THE TORONTO WORLD

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WEDNESDAY MORNING, JUNE 5, 1889

The Barley Trade.

The barley trade for this season may be considered as ended, and any further sales or shipments will be very inconsiderable. The customs returns for the whole Dominion for the nine months ending March 31 show exports of barley 8,903,826 bushels, as compared with 9,370,158 bushels for the twelve months ending June 30, 1888. For the three months ending June 30, 1889, the exports may amount to one and a quarter million bushels, and may probably make the exports for season 1888-89 exceed those of 1887-88 about 750,000 bushels. The exports include shipments from Manitoba and Quebec. It is generally conceded that there is left in the hands of farmers and dealers a larger stock of barley to be carried over into next crop year than usual. This reserve is variously estimated as being from one to two million bushels. The Bureau of Industries for Ontario estimated the barley crop of this province alone in 1888, 23,366,569 bushels. This estimate must have been from 30 to 40 per cent. too high. It claimed an increase over preceding year of about 6¼ million bushels; the general trade estimate was an increase of between one and two million bushels.

The exports of barley from this district from September 1, 1888, to May 31, 1889, were 2,238,735 bush., in the previous year, 2,063,910; the quantity shipped to Buffalo and points east of Buffalo in 1888-89 was 1,726,024 bushels; to Erie and points west of Erie in 1888-89, 455,942; in small parcels to points not classified, 56,769. The quantity shipped to points west of Buffalo has proved very disappointing to dealers, who generally expected an unusually large demand from western maltsters and brewers on account of the very inferior quality of the bulk of the barley crop of 1888 in Iowa, Wisconsin, Minnesota, Nebraska and Dakota. The demand from eastern maltsters was also unexpectedly light, owing to the extra large crop of good quality in New York State and a very considerable supply of fine brewing barley from California.

Good Out of Evil.

There is much being said these days about both British and American ships of war having been ordered to that very debateable fishing ground—Behring's Sea—and fears are expressed that serious trouble there is near at hand. Still, we think we can see how good may come out of evil, after all. The more that public attention is drawn to the fact that our grasping neighbors are standing up for complete marine control extending 150 miles away out from land, the more difficult will it be for them to keep up even the semblance of a case against Canada's claim to have control over all within 3 miles. The more the American State Department magnifies its preposterous claims on the Pacific coast, the weaker must be its denial of British jurisdiction in the waters near to Nova Scotia and Newfoundland. Mr. James G. Blaine is reputed a natural-born Yankee for smartness. But we do not see how even so "smart" a man as he can expect to succeed in establishing the contradictory contention that a 150 mile limit is good international law on one side of this continent, while the three mile limit is too much on the other side. After some time spent in contemplating the magnificent distances which Alaska offers to the view, he and other wise men in Washington will surely lose themselves in thick fog when they come to define their position with regard to the banks of Newfoundland.

Canada's claim to ownership and control near to her own coasts is on the face of it reasonable and righteous. And we are fully persuaded that nineteen Yankee fishing skippers out of twenty would gladly pay the moderate fees demanded for the necessary papers which would insure them against being molested while at their work. But doubtless there are busybodies and intermeddlers among them, as in other places, who are ready to make the most of every opportunity of mischief that turns up. Only one case of trouble has been reported in eastern waters for this season so far, and we fancy that American sea-lawyers are not likely to find it much of a "case" for them. Meantime the demand for fishing licenses is reported brisk, while the American fishermen themselves promptly plank down the moderate fees asked.

In presenting his credentials to the President of the French Republic, Mr. Whitelaw Reid, the new United States Minister at Paris, made the accompanying discourse in English, President Carnot's reply being translated to him. An ambassador who does not understand the language of the country where he is sent to officiate must be in a rather awkward plight. It is to be noted, also, that the American representatives at the Samoan Conference in Berlin do not understand German. But these are inconveniences that cannot well be dissociated from a system under which places of influence are the reward of service to party rather than of service to country.

The end of the alleged mismanagement of the Works Department of the City Council is not yet. It is apparently shelved for a while, but the East End citizens yesterday avowed they would not let the matter drop. Nearly everybody thinks there has been something wrong. "The Don Bungle" has become a byword. In connection with this and other public works at the East End Ald. E. A. Macdonald has made strong charges, which he has duly formulated. When an Alderman representing a large body of ratepayers adopts such a course the matter certainly should be inquired into. The County Judge would be a proper person for the appeal and decision, notwithstanding the objection raised that the city's experience in such cases has not been of an encouraging character.

The Bank of Montreal.

