

Compromised:—Richard Howse, stoves and tins, St. Catharines, at 65 cents; and P. Henderson, grocer, St. Catharines, at 45 cents, 30 cents in 4 months, and 15 cents in 12 months, secured.

Commencing or recently commenced business:—Geo. F. Fair & Co., general store, Gibson; Jas. W. Aulton, grocer, Moncton; J. D. Dickinson, boots and shoes, Woodstock, N. B.; Heffernan, Fraser & Co., auctioneers and commission, Halifax; Plowers & Wallace, commission, Halifax; Dundas & Bemie, grocers, London; C. S. Killimaster, broker, Port Rowan; Mrs. O'Connor, grocer, Orangeville; and John Potts, boots and shoes, Toronto.

Selling or sold out:—Robt. Wallace, clothier and gents furnishing, London; D. McKinnon, sewing machines, Orangeville; and W. Reid & Co., paper, Montreal, to J. R. Walker.

Offer business for sale:—T. C. McMurray, jeweller, Orangeville; and Chas. Carney, grist mill and general store, Walters Falls.

New Co-partnership.—A. Poupard & Co., grocers, Montreal, Telesphore Poupard is the only partner.

A demand of assignment has been made upon P. R. C. Hoey, grocer, Montreal. J. J. Martin, stoves and tins, Cobourg, has obtained an extension. J. P. Crocker, grocer, St. Catharines, has removed to Port Colborne, and Jno. Whyte, general store, Thornbury, has called a meeting of creditors.

#### MERCHANTS' BANK OF CANADA.

The annual general meeting of the Merchants' Bank of Canada was held in this city the 19th inst., Hon. John Hamilton, the President, in the chair. Among the shareholders present were:—

Hon. John Hamilton, Sir Hugh Allan, Messrs. John McLennan, Andrew Allan, Robert Anderson, Hector Mackenzie, Jonathan Hodgson, William Darling, J. Y. Gilmour, W. B. Cumming, Thos. Workman, H. McLennan, E. J. Jones, Samuel Pedlar, S. H. Ewing, J. Mont, &c. The meeting being duly constituted, the Chairman called upon Mr. George Rague, the General Manager, to read the annual report, printed copies of which had previously been circulated. The report read as follows:—

The Directors of the Merchants Bank of Canada beg to lay before their constituents the usual Annual Report. The stockholders are aware that during the year events have transpired of a character to affect the whole future of the Institution. First in importance is the legislation by which the capital account of the Bank has been readjusted. The main object of this was to place the capital on a permanently solid basis, and enable Dividends to be at once resumed, with a sufficient margin for a Rest and Contingent Fund. These objects have been successfully accomplished; and, though it was deemed desirable by Parliament to proceed further than was indicated by the petition of the stockholders, it should be remembered that legislation has not in reality either taken from, or added to the assets of the Institution. These are now, and have been throughout, precisely what they would have been had no legislation taken place. To preserve these assets, to improve and increase them, and to develop the business to the utmost, for the advantage of the stockholders, has been the constant aim of the directors and Executive of the Bank during the year. In this endeavor, though they have had great difficulties to contend with, in common with all banking corporations, owing to the depression of every leading interest of the country, there has been considerably more of success than was looked for a year ago.

The position of the Bank has been improved in several important respects; heavy encumbrances that then impeded the working of its

business have been removed; profitable accounts have been cultivated, and valuable connections formed, both in Canada and abroad. And, though it was necessary last year to pursue a policy of severe curtailment, the directors steadily kept in view the importance of guarding the interests of their mercantile customers, the result of which has been that the process was carried out without the sacrifice of a single valuable account. It being necessary that the Agency of the Bank in London should be closed, the General Manager proceeded to England for the purpose. While there, he succeeded in making arrangements with one of the leading Banks in Scotland, (The Clydesdale Banking Company), by which almost every facility was secured that could have been afforded had the Agency been continued. At the same time, he effected a disposal of the whole amount of the Bonds of the Province of Quebec then in the hands of the Bank. The business of the Bank in New York has been placed on an economical basis, the senior members of the firm of Messrs. Jesup Paton & Co. undertaking its supervision.

In conducting the active business accounts of the Bank, the Board has proceeded with the caution required by the times and by past experience. They have aimed at all points to give facilities to legitimate commercial and manufacturing enterprise, assisting all who were worthy of assistance, and discouraging speculative operations. In carrying out this policy they have given employment in an active form to an average line of between ten and eleven millions of loans and discounts, and, as a net result have realized a profit of \$462,208. This has admitted of the payment of a Dividend of seven per cent., and the adding of \$75,000 to the newly-formed Rest, leaving a balance, in addition to a sum hereafter named, to be carried to the Profit and Loss Account of next year. It should be stated that this result has been reached, although the ordinary expenses during more than half the year were much beyond what was commensurate with the reduced volume of business. These expenses have now been considerably reduced. Arrangements have also been made, in concert with other Banks, to lower the rate of interest on deposits.

