

last year prolonged a depression which to some extent had already obtained, and as a natural consequence affected some local industries, which suffered a check wherefrom those of Quebec were not exempt. It is gratifying to learn that an unusually early spring has enabled the farmers throughout the Dominion to complete their sowing in good time. It would be premature to predict an early and abundant harvest, considering the dangers to which the growing crops are still exposed, but should the hopes of the directors in this respect be realized the bank will be found prepared to share, as in former years, in providing means to move the new crop of grain, both in Ontario and Manitoba, to home and foreign markets.

Business at the several branches of the bank is not marked by any particular change; the custom has been well maintained, but in a time of depression, especially in Western Canada, it did not appear expedient to your directors to encourage any expansion, save at the branches on the Ottawa and at Three Rivers, where extensive operations are carried on in connection with the manufacture of square timber and deals for the English market, and sawed lumber for the American markets.

You are aware, gentlemen, of the great loss which the bank sustained last autumn by the death of its president, the Honorable James Gibb Ross, a leading merchant of this city, and a member of the Senate of the Dominion of Canada. Although the large enterprises in which that gentleman was engaged prevented his regular attendance at the board meetings, he was accessible at all times during the day, and the executive had the inestimable advantage of consulting with him on all subjects of importance, and questions affecting the interests of the bank directly and indirectly. To fill the vacancy occasioned by the death of their esteemed colleague, Mr. Frank Ross, brother of the deceased, senior of the firm of John Ross & Co., old and valued customers of the bank, was invited by the directors to join the board. The directors were desirous of electing as president the vice-president, Mr. William Withall; but that gentleman having moved to Montreal did not feel justified in accepting the position; and Sir Narcisse Belleau, K.C.M.G., the senior director, declined to allow himself to be nominated, whereupon Mr. Robert H. Smith, who had served the bank as a director for over twenty years, and whose knowledge of its affairs and experience of business generally qualified him for the position, was elected president for the remainder of the year.

The president (Mr. Smith), assisted by the general manager, Mr. Stevenson, made a special inspection recently of the branches in the Province of Ontario. The cash at those branches was counted and found correct; and the character of the paper under discount was carefully considered and found satisfactory. In addition, the head office and all the branches have been duly inspected by Mr. Dean, the inspector of the bank.

The directors have pleasure in expressing their unqualified approval of the diligent and faithful manner in which the officers of the bank have discharged their respective duties. All of which is respectfully submitted.

By order of the board,
ROBERT H. SMITH,
President.

GENERAL STATEMENT, 15TH MAY, 1889.

<i>Liabilities.</i>	
Capital stock	\$2,500,000 00
Reserve	500,000 00
Reserved for interest due depositors, &c.	85,966 83
Balance of profits carried forward	48,580 30
Unclaimed dividends	3,874 76
Half-yearly dividend, No. 131, payable 1st June, 1889	87,500 00
Notes in circulation	660,893 50
Deposits not bearing interest	\$ 687,606 86
Deposits bearing interest	3,991,692 46
	4,679,299 32
Balances due to other banks in Canada	136,559 00
Balances due to agents in the United Kingdom	259,664 30
	\$8,962,338 01

<i>Assets.</i>	
Gold and silver coin current	\$ 84,611 18
Government demand notes	431,507 00
Balances due from other banks in Canada	41,564 94
Due from agents in foreign countries ..	51,170 96
Notes and cheques of other banks	175,543 65
	\$ 784,397 73
Loans and bills discounted, securities and other assets	7,831,923 22
Debts secured by mortgage or otherwise	94,939 37
Overdue debts not specially secured (estimated loss provided for)	38,799 23
Real estate (not bank premises) and mortgages on real estate	52,478 00
Bank premises in provinces of Quebec and Ontario	159,800 46
	\$8,962,338 01

<i>Profit and Loss Account.</i>	
Balance of Profit and Loss Account, 15th May, 1888	\$ 54,708 98
Profits for the year ending 15th May, 1889, after deducting charges of management, and making full provision for all bad and doubtful debts	243,871 32
	\$298,580 30
Dividend 3½ per cent. paid 1st December, 1888	\$87,500 00
Dividend 3½ per cent. payable 1st June, '89 ..	87,500 00
Transfer to Rest	75,000 00
	\$250,000 00
Balance of Profit and Loss carried forward	\$48,580 30

JAMES STEVENSON,
General Manager.

Quebec Bank,
Quebec, 15th May, 1889.

Mr. Stevenson then proceeded to give a detailed exposition of the various items composing the two sides of this statement, together with his views in connection with a possible change in the near future in the Banking Act as affecting the circulation of the Quebec Bank. He considered himself justified in saying that the statement of accounts now submitted shows the bank to be in a more favorable position than it ever has attained during its long existence. After going over the list of liabilities, and explaining the nature of each item, he came to the consideration of the assets as well. According to his custom he analysed the different classes of accounts held. "Loans and bills discounted, securities and other assets, \$7,831,923.22," which consists of bills discounted and advances to firms connected with contracts and railway undertakings

\$ 296,400 00	To firms engaged in timber and lumber business	2,471,600 00
	To firms connected with produce business	350,400 00
	To firms connected with manufactures, etc.	867,500 00
	To firms connected with general business, dry goods, groceries, hardware, etc.	2,090,799 81
		\$6,076,699 81

To these must be added loans on the security of undoubted stocks on call with ample margin, \$824,625.11; Dominion of Canada sterling bonds, sterling bonds with Provincial guarantee, City of Toronto bonds, and other bonds and assets, \$930,598.30; making a total of \$7,831,923.22, as per general statement.