The 71st annual meeting of the Bank of Montreal was held at the head office in Montreal on Monday last. There was a large attendance of shareholders. The report presented by the directorate showed that the net profits of the year were $1,277,176.01. Two half-yearly dividends of five per cent. each were paid and $50,000 reserved for new building purposes. Important speeches were made by the President and the General Manager, speeches that were not only to the shareholders of the bank but to the entire commercial world. Both President Sir Donald A. Smith and General Manager Buchanan spoke at length on the permanent decline in the value of money that has of late taken place in Canada. A larger amount of money appears to be seeking investment than can be readily and safely taken up, and as Mr. Buchanan states when the supply exceeds the demand the price must naturally decline. Touching the outlook of trade from a general point of view, caution was advised, Sir Donald Smith remarking that while the crop aspect was excellent, adverse circumstances, especially in the Northwest, might interfere and so mar present prospects. General Manager Buchanan's speech was especially interesting. It was a thorough practical address. He reviewed the money market in Canada, London and New York, stating that it had not been in either country favorable for large profits. A really practical lesson may be learned by many a merchant and broker by a careful perusal of the remarks, reported in this morning's World, that fell from the lips of Sir Donald Smith and Mr. Buchanan on Monday last.

The Freehold Loan.

The Freehold Loan and Savings Company held their 30th annual meeting yesterday. The company appear to have had an excellent year's business, the net profits for the twelve months being $146,291.20, out of which two half-yearly dividends of five per cent. each were paid, and $22,050.37 carried to contingent account. During the year the company found their business increasing so largely that they issued ten thousand new shares of capital stock at a premium of fifty per cent., on which twenty per cent. was called in. The directors have decided to erect a large and handsome building on the northwest corner of Adelaide and Victoria-streets.

TO WHOM TO APPEAL.

School Boards and Their Power to Expropriate Property.

Practical illustration is being afforded of the large powers which the Toronto School Board possesses in regard to the expropriation of property for school purposes. Not that The World objects to these powers, which are very good when exercised with due discretion. But a large number of property-holders in the northwestern part of the city maintain that these powers are being strained and that a public school is being placed in an unsuitable location to the depreciation of the surrounding property.

To inquire into the bona fides of this charge was the mission of The World's Inquisitive Young Man yesterday. Subjoined are the results of his inquiry and what looks like a practical suggestion for the removal of all friction between aggrieved property-holders and an omnipotent School Board.

Huron-street, it may be premised, is at present excited over this controversy. The Public School Board show no signs of relenting in their project of a school building in that locality, and the minds of the adjacent property-holders are consequently in a ferment.

When Mr. S. H. Janes bought from the heirs of the Baldwin estate the property generally known as the Toronto Annex, being situate in the district north of Bloor-street and in the neighborhood of St. George-street produced northerly, it was provided in the deeds under which he took it that for the period of ten years the property should be subject to certain building restrictions, the general import of which was that the property should be used only for the purpose of private residences with an exception, however, in favor of churches.

About the beginning of this year the School Board entertained the idea of erecting a public school in Huron-street in the neighborhood of the property covered by these restrictions. As there was a doubt as to their legal right to infringe these restrictions they endeavored to get a special private act to allow them to build this school, but their efforts in this direction were checked.

They still threatened to erect a school and they have obtained an opinion from Mr. Christopher Robinson, Q.C., that they are within their strict legal rights in expropriating land to erect a schoolhouse notwithstanding the existence of these restrictions.

When they first made a move to erect this school the property owners approached several members of the board, and as a result of their exertions a resolution was passed to sell the two lots which they had bought for the purpose and also appropriating money to erect a school in Elgin-avenue.

After this, a number of people, feeling that the character of the neighborhood was again assured and would not be depreciated by the existence of a school, bought land, and then the School Board passed a resolution to erect a school in Huron-street, notwithstanding what they had already done.

Now this brings up a question of interest to the public. The district itself is not a largely populated one at the present time. The people who live in it are not as a rule those who are most likely to make use of a public school, the majority being entirely against it, and the land they have bought was protected by these building restrictions. Under all these circumstances should the School Board have a right to force a school upon these people when they can, not a quarter of a mile away, obtain in Elgin-avenue a site perfectly sufficient for all their purposes and not open to the objections which may be very properly raised against their present proposition?

The question before the public is a serious one, because if the School Board can proceed as they are doing in this case they may without control erect schools where they think fit and by selecting sites near private residences of great value might do irreparable damage to parties who under the statute as at present drawn would have no compensation on their lands not being actually taken or in the eye of the law affected by the expropriation.

The World suggests that there should be an appeal to the Lieutenant-Governor-in-Council or to the Minister of Education, where property owners object to a site chosen by the board in any district. By such a recourse much angry feeling would be allayed and no injustice could possibly be done. The whole subject may come up at to-morrow's Public School Board meeting.

MR. TORRINGTON'S ORCHESTRA.

The Last Concert of the Season—A Capital Program Presented.

