this country has equalled the record of The Sovereign Bank of Canada in this respect. Of course, times are better now; business is more prosperous, and the country more populous, but, on the other hand, competition is keener, and there are more branches of Chartered Banks open now than at any previous time in the banking history of Canada. We need only go back, however, to the dates at which other Banks commenced business, as we find that, for the year ending 30th April, 1903, there were only two Banks in the Dominion whose deposits by the public in Canada increased more than those of our Bank. These were both large institutions, with many branches. I may say that there was not a single Bank with a capital of \$2,500,000, or under, whose deposits increased to the same extent as ours during the past year.

There is no doubt that this Bank open a full year on the 30th of April, the average life of all the branches being then only 8 1/2 months. The total deposits at the end of that period amounted to \$3,252,919.45, and were distributed amongst 8006 customers. In our Savings Department alone we had over 30th of April 1903, and I do not think you can have or desire any more satisfactory evidence than this of the general distribution of the Bank's business, and of the high place which it occupies in the estimation of the public.

As an evidence of how fully we recognize our responsibility to depositors, and how we endeavor to reciprocate the confidence which they have placed in the Bank, I wish to draw your attention to our cash reserves. We have always kept a large amount of gold and legal tenders on hand, and the proportion of our strict cash reserves to deposits has, with one exception, averaged 10 per cent. of any other Bank's cash reserves in Ontario or Quebec, the two provinces to which we have confined our business. Our "Immediately Available Assets" have at all times stood at a high figure, and these, as in other respects, a comparison with other institutions will be found to be very favorable.

Full information on these matters will be found in the Government returns, which are published every month, and I would suggest that your shareholders and depositors, as well as the public generally, pay more attention to the figures which we receive than to the statements contained in the newspapers, and are of great importance to all persons doing business with Chartered Banks.

The question of profits is always interesting to Shareholders, but it is not nearly so important as the necessity of keeping their capital safely invested, and the maintenance of their institution in a sound and healthy condition. The latter policy is not so productive of revenue, but it is safe, and will prove profitable to the shareholders in due time. Under the most favorable circumstances, however, it is not possible to secure a high return on money at the outset. In our own case, for instance, to secure good men, it was necessary to take them from other Banks, and we were naturally obliged to pay them higher salaries than they received from the institutions they left. Your President and Directors are fully aware of this, and you will not object to the staff being well paid. It will be some time before we can get the working expenses down to the average of other Banks, as it will take us a few years to train our own clerks for the service, and to secure the best men. Our staff, however, is not overpaid, and it gives me great pleasure to assure you that our high appreciation of their zeal and efficiency. There is no more painstaking, obliging and generally satisfactory staff of Bank officials in Canada than the staff of the Sovereign Bank.

As the President pointed out, we have been very careful in the selection of business, and, during the past year, we declined no less than 440 commercial accounts, aggregating \$5,446,461. This is exclusive of loans applied for by individuals, which aggregated over \$1,000,000—and applications from large bodies of private individuals, who always and uniformly have been from some bank, and who consider themselves hardly treated if you refuse to lend them money without security.

The time is required to conduct the very best class of commercial business, and is resulting in a fair share of the profit, with every prospect of a material increase during the coming year.

During the past year we have under our Letters of Credit imported goods for customers from China, Japan and the East, and have exported for them their goods to the West Indies, Central America, Australia, South Africa and South America. Our British and European connections are of the very strongest and best, and the foreign business of the Bank is steadily increasing.

The Bank has now a very satisfactory clientele, and has not been secured by cutting rates, or the adoption of any other form of illegitimate competition, such as some persons would lead you to suppose, I think, if you refused to charge them. It is to be found in the statement of profits which has been laid before you, and which shows that we have resorted to these methods to secure business. I may further mention that the profits of the Bank for the past year have been made in the ordinary way of banking business, and not from sales of securities, and that the Bank has been able to pay dividends to its shareholders, and to pay interest on its deposits, and to pay for the heavy co-operation and the good staff which we now have, you may look forward with confidence to the future.

Proposed by R. S. Schell, seconded by W. B. Tindall: That the thanks of the meeting be tendered to the President, the Vice-President, and the other Directors, for their careful attention to the interests of the Bank. Carried.

Proposed by Joseph Cobbedick, seconded by A. Hutchison: That the thanks of the meeting be tendered to the General Manager and the other officers of the Bank for the satisfactory discharge of their respective duties during the past year. Carried.

Proposed by George N. Reynolds, seconded by Dr. A. Sangster: That the following gentlemen elected Directors for the ensuing year: H. S. Holt, A. Allan, Archibald Campbell, M. P. James Carruthers, Randolph Macdonald, Hon. Donald McMillan, John Pugsley, F. Williamson, J. Urquhart, J. Dougherty, F. Williamson, A. Sangster, G. Collier and N. W. Blackwell, Stouffville; R. S. Schell, Brantford; G. C. Martin, Hamilton; J. Cobbedick and John Farmer, Exeter; Alex. Graham and J. J. Gould, St. Catharines; G. F. Bruce, Beaverton; Fred. G. Allenby, Galt; George W. Holmes, Hamilton; David Smith, Toronto.

At a subsequent meeting of the Directors, Mr. H. S. Holt was re-elected President, and Messrs. Randolph Macdonald and James Carruthers, Vice-Presidents.

The Scrutineers then proceeded to take the votes, and duly reported the following gentlemen elected Directors for the ensuing year: H. S. Holt, A. Allan, Archibald Campbell, M. P. James Carruthers, Randolph Macdonald, Hon. Donald McMillan, John Pugsley, F. Williamson, J. Urquhart, J. Dougherty, F. Williamson, A. Sangster, G. Collier and N. W. Blackwell, Stouffville; R. S. Schell, Brantford; G. C. Martin, Hamilton; J. Cobbedick and John Farmer, Exeter; Alex. Graham and J. J. Gould, St. Catharines; G. F. Bruce, Beaverton; Fred. G. Allenby, Galt; George W. Holmes, Hamilton; David Smith, Toronto.

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