The working out and realization of the old assets and properties of the Bank has occupied much necessary attention during the year, and such progress has been made that the unproductive portion of them is now reduced within a comparatively small compass. The Board will continue this attention until all these are placed on an interest-bearing basis, or are entirely disposed of. As the result of this policy, the necessary appropriations have been made from former Contingent Fund to close accounts that were a burden to the Bank, but the removal of which has set the remaining capital at liberty for legitimate and profitable business. In order to place the stockholders of the Bank in an uniform position under the new legislation it became necessary for the Board to call in the unpaid portion of the subscribed stock. The calls were placed at intervals of three months in accordance with an engagement formerly given, and to avoid, as far as possible, inconveniencing the stockholders. Every effort has been made to obtain payment of calls as they matured without unduly pressing shareholders in times like the present. It is gratifying to note that, on the whole, a very reasonable response has been given by the subscribers.

The directors beg to call attention to the accompanying Memorandum of Profit and Loss Account, and the statement of assets and liabilities following thereupon. They add, in conclusion, that they have every reason to believe that the Bank has now entered upon a career in which the directors, supported by the confidence and aid of the stockholders, may expect to redeem its position by the vigilant and cautious administration, aided by the endeavors of the General Manager and a re-organized staff.

(Signed), John Hamilton, President.

#### MEMORANDUM OF PROFIT AND LOSS ACCOUNT.

The legislation already referred to was based on the express principle of reserving a considerable

margin over and above the sum at which the new Capital Account was fixed. The effect was that the sum of \$400,000 could be set aside as the nucleus of a new rest, after writing off every bad debt upon the books, and reserving a sufficiently large sum to provide for all matters of doubt. This sum, \$530,000, has been arrived at as sufficient, after a renewed examination of accounts in the light afforded by actually dealing with them during the last twelve months. After making these provisions, there remained a balance of \$81,176, which was carried into a new Profit and Loss Account. And to the new Rest there was added, at the close of the year, and as a surplus of the earnings, the sum of \$75,000. The new Profit and Loss Account, therefore, stands as follows:—

|   |              |
|---|--------------|
| Net profits of the year's business after payment of charges and interest on Deposits.....                           | \$462,208 98 |
| Of this has been paid a Dividend, No. 19, at the rate of seven per cent. on the Capital as fixed by Parliament..... | 382,317 79   |
| Leaving a surplus of.....   | 79,891 19    |
| Of this amount there was added to the Rest.....   | 75,000 00    |
|   | 4,891 19     |
| Add Surplus from old Profit and Loss account.....   | 13,176 36    |
| Making this balance to be carried to Profit and Loss Account for next year.....                                     | \$ 36,067 55 |

(It should be stated that certain exceptional charges peculiar to the position of the Bank last year, were borne by the old Contingent Fund.) The Assets and Liabilities of the Bank on 31st May were as follows:—

| LIABILITIES.   |                 |
|--|-----------------|
| Notes in circulation.....  | \$1,994,977 00  |
| Deposits bearing interest, including interest accrued thereon..... | \$1,127,198 82  |
| Deposits not bearing interest.....                                 | 1,462,931 78    |
|  | 5,590,130 60    |
| Balances due to other Banks and Foreign Agents.....                | 517,711 02      |
| Dividends unclaimed.....   | 633 00          |
| Total Liabilities to the Public.....                               | \$9,103,451 62  |
| Capital Paid up.....   | 5,461,790 00    |
| Rest.....  | 475,000 00      |
| Contingent Fund.....   | 530,000 00      |
| Dividend No. 19, payable 1st of June.....                          | 382,317 79      |
| Balance to Profit & Loss Account of next year.....                 | 36,067 55       |
|  | \$14,988,626 96 |
| ASSETS.  |                 |
| Gold and Silver Coin on hand.....                                  | \$ 342,848 45   |
| Dom'n Notes on hand  | 1,148,212 90    |
| Notes and Cheques of other Banks.....                              | 264,928 51      |
| Balances due by other Banks and Foreign Agents.....                | 295,647 26      |
| Total Assets immediately available.....                            | \$2,051,637 12  |
| Loans and Bills discounted.....                                    | \$11,132,142 84 |
| Loans and Bills discounted, overdue not specially secured.....     | 151,152 17      |
| Loans and Bills discounted—secured.....                            | 215,190 67      |
| (Estimated loss provided for)                                      | \$11,498,483 68 |
| Loans to Dominion Government.....                                  | 19,525 49       |
| Real Estate and Interest-bearing Mortgages.....                    | 578,571 94      |