Torrington's Orchestra gave the closing concert of this season in the Pavilion last night. The interest taken in the organization by the public increases with each performance, and last night a large and select audience graced the Pavilion. As the program advanced the enthusiasm increased and numerous encores were demanded. Mr. Torrington was however obliged to decline the adding to the length of the program, though in one or two instances he gave way to the wishes of the audience.

It would be unfair to make any comparison between this orchestra and that of the Jüch-Perotti Company which has just appeared here, but following so soon after the latter our local orchestra is likely to be judged somewhat more severely than it otherwise would. However, when it is considered that one is composed of picked musicians from several cities, while the other consists of local players, many of whom have had but little experience, the comparison will perhaps after all favor our own orchestra.

The program was one well calculated to please, and while there were shortcomings here and there in attack, in unity of action and in expression in the numbers executed by the orchestra, it cannot but be said that the general result was most gratifying. The bridal chorus from Lohengrin and Meyerbeer's march "Le Prophète" were examples of some really fine work, and the audience accorded their unanimous approval.

Mr. Corell's "cavatina" for the 'cello was treated with refined taste, and his execution was careful throughout. Mr. Clarke in his cornet solo produced a very rich and steady tone, and his performance was most satisfactory. Mr. De Lima's piccolo solo was received with great applause and led to an encore.

The orchestra was vocally assisted by Miss Maud Burdette and Mr. A. E. Dent, both of whom are familiar to our audiences. Miss Burdette has a voice of excellent quality, rich and sympathetic, and is capable and worthy of still higher cultivation. Altogether the concert was a great success, and Mr. Torrington, who conducted, and his orchestra are to be congratulated on the pleasure they have afforded in the past, and it is hoped that the public will make still greater efforts to encourage this worthy organization in the future.

General Amusement Notes.

Miss Jessie Couthoui gave a pleasant evening of readings in Bond-street Congregational Church last night under the auspices of the Ladies' Aid Society. Several others assisted with musical numbers.

Go-Won-Go Mohawk, the Indian actress, is the attraction at the Toronto Opera House this week in "The Indian Mail Carrier." Matinees to-day and Saturday.

The sale of seats for the Gilmore concerts has progressed merrily and their success is established. The advantage of having these concerts at the Mutual-street rink is shown by the fact that all the remaining seats are good ones, there being no pillars. The matinees for ladies and children will be especially enjoyable, commencing at 2.30 and at popular prices. The plans are now open at Nordheimer's.

St. Louis Lager.

Original Budweiser and Anheuser. America's largest and favorite brewery. The finest lager in the world. Price $1.75 per doz. pints and $2.75 quarts. The trade supplied in casks, 6 doz. quarts and 10 doz. pints, William Mara, 282 Queen-street west. 135

Among the Societies.

The Caithness Society at its usual meeting in Shaftesbury Hall last night disposed of a good amount of business. An excellent program of music was rendered, and dancing added to the pleasures of the evening. Mr. William Banks was the efficient chairman.

L.O.L. 157 had four initiations and several propositions last night.

L.O.L. 136 had three initiations and several propositions last night. T. Findlay presided.

Mystic Lodge, K. of P. had one initiation and two propositions last night. W. C. Morrison presided.

Saint John the Baptists Society met last night for the purpose of preparing for the celebration of the French national holiday on June 24.

Diamonds and Jewelry.

Money is saved in buying diamonds, watches and jewelry at D. H. Cunningham's, 77 Yonge-street, 2 doors north of King. 136

Personal Mention.

Mrs. George Arthurs and Miss Ada Arthurs returned home from Italy on Monday.

Cashier Bethune of the Dominion Bank returned from New York yesterday.

THE BANK OF MONTREAL.

ANNUAL MEETING OF SHAREHOLDERS MONDAY AFTERNOON.

The Report for the Year—Speeches of the President and General Manager—The State of Trade and the Money Market Reviewed—The Outlook.

The seventy-first annual meeting of shareholders of the Bank of Montreal was held at the head office in Montreal on Monday afternoon. Among those present were Sir Donald Smith, president; Hon. George A. Drummond, vice-president; Messrs. Gilbert Scott, Hugh McLennan, Hon. J. J. C. Abbott, W. C. McDonald, Robt. Anderson, Hector Mackenzie, Jas. O'Brien, John Crawford, Wm. Mackenzie, John Morrison, J. Philip Scott, F. S. Lyman, W. H. Meredith, Jno. H. R. Molson, Geo. Macrae, Q.C., D. Kinnella, W. B. Cumming, A. C. Clark, W. J. Learmont, Andrew McCulloch, W. G. Murray, Hon. D. A. McDonald, Robert Benny, D. Macmaster, Q.C., G. Strathy, A. D. Nicholls, Campbell Lane, J. A. Strathy, A. S. Compain, R. B. Angus, Hy. Hogan, John Dunlop, John Morrison, A. F. Clarke, Robert Archer and others.

