

Balances due from agents in foreign countries.....	183,386 49	
Notes of and cheques on other banks ..	149,067 84	
		\$ 958,912 51
Loans and bills discounted, securities and other assets ..	\$8,095,789 04	
Debts secured by mortgage or otherwise .....	66,776 85	
Overdue debts not specially secured (estimated loss provided for)....	44,252 48	
Real estate (not bank premises) and mortgages on real estate .....	40,783 69	
		8,247,602 06
Bank premises and furniture in provinces of Quebec and Ontario.....	169,908 99	
		\$9,376,423 56

JAMES STEVENSON,  
General Manager.

QUEBEC BANK,  
Quebec, 15th May, 1891.

The general manager, Mr. Stevenson, gave further information concerning the affairs and business of the bank, and said:

There is much matter of importance to communicate to the shareholders at this meeting. The financial year which now closes has been an eventful one, one which has been trying to the judgment and fortitude of bankers. Who could have supposed last year at this time that before we should meet again the world-wide known house of Baring Brothers & Co. would find itself unable to meet its engagements? That a financial crisis of the gravest nature would threaten the oldest monetary institutions of Great Britain? That the Bank of England would deem it expedient to fortify its position by soliciting a loan from the Bank of France? Verily the unexpected often happens. But it is not my intention to attempt to deal with any of the great fiscal questions which occupy the minds of economists and financial experts at present. My task is an easier one, but an important one; it is to deal with questions immediately affecting the interests of the shareholders of this bank, and to explain to them as well as I can the condition of the institution in which we are all so deeply interested.

During the year there have been a certain number of failures; in many cases the bank loses, but less perhaps than was anticipated; we have been enabled to provide for bad and doubtful debts out of the profits which have been made during the year; and, as has been stated in the report of the directors to the shareholders, we have added something to the credit of profit and loss account, instead of trenching upon it in order to pay our dividend.

That losses in the management of a bank are inevitable must be patent to the understanding of every one connected with the business of banking in Canada; but I venture to say that the losses would not be so large, nor so frequent, if a sounder policy were pursued in the business of banking generally. Great competition and an eager desire to make profits often lead to undue extension of business, and consequent loss.

With these few remarks by way of preface, I proceed to explain, as I have been in the habit of doing, the several items in the balance sheet. First: we have capital \$2,500,000, which remains stationary; next "The Rest," \$500,000, "which stands as a sort of redoubt to defend the capital, and to preserve your property." The directors entertained the hope last year that some addition might be made this year to the Rest account; but they have let it remain at its present figure. The item which should follow the Rest, is balance carried to profit and loss account, \$112,382.61, which protects the Rest, and serves also to guarantee the equalization of dividends. The intermediate item, Reserved for interest due depositors, etc., \$80,427.42, speaks for itself. The items "Unclaimed Dividends," \$3,460.40, and "Half yearly Dividend," \$87,500, need no explanation. Notes in circulation, \$566,814 50, are less in amount than last year. Deposits not bearing interest, \$679,496.24, are in excess of last year; while those bearing

interest, \$4,434,528.47, are about the same amount. Balances due to other banks in Canada, \$45,075 75, are reduced by a set-off in the list of assets, viz.:—"Due from other Banks in Canada," \$10,816 11, and "Notes and Cheques on other Banks," \$149,067.84, which if sent in for payment would turn the tables in our favor. Balances due to agents in the United Kingdom, \$366,738.14, represents our indebtedness to our correspondents in London, the Bank of Scotland, which is amply covered by Dominion Government and other sterling bonds and bills of exchange in their hands.

Having passed in review all the items constituting the liabilities of the bank, I turn to the statement of assets, commencing with the items "Gold and silver coin current," \$85,270.07, and "Government legal tender notes," \$580,372, which, taken together, constitute an ample reserve to meet all demands that may be made upon the bank here or its branches. The item "Balances due from other Banks in Canada," \$10,816.11, has already been dealt with in connection with that in the statement of liabilities as due to other banks, \$45,075.78. "Balances due from Agents in Foreign Countries," \$133,386.49, needs no explanation, being balance in the hands of the bank's agents in New York and other amounts on call. "Notes and Cheques on other Banks," \$149,067.84, has already been considered in connection with the item in liabilities, "Balances due to other Banks in Canada."

We have now to consider by far the largest and most important item, viz.: "Loans and Bills discounted, Securities and other Assets," \$8,095,789.04. An old friend of this bank, for many years a director, Mr. Henry Fry, after a careful analysis of the statements of the several banks in 1890, winds up his remarks thus: The true test of a bank's position, however, is not the *Profits*, is not the *Circulation*, nor the *Deposits*; but the *Character of its Loans*. It is with these I have now to deal. Our loans may be classified as follows:—

