

CITY BANK.

The annual meeting was held in Montreal on the 6th of June. The President, Wm. Workman, was called to the chair. The annual report states that a moderate year's business has been done.

The Reserve Fund at the close of last year stood at.....	\$140,840	15
The profits of the past year, deducting working expenses have been.....	101,566	96
	\$242,407	11
Deduct two Dividends paid during the year of 3 per cent. each.....	72,000	00
	\$170,407	11

The above Balance shows over 14 per cent. upon the capital. Extended reference is made to certain transaction in connection with the Quebec agency, the particulars of which have been a good while before the public. The directors allege that the Bank had no proper agency in Quebec, but had employed Daniel McGie to redeem their notes and extend the circulation of the Bank, he being specially authorized to draw checks on the National Bank. A young man named Ahern, an assistant of Mr. McGie, had access to his check book which contained numerous checks signed in blank. Ahern appears to have filled up a series of these checks for large amounts in favor of a Broker named Sanderson having intimate business relations with the Bank of Montreal or its Manager at Quebec, and received in exchange for them corresponding amounts in checks signed by Sanderson and duly accepted by Harris, the agent of the Bank of Montreal.

The directors allege "that Harris had on previous occasions, acted in conjunction with Sanderson in procuring such exchange of checks, and that Ahern was very likely induced to believe that there was no possibility of risk in what he did. What Harris's purpose was in these transactions is of course best known to those immediately participating in them, but from the facts since transpiring it would appear that large gambling transactions in gold had been carried on by him, and Sanderson, and in consequence of heavy losses, the amount kept at the Bank of Montreal in Sanderson's name had been greatly overdrawn, and, in view of the arrival of the Bank of Montreal Inspector at any early day, it was necessary for Harris to cover Sanderson's overdraft before the Inspector arrived. This presumption is strengthened from the fact that while Harris at once placed the checks bearing McGie's signature for the City Bank, to Sanderson's credit, in order as it would seem, to make his account appear regular in the eyes of the Inspector, he notified the Banque Nationale, where his own Bank of Montreal acceptance for Sanderson had been deposited, not to send them in for a certain specified time, so that they might not get to Sanderson's debt and of course show his account overdrawn, and they were accordingly withheld, whilst the checks given in the name of the City Bank by Ahern for corresponding amounts, figure for figure and date for date, for reasons too apparent were sent in to be cashed. This done and the Bank of Montreal in possession of our funds and their acceptance for Sanderson still unpaid, they turn upon us and repudiate their own agent's acceptances and refuse to pay their check, thus possessing themselves of City Bank funds to cover Sanderson's overdrawn account, and making up what would otherwise have been an inevitable loss, at the expense of the City Bank."

The directors say that "believing that might cannot make right, that the conduct of the Bank of Montreal has been unjust and tyrannical, we have confidently appealed to the legal tribunals of the country, and entertain not a shadow of a doubt as to the result."

"The precise amount thus abstracted is not known, a large deficiency, however, is shown in

Mr. McGie's cash; and although subsequent enquiries and researches may account for some of this deficiency, the Board have thought it better to assume it all as a direct loss, and have accordingly decided to write it off from the reserve fund, say the sum of \$137,000, which reduces that fund to \$33,408.11.

"The commerce of the country during the past business year, though an improvement on the previous year, has been far from satisfactory. It has been marked by continued and unceasing ravages of the bankrupt law, which even in its sternest features invites many to accept it as a process of getting rid of obligations which without such a law, they would struggle on to meet.

"The absence of all usury laws and the consequent unrestricted freedom of money has attracted a great abundance of capital for investment, and money during the year has ruled at low rates for good investments, in some cases as low as 5 per cent.

"Under such circumstances, it is difficult for Banks following a proper legitimate business, in accordance with the spirit and meaning of their charters, to make large profits. The present supply of money is far in excess of the demand, and ruling rates still keep low,—a rather severe commentary upon the recent repeated attempt to regulate again by legislation the value of money—a commodity which, above all others in the interest of the poor man, the limited capitalist, and of commerce, should be left unrestricted by legislation, if the object is to keep its price low.

"During the recent session of the Dominion Parliament, an Act regulating Banking was passed, which, when it comes into operation in 1870, will effect some changes in the present system of banking. These frequent changes and tamperings with the banking interests of the country by the Finance Ministers, are put before the people ostensibly in the interest of commerce. Their real drift and tendency, however, is to absorb by the hands of the Government the gold of the country, and to place in its room und steady, as a basis of redemption, Government promises. Those who have watched the current of events in this country in the past, and who reflect on what may occur in the future, will find too much reason to apprehend that the tendency of all such legislation is to lead to irredeemable currency. The whole most respectfully submitted.