On motion of Mr. Robert Anderson, Sir Donald Smith, K.C.M.G., was requested to take the chair.

Mr. George Macrae, Q.C., moved, seconded by Mr. J. H. R. Molson,

That the following gentlemen be appointed to act as scrutineers: Messrs. F. S. Lyman and W. H. Meredith, and that Mr. A. B. Buchanan be the secretary of this meeting.

Carried.

The Directors' Annual Report.

The President then called upon the General Manager to read the annual report of the Directors, which was as follows:

The Directors beg to present the Seventy-first Annual Report, showing the results of the Bank's business of the year ended April 30, 1889:

Balance of Profit and Loss Account, April 30, 1888 . . . . . $ 690,241 52
Profits for the year ended April 30, 1889, after deducting charges of management and making full provision for all bad and doubtful debts $1,377,176 01
$2,067,417 53
Dividend 5 per cent. paid December, 1888 . . . . . $600,000
Dividend 5 per cent. payable June 1, 1889 600,000
Amount reserved for Bank Buildings in course of construction 50,000
$1,250,000 00
Balance of Profit and Loss carried forward . . . . . $ 817,417 53

The figures in the annexed statement do not call for any special notice; only change of importance being the increase in deposits at interest, accounted for by special deposits of the Dominion Government.

The board recommend to their successors in office, as an improvement upon the system which has hitherto prevailed in framing the annual statement, that a sum be set aside out of the profit and loss account to cover the rebate on bills under discount, a measure which will doubtless meet with the approval of the shareholders.

An office has been opened in the town of Wallaceburg, Ontario, with satisfactory results.

The business of the branch in the town of Port Hope having become unprofitable, it was closed in October last.

It has been decided to open an office in St. Catherine-street west, in this city, to be called the West End Branch, and temporary premises in that locality have been rented in the meantime, until a suitable building can be erected on a lot recently purchased for the purpose, at the corner of Mansfield and St. Catherine-street.

The Head Office and all the Branches have passed through the usual inspection during the year.

The Directors report with extreme regret the death, on the 29th December last, of their esteemed colleague Mr. Alexander Murray, who had served on the Board since the year 1879. To fill the vacancy thus caused, Mr. Charles S. Watson was elected.

DONALD A. SMITH,
President.

General Statement,
30TH APRIL, 1889.

Liabilities.

Capital stock		$12,000,000 00
Rest	$ 6,000,000 00	
Balance of profits carried forward	817,417 53	
	$ 6,817,417 53	
Unclaimed dividends	6,679 62	
Half-yearly dividend, payable 1st June, 1889	600,000 00	
Amount reserved for bank buildings in course of construction	50,000 00	
		$ 7,474,097 05
		$19,474,097 05
Amount of notes of the bank in circulation	$ 5,319,459 00	
Deposits not bearing interest	3,240,256 53	
Deposits bearing interest	18,843,081 31	
Balances due to other banks in Canada	113,713 38	
		$27,517,513 22
		$52,021,450 27

Assets.

Gold and silver coin current	2,632,084 46	
Government demand notes	1,803,991 09	
Due from banks in Canada . . . . . $ 221,299 65		
Due from agencies in foreign countries 12,234 891 44		
Due from agencies in Great Britain 835,848 98		
	$13,292,034 10	
Notes and cheques of other banks	941,997 41	
		$18,670,106 97
Loans and bills discounted, securities, and other assets	$32,598,745 22	
Debts secured by mortgage or otherwise	119,215 89	
Overdue debts not specially secured (estimated loss provided for)	38,382 19	
		$32,751,343 30
Bank premises at Montreal and branches		600,000 00
		$52,021,450 27

W. J. BUCHANAN,
General Manager.

Bank of Montreal,
MONTREAL, 30th April, 1889.

The President's Address.

The President, Sir Donald Smith, in moving the adoption of the annual report, said: Gentlemen, in proposing the adoption of this report, which will be seconded by the Vice-President, Hon. G. A. Drummond, I do not intend to be otherwise than brief in my observations, especially as the General Manager will give such particulars as may be necessary to supplement the statement you now have in your hands. It may be, and doubtless is, a disappointment to some that there is no bonus on this occasion. The earnings, as you are aware, were such as to permit the giving of one per cent. in addition to the ordinary ten per cent., but your Directors gave their most careful consideration to this in all its bearings, and they considered it best in your interest and for your protection that instead of giving a bonus now there should be an addition made to the reserve of profit and loss. At this time the prospects of an abundant harvest are excellent, and were we assured of that it might have been well that we could all have put into our pockets now a little more money. You will all recollect that at this time last year everything also looked very bright, but, unfortunately, the harvest both in the old provinces and in the Northwest was a disappointment to all of us, and consequently the earning power of the Bank was curtailed because the capabilities of borrowing were not the same for the community as they would have been had the harvest turned out as was hoped for. You will then be stronger by keeping this in reserve for the present and will be able to meet and to deal with circumstances as they may present themselves, and should the crops be such as we all look forward to at present and there are no unforeseen adverse influences, the giving of that bonus, which you and all of us will be very glad to get, will only be postponed for a little while, for it is not that we look forward with any misgivings to the business of the Bank. Far from it. It is in