To firms connected with the timber trade and lumber business .....	\$2,177,760 30
To firms connected with general business, dry goods, hardware, groceries, etc .....	1,458,481 30
To firms connected with manufacturing interests.....	1,041,890 00
To firms connected with produce business .....	585,070 35
To firms connected with contracts for the construction of canals and railways.....	219,660 00
	\$5,482,861 95
Call loans secured by bonds, stocks of undoubted character with ample margin.....	1,118,586 04
Time loans, secured by bonds, etc., safe beyond all question..	260,810 00
Loans to municipal corporations considered quite undoubted....	401,755 31
Loans to other corporations equally good .....	307,723 00
Dominion of Canada sterling bonds and other high class municipal sterling bonds....	524,052 74
	\$8,095,789 04

The next item, "Debts secured by mortgages or otherwise," \$66,776.85, consists of undoubted securities held at Head Office and Branches. Then "Overdue Notes not specially secured (estimated loss provided for)," \$44,252.48, needs no explanation. "Real Estate (not bank premises) and mortgages on real estate," \$40,783.69, is an altogether undoubted asset. The last item to be considered is "Bank premises and furniture in Provinces of Quebec and Ontario," \$169,908.99, is well represented by the banking houses in Quebec, Ottawa, Toronto and Three Rivers, all held in fee simple.

I am, as you are aware, gentlemen, in constant contact with the staff at head office. It would be difficult to find men more devoted to duty or more accurate in their work. I may say that I keep in touch with the whole staff throughout the bank. By desire of the directors I visit the branches from time to time, and make the acquaintance of every member of the staff, and endeavor to form an estimate of his ability and fitness for promotion.

On motion of the president, seconded by the vice-president, it was resolved,—That the report and statements now read be adopted.

Moved by Mr. J. W. Henry, seconded by Mr. John Laird, and resolved,—That the thanks of this meeting be given to the president, vice-president and directors for their valuable services during the past year.

Mr. Smith and Mr. Withall each acknowledged the resolution in suitable terms, and Mr. Withall in doing so, said:—

MR. CHAIRMAN AND GENTLEMEN.—In the directors' report it is mentioned that this bank obtained its charter seventy-three years ago. It must be gratifying to us all that notwithstanding the financial storms that have occurred during the interval, this bank has continued to pay regular dividends to its shareholders, with the exception of three years, viz., 1834, 1835 and 1836, when the country was in comparative infancy. The general manager having fully explained to this meeting the financial position of the bank, I need not say any more on this point; but I do say that it must be a matter of gratification to the shareholders to know that after passing through such an eventful financial year, this bank, after providing for all bad and doubtful debts, and paying its customary dividends, retains its Rest intact, and carries a fair amount to credit of profit and loss account. I consider this bank as solid as the old rock city, and I trust that in the future as in the past; it will continue to prosper, and hold its position among the leading monetary institutions of the Dominion. With these remarks I beg to thank the mover and seconder and this meeting, for the gratifying expressions contained in this resolution.

It was then moved by Mr. J. H. Simmons, seconded by Mr. Joseph Louis, and resolved,—That the thanks of this meeting be given to the general manager, inspector, managers and other officers of the bank for the efficient manner in which they have discharged their duties.

A ballot was taken for the election of directors, Messrs T. H. Norris and M. Tofield consenting to act as scrutineers.

The president having vacated the chair, Mr. Stevenson being called thereto—Mr. James Morgan, seconded by T. H. Norris, moved a vote of thanks to him, which was carried.

The scrutineers subsequently reported as the result of the ballot, the following gentlemen elected as directors for the ensuing year, viz: Sir N. F. Belleau, K.C.M.G., William Withall, Esq., R. H. Smith, Esq., John R. Young, Esq., G. R. Renfrew, Esq., S. J. Shaw, Esq., and John T. Ross, Esq.

WM. R. DEAN,  
Secretary.

#### FREEHOLD LOAN AND SAVINGS COMPANY.

The annual meeting of the shareholders of the Freehold Loan and Savings Company was held at the company's office, Toronto, on the 2nd June, the following gentlemen being present: Messrs. W. F. McMaster, Chevalier Macdonell, William Elliot, T. S. Stayner, Robert Gilmore, William Anderson, William Spry, A. T. Fulton, C. H. Gooderham, Philip Browne, Alex. Wills, Henry Pellatt, William Cook, John Cook, Thomas R. Wood, R. S. Wood, London; Henry Mortimer, Hugh Ryan, Paul L. Allin, Hamilton; James Barber, Georgetown; Henry Gooderham, James Stitt, J. M. Treble, A. G. Somerville, Alex. Smith, Henry Lamport.

Mr. A. T. Fulton, the president, occupied the chair, and Hon. S. C. Wood, acting as secretary, read the report and financial statement.

#### REPORT.

The directors in submitting their thirty-second annual report have much pleasure in stating that the earnings of the company amount to \$363,058.16; and that after deducting all charges and paying two half-yearly dividends of 4 per cent. each, \$20,000 has been added to the Reserve Fund, and \$17,280 carried to Contingent Account.

The Reserve Fund is now \$648,918, or over 49 per cent. of the paid-up capital, requiring only a further addition of \$10,582 to make it 50 per cent.

The amount loaned on mortgage security during the year is \$900,770, and the repayments by borrowers amount to \$1,217,359, being the largest amount collected in any one year in the history of the company.