Mr. Stevenson's remarks upon the approaching expiry of the bank charters and the Government's probable policy have been treated of editorially.

The adoption of the report was moved by the president, seconded by Mr. Wm. Withall, and carried.

Votes of thanks were tendered to the president, vice-president, and directors, and also to the general manager and all officers of the bank.

It was moved by Mr. J. W. Henry, seconded by Mr. Peter Johnston, and Resolved, "That by-law No. 10 be amended

so as to read 'six thousand dollars' in place of 'three thousand dollars,' as the future annual remuneration of the president, vice-president, and directors."

The following resolution was carried, the mover being Mr. Peter Johnston, and the seconder Mr. Robert Brodie:

Resolved, "That the shareholders now present desire that in addition to the expressions of regret contained in the report of the directors respecting the lamented death of the Hon. James G. Ross, for many years president of this bank, there should be placed on record their individual estimate of the high character of the deceased."

A ballot was taken for the election of directors, and the scrutineers reported the following gentlemen elected to serve on the board for the ensuing year, viz.:—R. H. Smith, Wm. Withall, S. J. Shaw, G. R. Renfrew, Sir N. F. Belleau, K.C.M.G., Frank Ross, John R. Young.

EASTERN TOWNSHIPS BANK.

The annual general meeting of the shareholders of the Eastern Townships Bank was held at their banking house in Sherbrooke, on Wednesday, the 5th June, 1889. There was a fair attendance of shareholders.

Notice of meeting having been read, the president, Mr. R. W. Heneker, took the chair. On motion, Mr. F. C. Thompson, assistant accountant of the bank, was appointed secretary of the meeting, and on motion of M. Read, seconded by Col. Kippen, Messrs. T. J. Tuck and W. A. Hale were elected scrutineers.

The general manager then read the minutes of the last annual meeting, which were confirmed. The president referred with feeling to the death during the year of one of the principal shareholders, Mr. J. B. Paddon, of Lennoxville, and submitted the following report:

REPORT.

The directors have much pleasure in submitting their annual report to the shareholders on the affairs of the bank at the close of the financial year the 15th May last. The appended balance sheet and statement of profit and loss exhibit the present position of the bank, as well as the results of the operations of the past year.

The total profit, including the amount brought forward from the previous year, amounted, after deducting charges of management, interest to depositors, and an ample provision for all bad and doubtful debts, to the sum of \$173,936.06. This shows an excess of profit over the previous year of \$34,045.20.

Out of this has been paid the provincial tax on capital of the bank, \$1,430.00, and the semi-annual dividend in January last of 3½ per cent., amounting to \$51,405.19, leaving available for dividend and other appropriations the net sum of \$121,100.87.

It will be thus seen that the operations of the bank for the past year have been successful, and the directors congratulate the shareholders on this good result. At the same time it must not be forgotten that the business of banking, like other business, is liable to fluctuations, and it may be not uninteresting to the shareholders to examine the returns of the past ten years, as shown in the following table—from 1880 to 1889 inclusive—and as exhibiting a broader view of the operations of the bank than the result of any one year can afford:

Year.	Capital.	Circulation.	Deposits.
1880 ..	\$1,382,037 00	\$496,018 00	\$1,287,034 00
1881 ..	1,386,855 00	702,634 00	1,426,531 00
1882 ..	1,397,659 00	878,260 00	1,912,252 00
1883 ..	1,399,739 00	855,011 00	2,104,778 00
1884 ..	1,419,067 00	752,900 00	2,057,868 00
1885 ..	1,449,488 00	700,056 00	1,890,037 00
1886 ..	1,449,488 00	694,869 00	1,786,998 00
1887 ..	1,456,136 00	722,137 00	1,956,687 00
1888 ..	1,468,281 00	852,089 00	2,108,908 00
1889 ..	1,485,881 30	770,641 00	2,305,310 00

Year.	Profit.	Dividend.	Reserve Fund.
1880 ..	\$102,874 41	7 per cent.	\$200,000 00
1881 ..	131,283 07	7 " "	220,000 00
1882 ..	150,821 88	7 " "	270,000 00
1883 ..	191,993 68	7 " "	350,000 00
1884 ..	131,562 87	7 " "	375,000 00
1885 ..	105,547 36	7 " "	375,000 00
1886 ..	113,324 12	7 " "	375,000 00
1887 ..	159,545 33	7 " "	425,000 00
1888 ..	139,790 83	7 " "	450,000 00
1889 ..	173,936 06	7 " "	500,000 00