As a Very Excellent Position

to do all that may be necessary to give the best return to its shareholders. And while we have proposed this dividend, of course it rests with you to say, after all, that you are not to have the bonus, but I am sure that all of you who are business men, and who are capable of looking ahead as well as any of us, will consider that it is really best that we should content ourselves with the ordinary 10 per cent. at this moment. During the present year the Bank, to strengthen itself in England, has made purchases to a very considerable extent of Imperial securities, that is, securities such as the Bank of England will unhesitatingly accept at any time, and which are convertible at any moment, so that with these in our possession we are always in a position to borrow money as it may be required. You will see in the report that some $50,000 has been set aside for bank premises in Calgary and Vancouver. This your Directors consider essential; that is, that the Bank should be in possession of such premises and accommodation as would enable it to do its business in the best way in what may be called great centres of the Northwest and Pacific coast; small comparatively at the present moment, but growing so fast that we may expect in a very short time that they will be very considerable factors towards enabling the Bank to increase its profits. Calgary is the centre of the ranching country. Vancouver, only three years old and now a city of some 10,000 inhabitants, and being the terminus of the Canadian system of railways on the Pacific coast, cannot fail to become a place of very considerable importance in the immediate future, and we wish to be ready for whatever may offer itself to the Bank in both these places. As an evidence of

The Progress of the Bank

and of Montreal you will see also that the directors have thought proper to establish a branch in the west end of the city; that is St. Catherine-street. This is for the accommodation of customers in that part of the town; for we all recognize that the great portion of the retail business is led in that direction, and it will be a great convenience for depositors and others having business transactions with the bank there.

The question of rebate on bills discounted is one which has been under consideration by your directors from time to time for many years back. The system which now prevails in this country was adopted by the bank at its inception and it has gone on ever since. The bank year, as you are aware, closes on the 30th April, and it has not been the practice hitherto to deduct the unearned interest from that date until maturity of the bills discounted. It is thought by the directors that it is better an allowance should be made for this. That will require $200,000. You may say that the directors might well have done this of themselves this year or the year before. They thought that it was only right and proper before they changed the system of accounts that had prevailed for over seventy years to come before you and inform you of their opinion on the subject and ask your advice with regard to it. [Hear, hear.] At the annual meeting last year I think reference was made to the opening up of certain roads into Montreal which must necessarily bring an accession of business to Canada, and to Montreal especially. Then the direct railways

From Here to the Northwestern States,

via Sault Ste. Marie, were under construction. Now, I am happy to say they are an accomplished fact; and I could wish very much that all of you had been with me on a very pleasant trip over some of those roads within the last ten or twelve days. You would have seen for yourselves the great capabilities of that intervening country and of the Northwest, marking out what we may well expect to come to Montreal from that source. And to-day we have for the first time, speeding over that road called the Short Line to St. John, N.B., a new service, by a route which takes off 270 miles of distance to that part of the Maritime Provinces and reduces the time to, I think, at present eighteen hours, which I understand will very shortly be further curtailed by two hours. This cannot possibly fail to benefit us here in Montreal; and it appears to me that if we are true to ourselves, it we bend ourselves sturdily to the work before us, what with all these facilities, and with Montreal to which to be a free port, with such accommodation for traffic both by sea and land as you, gentlemen, who are connected with the trade and commerce of the country will insist on having, surely we may look forward to even greater and much brighter condition of things throughout the country and Montreal than we have had in the past. [Hear, hear.] This in its train will bring with it additional accumulated wealth, and that, in turn, will give to the Bank of Montreal, and to other banks, increased deposits of which, I hope that, as in the past, the Bank of Montreal will have its good share at a low average rate of interest, so that notwithstanding the steadily decreasing rate of interest obtainable for money in the last eight or ten years, the bank by a largely increased business by reason of these deposits, will, like the great banks in London, be in a position to continue the distribution of satisfactory profits. You will, notwithstanding that the rate of interest from your customers is much lower, be still able, with that good management which has characterized your bank, to look forward I firmly believe to having the 10 per cent. dividend. As to bonus that must be just as the condition of affairs may permit. At any rate your directors, in the future as in the past, will, no doubt, do their utmost to keep up the standard of the Bank, and give you all the profit and all the advantage it may be possible for them to afford. I now move, seconded by Mr. Drummond, the vice-president,

That the Report of the Directors now read, be adopted and printed for distribution among the Shareholders.