WILLIAM WORKMAN, President.

The following is the new Board of Directors:—William Workman, Joseph Tiffin, William MacDonald, Champion Brown, John Grant.

A General Statement of the Affairs of the Institution, Tuesday, May 10th, 1870.

DR.	
To Capital Stock all paid up.....	\$1,200,000 00
Bills in circulation.....	568,076 00
Dividends unpaid.....	5,345 78
Dividend 739.....	36,000 00
Deposits bearing interest.....	930,006 86
Deposits not bearing interest.....	505,923 28
Balances due to other Banks.....	30,661 39
Interest reserved.....	25,000 00
Exchange Reserved.....	2,500 00
Contingent Fund.....	33,407 11
	\$3,336,920 42

CR.	
By Cash on hand—	
Gold and Silver and	
Provincial Notes.....	\$659,424 89
Cheques and Bills on	
other Banks.....	69,828 84
	\$ 729,253 73
Real Estate.....	44,530 60
Government Bonds.....	158,939 90
Balances due from other Banks.....	11,347 21
Balances due from Foreign Agencies	91,037 78
Notes and Bills discounted and other	
debts not otherwise included.....	2,301,811 11
	\$3,336,920 42

Insurance.

FIRE RECORD.—Port Perry, June.—P. H. Cosatt's planing mill has been burnt down. Loss \$2,000. No insurance.

Warwick Township, May 22.—Barn of D. S. Cornell, with contents; loss \$600; insured in the Waterloo Mutual.

Hope Township, June 3.—The carriage factory and blacksmith shop of John W. Lucas, 8th con., was destroyed. No insurance. Loss estimated at \$4,000.

Sydenham Township, Ont., June 1.—The Loughborough steam and water mills, belonging to E. Martin, and the shingle mills of S. Walstead, were consumed. There was no insurance on any of the property, and the loss sustained is estimated at \$4,000.

St. John, N. B., June 10.—A telegram says the steam saw mills of Messrs. Temple and Picard, at Fredericton, were totally destroyed by fire. The estimated loss is \$20,000. Small insurance. The adjoining houses were all burned.

New Dundas, Ont., June 5.—The barn of Messrs. Bowman & Eschelman, was struck by lightning and consumed. The electric fluid also struck a horse which was in the barn at the time, killing it instantly. The whole contents of the barn were consumed, entailing a loss of about \$1,200. No insurance.

Ainleyville, May 20.—The steam gristmills owned by John Sheriff. The mill and its contents were totally destroyed; also the account books; cause unknown.

Douro Township, Ont., June 3.—The barn of Patrick Sheehan was consumed, with contents, supposed to have caught from a spark from the dwelling house. There was no insurance.

Port Hope, Ont., June 8.—Mr. J. N. G. Lodge, insurance agent, sends us the following:—The buildings of Thomas Smith, on lot 3, 4th con. of Clarke, were destroyed; have not yet heard particulars. Insured in the Agricultural. Also, on the 9th inst., the buildings of Robert Ard, lot 21, 8th con. Clarke, were destroyed; insured in the Agricultural. Mr. Ard had, only two weeks previously, erected a new frame barn.

Montreal, June 10.—Two large fires occurred here last night. One at the Canada Glass Works near the gaol. They were completely destroyed. The stock was small but the plant was valuable. The total loss is \$30,000. Partly insured. A fire was also discovered in the Montreal Warehousing Co.'s building, near Wellington Bridge, on the canal. The western portion of the building was filled with grain, flour, hops, sugar, &c., destroyed. The fire was extinguished by nine o'clock next morning. The fire, it is believed, was caused by the over-heating of the shaft of the motive elevator power near the weigh-house, where the fire broke out four years ago from a similar cause. The south-east and western half of the building at the time of the fire, contained 10,000 barrels of flour, about 17,000 bushels of grain, peas, hops, &c., to the value of about \$18,000, which is only partially insured. The Herald gives the following statement of insurances:—On the stock held in that part of the building which was damaged, Liverpool and London Insurance Co., \$40,693; Imperial, \$49,500; British America, \$60,000; Guardian, \$7,000; London Corporation, \$10,000; Ethna, \$7,000; Queen, \$15,000; Scottish Imperial, \$3,500; Scottish Fire, \$10,000; Scottish Provincial, \$17,500. Royal and Phoenix have each \$50,000 on the stock, and \$37,500 each on the building. The loss on the building will probably be \$20,000 or \$25,000. The flour has been delivered to the owners, and the damage settled by the companies. A telegram from our own correspondent says that no reliable list of insurances can be obtained for a few days, that the companies do not know the extent of the loss themselves. The loss of the British America will be about \$4,000 to \$5,000.