

AUDITORS' REPORT.

We, the undersigned auditors, named at the last general annual meeting of the shareholders, after having examined the books, verified the specie and legal tenders on hand, in a word, after having taken cognizance of the assets and liabilities of the corporation of "La Banque du Peuple," have the honor to report that we have found the whole to be correct and deserving our approval.

P. P. MARTIN,
NOLAN DELISLE,
LOUIS ARMSTRONG, } Auditors.

Montreal, 1st March, 1895.

THE PRESIDENT'S ADDRESS.

Mr. Grenier, in moving the adoption of the reports of the directors and auditors, said: It would be useless for me to enter into details or go into long discussion, because as business men you know the position of the country just as well as any of the directors. Although we have been privileged by Providence in that business has not been made so bad in our country as in the neighboring Republic, and, indeed, almost all over the world, yet we also are passing through a little crisis. I hope that in the spring things will improve, but until the Government have decided what is to be done, I think a certain amount of depression will be felt in the city of Montreal and throughout the Dominion. The report of the directors speaks for itself. Though we have not made much progress, yet we have made some. The profits are \$7,000 more than last year. The percentage is 9½, as against 9 last year. That is not a very great improvement, but it is an improvement, and the stockholders are certainly justified in expecting that our progress will be much greater next year, if business improves. When we met in March of last year, this building was very far from being completed. It is now completed, as you see; it looks exceedingly nice, and I think it is a credit to the stockholders as well as the directors. (Hear, hear.) Every one of the stockholders who has visited the building, and even strangers from America and elsewhere, are delighted with it. Last year I told you that I expected that the revenue from the rents of the building would pay 4 per cent. on the capital invested and give us the bank premises free. At the beginning of May we had only about one storey rented, but we made progress in June, July, August, so that by the end of the year we had three storeys let out of five. We have now only about one storey unrented, and we have applications for it. I hope by the first of May next every part of the building will be rented. My prophecy of last year, that the rental would give us four per cent. on the capital invested and the bank free, will, I think, be fulfilled, and if we realize that, it will, I think, be a very good investment for the stockholders. This year the net revenue from the building, after paying all expenses, is \$5,202, a little over 2 per cent. on the capital invested; but when you take into consideration the fact that we have only had one-half of it rented for the whole year, you will see that I am justified in what I said a year ago, that the stockholders will get 4 per cent. on the capital invested and have the bank free. When we realize that, I think we shall have done well. I hope that any of the stockholders who have not paid a visit to the bank will look through after the meeting is over, and I am sure we shall be very happy to show them around. I move the adoption of the report (seconded by Mr. Brush), and shall be pleased to answer any questions. Meanwhile, Mr. Bousquet will, perhaps, say a few words.

MR. BOUSQUET'S REVIEW.

Mr. Bousquet. I will simply add a few remarks by way of supplement to what the president has said, as I do not intend to make any retrospect of the commercial situation of 1894, as I used to formerly.

To say that 1894 has been a period of depression in trade and industry is to say what everyone knows from personal experience.

The trade of the Dominion, in common with all other countries, has sustained of late a check. The movement of merchandise has not enlarged this year, while the ban of falling prices in many important commodities has discouraged ventures that otherwise would have been undertaken, and rendered returns to producers less profitable.

After the commercial disturbances of 1893 in the United States, which reflected to some extent on Canada, it would have been unreasonable to expect that 1894 would display buoyancy, but, at least, one would have been justified in supposing that the year would be a period of decided recuperation and recovery. This it has not been; on the contrary, the prostration of industrial interests became deeper and more pronounced as the year progressed.

I do not mean to recall in detail and give a summary of the facts and conditions which have tended to disturb and suppress industrial movements during the year; but after considering the terrible strain endured in every line of business, the thought will find general expression amongst our shareholders, that the results obtained are not nearly as bad as the year's advent prepared the public to anticipate.