Hon. Senator Drummond—I have much pleasure in seconding the motion.

The President—I will now ask the General Manager to make a few remarks.

The General Manager's Address.

Mr. Buchanan, the General Manager, then said: As having a very important bearing on the results of the Bank's operations during the past year, I wish to take the liberty, as I did at our last meeting, of drawing your attention to the course of the money market in Great Britain and the United States. In London the rates for money ruled low until September, when, in order to stop the drain of gold, chiefly to the Argentine Republic, on whose account large loans had been put out, the Bank of England raised the rate to 4 and three weeks later to 5 per cent. Notwithstanding this, and the fact that the bank borrowed largely from the other great banks, with a view of reducing the supply of loanable funds, the open market rate for money responded to the advance in the bank rate for only a very limited period, and the following anomalous condition of affairs existed—the Bank of England rate was 5 per cent.—the other banks, according to London custom, were allowing 1½ per cent. below, that is, 3½ per cent. to depositors, while they were only able to lend on the market at 2 to 2½ per cent. —a very unprofitable business for them. Before long arrangements were made with the great issuing houses to stop the export of gold to the Argentine Republic; gold was brought in from Russia and elsewhere, and the year 1888 closed on a comparatively quiet money market. By the end of January the bank rate had been brought down to 3 per cent., and on 18th April it was further reduced to 2½, where it now stands, with discounts in the open market at 1⅞ per cent. It must be apparent, therefore, that London has been a poor field, throughout our year, for the profitable employment of any of our surplus monies. It may be interesting to note that during the stringency the stock of bullion in the Bank of England sank to £18,300,000, the lowest point it has reached since 1866, the year of the Overend-Gurney failure.

In New York, with the exception of a slight squeeze towards the end of December,

Money Has Been Super-abundant,

and has not averaged for the year over 2 per cent. for call loans. Time money has been correspondingly low, and in Chicago we have been obliged to content ourselves with a reduced rate. This condition of things was largely produced by the extensive bond purchases made by the United States Government. From the 23rd of April, 1888, when the first purchase was made, until now, the enormous sum of $195,000,000 has been put out in that way. The surplus, however, now held by the Treasurer has been reduced to $56,000,000, and unless he advances the price he has so far been willing to pay for the bonds, there is not much likelihood of its being disbursed to any great extent, in which case, if the harvest equals general expectations, we look pretty confidently for much better values for money in the United States this Autumn.

The rates in Canada have been about normal, with a tendency to a lower level, owing to keen competition; profits on collections from the same cause have been greatly reduced, while Foreign Exchange is dealt in at a price altogether out of proportion to the risks incident to the business. But this has been, I fear, about the case with most kinds of business for the past few years—greatly diminished profits on all sides. It is evident to every one that capital is yielding less year by year—for instance, between now and December, 1900, there are maturing in the United States something like $650,000,000 of railway bonds, now bearing not less than 6 per cent. and some as high as 10 per cent.; to-day these could be refunded at from 4 to 4½ per cent. Bringing this home to the case of this Bank it seems to me that only by a great expansion in our lending capacity in this country which, I think, however, we may very fairly calculate on, as riches and population increase, can we look to a maintenance of our profits at about the present figure for many years longer, and that, therefore, a distribution of all a bank's earnings would be a measure of questionable prudence.

The Year's Business.

Business generally during the past year in Canada has been rather disappointing, and, unless in exceptional cases, I am under the impression that a majority of merchants, who have had the courage to value their assets in a proper manner, have had to contemplate a shrinkage of their capital account. The crops were only fairly good in Ontario, and were disappointing in Manitoba. Payments were consequently light, and the banks have had to carry a heavier load than usual. This, with the holding over of a good deal of lumber and logs, will pretty well account for the increase of $19,000,000 during the year in loans, and does not altogether indicate a healthy expansion of business. The deposits have increased $15,000,000, and though a portion of this very probably represents the savings of the community, a large part is composed of proceeds of loans in other countries, and, consequently, increased indebtedness of the Dominion. Our banking at these deposit-taking banks is not very satisfactory. Leaving out the Bank of Montreal from the Government statement, it will be seen that while circulation and deposits representing the liabilities to the public have increased, the Reserves, which should have augmented proportionately, have diminished. The figures are:

Circulation and deposits of all kinds, 30th April, 1888	$121,333,000
Circulation and deposits of all kinds, 30th April, 1889	132,544,000
Reserves.	
Gold, 30th April, 1888	4,458,000
" 30th April, 1889	4,620,000
Increase	$162,000
Dominion notes, 30th April, '88	$8,565,000
" " 30th April, '89	7,370,000
Decrease	$1,195,000
Due by banks due to Banks, 30th April, 1888	$2,454,000
30th April, 1889	2,196,000
Decrease	$258,000
Due by foreign agents (less due to) 30th April, 1888	$4,468,000
30th April, 1889	1,014,000
Decrease	$3,454,000

Showing a reduction in reserves of all kinds of about four and three-quarter millions, and an increase of liabilities of close on $11,250,000. We leave protection financial men to draw their own conclusions.

