

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 ten 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.

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. Catharine 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 is that commenced 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.

NEW RAILWAY CONNECTIONS.

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 North-Western 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 we made over those roads within the last ten or twelve days.

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.

In New York, with the exception of a slight squeeze towards the end of December, money has been superabundant, and has not averaged for the year over two 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.

surplus, however, now held by the treasurer has been reduced to \$50,000,000, 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.

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.

Table with financial data: Circulation and deposits of all kinds, 30th April, 1888; Reserves; Gold, 30th April, 1888; Dominion notes, 30th April, 1888; Due by (less due to) banks 30th April, 1888; Due by foreign agents (less due to) 30th April, 1888.

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 practical 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 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.

Mr. John Morrison reviewed the business of the bank for the past year, adding that the Directors had acted with commendable prudence in adding to the Reserve Fund, while had a bonus been declared a gross error would have been committed.

Mr. John Crawford promised that there was not much disposition either to ask or answer any questions, and said that Mr. Morrison had done that respect to the resolution for the adoption of the reports which it deserved. He complimented the chairman on his remarks re bonus, the board upon their generally conservative plans, and the general manager upon his interesting statistics.

The report was unanimously adopted. Mr. 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.

Mr. Hector Mackenzie seconded the motion, which was carried unanimously. The president, in replying for his colleagues and himself, thanked the meeting warmly for the manner in which they had been referred to.

Hon. J. C. Abbott said: While I feel gratified at the approbation which the shareholders have been pleased to accord to our labours 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.

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. H. B. Angus expressed the pleasure he felt in seconding the motion. The General Manager, in replying, said: I beg to thank the mover and secondor 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.

The scrutineers reported the following gentlemen as duly elected directors: Hon. J. C. Abbott, Hon. George A. Drummond, E. B. Green-shields, Hugh McLennan, W. C. McDonald, A. T. Paterson, Sir Donald A. Smith, K.C.M.G., Gilbert Scott, Charles S. Watson.

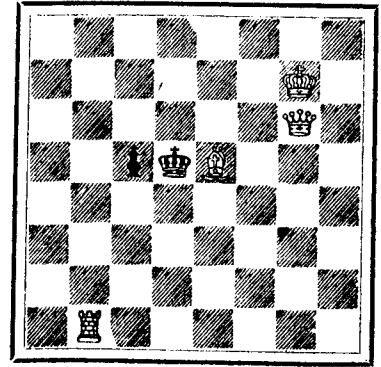
At a meeting of the newly elected board, held on the 4th inst., Sir Donald A. Smith, M.P., was elected president, and Hon. George A. Drummond vice-president.

CHESS.

PROBLEM No. 367.

From the British Whig.

BLACK.



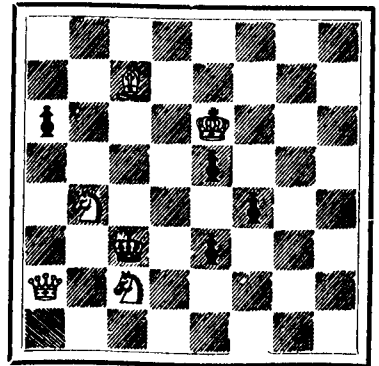
WHITE.

White to play and mate in two moves.

PROBLEM No. 368.

By E. P. MATHCOFF.

BLACK.



WHITE.

White to play and mate in three moves.

SOLUTIONS TO PROBLEMS.

No. 361.

- White. 1. P-Q Kt 5, 2. Q-K 8+, 3. Q-K 5 mate. Black. K-K 2, K-Q 5. If 1. K-Q 4, 2. K-Q 5. 2. Q-B 7, 3. Q-K 5 mate. With other variations.

No. 362.

- White. 1. Q-B 2, 2. Q-Q 1, 3. Q-R 5 mate. Black. K-K 4, P-B 4, K-B 3. If 1. P-B 4, 2. K-B 3, 3. Q-Q 7 mate. With other variations.

ANSWERS TO CORRESPONDENTS.

W. L. S.—Correct solutions received to problems 359, 360, 361, 362, 363 and 364.

GAME PLAYED IN THE AMERICAN CHESS CONGRESS BETWEEN TSCHIGORIN AND BURN.

KING'S GAMBIT.

Table showing chess moves for King's Gambit between Tschigorin and Burn, with White and Black pieces and moves listed.

MANITOBA AND NORTH-WESTERN EXCURSIONS.—The last of the C. P. Ry. Special Colonist Excursions will leave Toronto at 11 p.m. on Tuesday next, the 18th inst., for Deloraine, Moosomin, Glenboro, Saltcoats, Moosejany and Calgary, to return on the 28th July next.

THE CANADIAN GAZETTE, EVERY THURSDAY.

A WEEKLY JOURNAL OF INFORMATION AND COMMENT UPON MATTERS OF USE AND INTEREST TO THOSE CONCERNED IN CANADA, CANADIAN EMIGRATION AND CANADIAN INVESTMENTS.

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