Conducting banking business amid such aggravated circumstances and restraining influences can lead but in one direction, smaller profits and heavier losses; of course such results are not encouraging.

To interpret our report correctly, the constitution of the field of our operations must, I repeat, be recalled and the strain those events have caused be borne in mind.

When so considered, no one can hesitate to accept the statement as satisfactory.

The energy of the president, directors and managers is, of course, as a natural consequence of the responsibilities of their duties, devoted to the legitimate advancement, progress and development of the affairs of this institution. No opportunity has been lost by them of making any step forward, in the way of business accommodation, extension of commercial relations, and other facilities to the trade auxiliary to improvement in view of putting this bank on a standing equal to the requirements of its customers.

I am glad to state that, as a result of their endeavors, our business has increased materially during the year, and a number of depositors and new accounts have been added to our list, so that our deposits stand \$6,623,936.51.

The public deposits rose \$710,327.92; those on demand decreasing \$287,599.72; and those after notice increasing \$997,927.64; the latter doubtless being from the savings department inaugurated in our new premises, which has proved to be a success and so far reached beyond our expectations.

The increase in our advances is due chiefly to the acquisition of commercial accounts at agencies and here, and these accounts have undoubtedly been acquired through the business facilities and commercial opportunities we can now afford to give to the public. Of course in banking to day, like every other business, competition has set in, and we cannot expect any improvement or increase of transactions, if we are not in a position to grant equal advantage with our competitors.

The circulation, it will be observed, was at the close of last month, just 8 p. c. less than at the corresponding period a year ago: a decline not greatly, if at all, out of proportion to the fall in prices of staple articles, leaving the inference to be drawn that in point of volume, at any rate, the trade of this bank has not been diminished.

Special attention has also been given during the year to the extension of commercial relations; it is a pleasure for me to state that we have lately completed agreements with foreign bankers, which enable us to float Government bonds and city debentures on the English market, with as much chance of success as any other institution, and in fact during last year we have effected several large loans and sales with benefit.

Hence it is gratifying to be in a position, after such a year of general depression, to state to the shareholders that as a result of our endeavors, we have in almost every respect gained ground, that the general statement shows an increase of deposits and advances to the public, while the earnings have netted 9½ per cent., which may be considered a fair result.

So far as the commercial situation of the Dominion is concerned, although trade is admittedly quiet, and for a period may continue to be restricted mainly to present wants, we have every reason to believe in a rapid expansion when circumstances and conditions warrant. With the output of forest, farming produce and fisheries remaining large, the export trade well maintained and the domestic business conducted upon prudent and conservative lines, we have every reason to believe that a light degree of activity will set in at spring especially.

There certainly also exists actually in Canada a feeling of uncertainty as to the future, due to pending elections. The fear of radical changes is always detrimental to business, and is a great influence in arresting the wheels of commerce, and while the uncertainty exists it causes suspense, and this in itself causes stagnation in all the departments of trade and industry.

But the causes of the present state of things being removable by wise government, there is good ground for believing that any party elected into power will enact industrial legislation to not seriously disturb the machinery of our general trade.

FEDERAL LIFE ASSURANCE COMPANY.

The Thirteenth Annual Meeting of this Company was held at the head office, in Hamilton, on the 5th instant. Owing to the unavoidable absence of the president, Mr. Jas. H. Beatty, Mr. Wm. Kerns, M.L.A., vice-president, occupied the chair, Mr. David Dexter, managing director, acting as secretary, when the following report was submitted:

DIRECTORS' REPORT.

Your directors have much pleasure in submitting herewith for your approval the Thirteenth Annual Statement of the Company, showing the amount of insurance written, the receipts and disbursements for the year 1894, also the assets and liabilities of the Company at the close of the year.

Fourteen hundred and one applications for insurance amounting to \$1,974,700 were received during the year; of these applications twelve hundred and sixty-one were accepted for \$1,761,700. The remainder were either declined or held in abeyance, waiting further information at the end of the year.