The Outlook For the Future

is at present bright. Lumber prospects were never better. Crops all over the Dominion give a great promise. The cotton mills appear to be working in harmony, and consequently on more profitable lines, and many securities, which were a short time ago unrealizable, are now getting a market value. If our hopes are realized we should have an active business in the early autumn, but if, on the contrary, the crops should turn out badly and the autumn business, which is a very important factor, not meet expectations, the results cannot fail to be correspondingly disappointing. We look on this as rather a crucial year, and until the outcome of it is seen, our distribution of profits will, I think, wisely continue to be as has been considered for some few years back the minimum, viz., 10 per cent. Let us hope that merchants also will not discount the future, which is always full of uncertainties, by increasing their importations, at least until we are treading on firmer ground than is possible so long before harvest time. I have already taken up too much of your time, and shall now only add that I shall be pleased to answer any questions which any of the shareholders desire to put to me.

The President—If there is any other gentleman who would like to make some observations on the report, we will be happy to hear him.

Mr. John Morrison reviewed the business of the Bank for the past year, and added that the Directors had acted with commendable prudence in adding to the reserve fund. Had a bonus been declared a gross error would have been committed. It would have been an improvement if the current expenses and losses every year were given in the annual statements. The statement, however, he must say as far as it went for the present year was unexceptional.

Mr. John Crawford—Mr. Chairman, there does not seem to be much disposition either to ask or answer any questions. I am very happy to remark that my friend Mr. Morrison has done that respect to the resolution for the adoption of the reports which, it seems to me, it deserves. He has led the way, and I will follow with a few supplementary remarks. I think, sir, in the first place, that your remarks about the non-payment of a bonus were sound, logical and conservative; and I can scarcely believe that any person interested in bank affairs could take exception to

Such a Judicious Policy.

I conclude that the whole is an argument generally in favor of the conservatism of the Board. Notwithstanding the fire and brimstone which was showered on the heads of certain gentlemen at the time of the declaration of the no-bonus dividend, I predict from the serene faces before me that harmony will be the prevailing characteristic of this meeting. I can understand there was some excitement on the part of the street; some gentlemen were severely clipped in their wings by the stock failing, but the general result is only another illustration of the Bank's sound position and the judicious course which the Bank has adopted. A question which naturally arises, and one which I presume we are qualified to pronounce upon, is the expediency of the policy of the Board. I have no hesitation in declaring, Mr. President, in favor of that policy. I have listened to the remarks of the General Manager with a great deal of interest and attention, and I think he deserves credit for the interesting statistics which he has compiled, and I have no doubt they will prove beneficial to many here. It is only two years ago since we were told that if the Directors had been able to look further ahead they would in that year (1887) have only paid a 1 per cent. instead of a 2 per cent. bonus. Now, sir, neither can we ignore our present situation. Competition between banks is vastly on the increase, money is phenomenally cheap, and the expenditure is still maintained at its maximum rate. It seems to me, though, that the country, narrow as it is, is capable of absorbing all its unemployed capital, and I think that these reasons will lead us to the conclusion that the policy of the Bank is deserving of credit. I might take this opportunity of saying that the picture presented by the President contrasts severely with that roseate picture usually given at bank meetings. Now, sir, last year I took the opportunity of saying a few words

With Reference to Dividends,

and I suggested that the Bank, in view of the uncertainty of business, should take up the question of the propriety of paying quarterly dividends of 2½ per cent., in the aggregate 10 per cent., a rate which you, Mr. President, said might be relied upon. I am satisfied that that step would become very popular among a large proportion of the shareholders, and I would say that if the policy be adopted the increase in the expenditure of the institution would be scarcely appreciable. Now, Mr. President, as the last annual meeting you were kind enough to say that this subject, as well as that of the gross earnings, would be taken into earnest consideration by the new Board. I hope that has been done. I sincerely hope, sir, and I am quite satisfied that everyone in this room hopes with me, that you will always continue a member of that Board until you are, of course, removed to a higher and better sphere. In reading the annual report of the Banque Nationale a week or so ago, I perceived an item of $50,000 appropriated to defray bad and doubtful debts, a proof that that institution is in touch with the situation of the times. Take just one progressive step further and give us an item of the expense of the management and that horrible problem, gross expenditure, the bug-bear of bankers, will be entirely solved.

The President:—I may say, in reply to Mr. Crawford, that although the Board have not seen their way to introduce quarterly dividends, this is not lost sight of and that we will always keep it in view, and have done so, and I have no doubt that those whom you may elect as your Board to-day will keep before them the question of the renewal of the charter, and that so far as may rest with them the Bank will not suffer from any change.

The report was unanimously adopted.

Thanks to the President and Directors.

Mr. John Crawford then moved:

That the thanks of the meeting be presented to the president, the vice-president and directors for their attention to the interests of the bank.

He said: I may say that it gives me great pleasure to discharge the agreeable duty implied in moving this resolution, and I think it should be understood, or I desire it to be understood, that it is not done in that conventional sense usual for motions of this kind, but with an honest desire to convey the sincere thanks of shareholders to yourself and colleagues for the year's results. That directors incur great responsibilities goes without saying. When the industrial and commercial affairs of the country are booming these responsibilities are in a great measure both nominal and agreeable; but when a period of adversity arrives, when industries are languishing and failures the order of the day, their position and their relations to the shareholders, as well as the public, assume a widely different aspect. There is fleeting before their eyes, perhaps, visions of ruined widows and orphans, and dogging their steps, and if conscience were present, perhaps, filling them with remorse. On the other hand, when they discharge honestly and faithfully the duties devolving upon them, as ours have during the past year, they are certainly entitled to our thanks. Their substantial interest, I might say, Mr. President, in this Bank is a guarantee that not only their own but our interest will be by default, if zeal, energy and integrity be of any avail, and these, sir, are the sterling qualities which constrained me at an earlier stage of the meeting to endorse the policy of the Bank. If ever the golden rule implied it is in this case, unless "the right man in the right place," and while they are but mortal they cannot expect to convert blood from a stone, or other assets, golden though they be, into profits in the absence of demand. The General Manager stated that the profits fell below the average during the past year, and I may say that it is stated, I presume on good authority, that our Board is a canny, formidable Scotch clan, who get the credit of a bump of caution, and they will not have any transaction of a speculative character. I desire, sir, in conclusion, to emphasize this, that what shareholders have most to apprehend is not the withholding of bonuses, but the natural tendency of directors to be too generous. I do not allude to any particular bonus, and least of all to the Bank of Montreal—to declare dividends out of unearned or unwarranted profits. It is not politic in Shareholders to bring great pressure to bear upon Directors to pay bonuses or higher dividends than would be done in the shape of caution: if our Directors should unfortunately be caught napping and a very serious deficit should ensue, woe betide them; therefore, gentlemen, look out for your noddles.

Mr. Hector Mackenzie seconded the motion, which was then unanimously carried.

The President in replying said: For my colleagues and myself I thank you most warmly for the manner in which you have referred to us in our administration of your affairs for the past year. It is gratifying to us to know that our efforts, if occasionally erroneous, in the conservative policy we thought it our duty to pursue in withholding the bonus which it would have been possible at this time to give, and I will only add that, at any rate, we are conscious of having done with regard to your affairs just as each of us would have done if we were looking after our own individual matters. While speaking of this I will just say this one word. We all of us deeply regret the loss of our colleague, the late Mr. Alex. Murray, a gentleman whose mature judgment we always relied and whose sound advice we found to be most valuable in all cases of emergency. He was always ready to do his part in the best possible way for the interests of the shareholders, whose trustee he was.

Thanks to the General Manager and Other Officers.

Hon. J. J. C. Abbott said—While I feel gratified at the approbation which the Shareholders have been pleased to accord to our labors for the past year, I feel that we must not forget that the executive officers of the Board have contributed in their respective departments to the success of the operations of the Bank, and I think they should have their due amount of approval also. I therefore beg to move:

That the thanks of the meeting be given to the General Manager, the Assistant General Manager, the Inspector, the Managers and other officers of the Bank for their services during the past year.

Mr. R. B. Angus—I have much pleasure in seconding the motion.

The General Manager, in replying, said: I beg to thank the mover and seconder of the resolution for the manner in which they have spoken of myself and the other officers of the Bank, and for your cordial reception of the motion. I can say with confidence that from the highest to the lowest in rank there is the utmost loyalty and zeal, and that the Managers in Canada, from Halifax to Vancouver, as well as those in London, New York and Chicago, to whom especially great responsibilities are entrusted, have a full appreciation of the magnitude and importance of the interests committed to their charge.

Mr. Crawford—Mr. President, might I ask when the renewal of the bank charters comes before the Legislature?

Sir Donald Smith said the charters terminated in 1891, and would doubtless then be dealt with by Parliament.

Mr. Jas. O'Brien moved, seconded by Mr. John Dunlop:

That the ballot now open for the election of Directors, be kept open until 3 p.m. on Tuesday, unless fifteen minutes elapse without a vote being cast, when it shall be closed, and until that time, and for that purpose only, this meeting be continued