

From this, the fourteenth annual report, we condense the following general statement, referring the interested reader to the report itself for particulars:

No. of policies issued last year.....	319
Amount of property insured.....	\$287,913 00
Premium Notes.....	7,262 81
Cash Premiums.....	740 07
Total number of Policies in force....	1,544
Total amount of property insured..	\$1,642,423 00
Average on each Policy.....	925 00

The number of policies now in force is about 100 in excess of last year. The losses paid during the past year amount to \$2,830.88. The Directors report that they thought proper to refuse the payment for the loss sustained by Mr. King of Brighton. A suit was instituted thereon, which resulted in favor of Mr. King.

The Treasurer's account shows a balance on hand of \$26.48.

The general statement of the Company's affairs shows the total amount of assets to be \$57,637.26, being in excess of the total liabilities by \$52,259.71.

It was moved by Mr. S. P. Niles, seconded by Mr. R. Clapp, and resolved, that the annual report, as read, be adopted.

The question as to the advisability of issuing policies of three years as well as five years, was brought up, and a motion favorable to it was read, but upon being put to the meeting, was lost.

The election of Directors was proceeded with. Messrs. John B. Solmes and John Abercrombie were appointed scrutineers, who, by their report, declared the following gentlemen elected, viz.: Messrs. D. B. Stinson, W. A. Richards, James Caven, David W. Ruttan, William Delong, H. A. McFaul, and James Johnson.

A vote of thanks was given to and suitably acknowledged by the chairman for his services, and the meeting closed.

After the close of the general meeting, the new Directors met at the Secretary's office, and appointed L. B. Stinson, Esq., President, and Wm. Delong, Esq., Vice-President for the present year; also, committees on finance and printing were appointed, and they adjourned.

**EASTERN TOWNSHIPS BANK.**—The annual meeting was held at the bank on Monday, 7th inst., Lewis Sleeper, Esq., in the chair. The report represents the business of the past year as having been profitable. A dividend of four per cent. for the last six months was declared, and \$6,000 added to the reserve fund, which now amounts to \$36,000. The directors condemn the new banking scheme of the Government, as well as the bill to restrict the rate of interest now before the Legislature. The net earnings of the bank for the past year, after providing for losses, was \$43,531. The capital paid in, \$400,000; bills in circulation, \$108,163; due to other banks, \$7,297.79; deposits not bearing interest, \$77,818.71; bearing interest, \$81,137.05; profit and loss account, \$12,000; balance of profit for the year, \$27,023.18. The resources of the bank are: Coin and provincial notes, \$62,748.42; bills and cheques on other banks, \$28,048.29; due from other banks, \$51,966.64; Government securities, \$67,833.33; silver, \$516,343.65; real estate, \$16,500;—total, \$743,439.73. The old board of directors was re-elected, viz: B. Pomroy, Charles Brooks, A. A. Adams, J. H. Hope, R. W. Heneker, G. K. Foster, and H. L. Robinson. At a meeting of the directors, Major B. Pomroy was re-elected President, and C. Brooks Vice-President.

—Mr. W. P. Street, for nearly thirty years manager of the Bank of Montreal-agency at Simcoe has retired from it to take a position of trust in Hamilton. His numerous friends in the County of Norfolk, have presented an address to Mr. Street.

Financial.

ROYAL CANADIAN BANK.

The following is a summary of the evidence given before the Commons Committee on Banking and Currency, on considering the Act respecting the affairs of the Royal Canadian.

*Mr. Woodside.*—In January, 1868, there were 30,000 shares of subscribed stock; some had been subscribed, in certain localities, upon the condition that agencies should be opened there; and where this condition was not carried out, the subscriptions were considered as null. There was also some stock subscribed for by individuals, and not paid up; but we did not enforce the payment of calls. The amount of stock on which payments have actually been made is 27,488 shares; the amount paid on these shares up to the 5th June last, was \$1,168,828.34.

The statement of assets and liabilities on 5th June embraces the whole of the liabilities. With the exception of \$50,000, held by the government of Ontario, as security, \$146,625.52 of coin, &c., are actually on hand. The landed property consists of furniture and chattels, at its agencies. The government securities have never been pledged. The notes and bills of other banks are all available assets. The estimate of loss on the discounts is \$300,000. Between \$500,000 and \$600,000 is over-due paper. Very little of current paper is bad. Losses have been chiefly sustained at Kingston, Cobourg, and Seaforth, and resulted from the culpable misconduct of the agents. The notes discounted are generally of small amounts of legitimate character, and diffused over twenty-two agencies; the largest is a lumber account of \$50,000, which is secure. We have not written off any paper. The accommodation afforded to directors has never exceeded \$100,000, or thereabout, at any one time. The largest amount of paper on which the names of directors appeared at any one time in the year 1866 was about \$80,000, but in addition to this there was a liability on the part of a director on a Sterling Bill of Exchange for \$40,000 endorsed by him, which was cashed by the bank and was subsequently paid off. Ordinarily the amount of discounted paper done for the directors was very small, less, I think, than prevailed in any similar institution in the country. Some transactions in stock took place, but without the knowledge of the Board. It was believed to be in the interest of the shareholders to prevent the stock being forced on the market. During the year 1868, stock to the amount of \$19,200 was purchased by the President, Mr. A. M. Smith, from a number of parties, and was held in the name of his brother, Mr. John Smith. From October, 1868, to February, 1869, stock to the amount of \$14,700 was transferred to the name of Mr. Alexander Campbell, an employee of the bank. The stock held in these names cost respectively \$16,102.87, and \$11,973.61. The funds of the bank were used to pay for it. When these transactions came to the knowledge of the Board, they (on 31st May last) passed a resolution declining to recognize them. I am not aware that any director, other than Mr. A. M. Smith (then President), and the Hon. Donald McDonald, who is now Vice-President, were engaged in these transactions.

*James Metcalfe, President of the Bank.*—To the best of my knowledge and belief, the statement of the 5th June is correct. My impression is that there will be a loss of nearly \$300,000 on the paper in default, and on that respecting which there is already some doubt. Although I consider the residue of the paper held by the Bank to be good, it is of course possible that upon so large an amount outstanding there may be some further loss. I think the loss would be considerably increased by a forced liquidation. I do not think that any of the assets are pledged, with the exception of \$50,000 to the Ontario Government. I think the accounts were generally proportionate to the means of the parties, with the exception of

the Brown case. I believe that stock has been purchased to a small extent, through not directly by the Board, or with its sanction. I only know positively the particulars of one case. I refer to the purchase of stock to the extent of several thousand dollars by the Hon. Donald McDonald, when the market price was about 80. He bought it in his own name, and gave cheques on the Bank for the purchase money, stating to me and Mr. Manning, another director, that he did it to keep the stock up in the interest of the Bank. The stock subsequently advanced about 3 per cent, when he said he would keep it, but he afterwards transferred it to Mr. Campbell, the accountant, on behalf of the Bank, and, as I believe, got the money from the Bank for it. I do not think the purchases of stock by directors or others in the interest of the Bank, would amount to \$15,000 during the last year. The Board had no knowledge of the transactions. I never bought any myself for the account of the Bank, nor did I sell any. The directors had usually very small accommodation. I never had any myself, though I was once endorser on a Bill of Exchange for about \$40,000, which was brought to the Bank at my instance, for the purpose of supplying them with foreign exchange. It was not long since withdrawn from the Bank.

*James Michie, Assistant Cashier.*—The subscribed capital is \$1,500,000. Stock was taken at various agencies, and different arrangements as to payment were made. About \$1,168,000 has been paid up; and about \$300,000 remains to be paid, of which \$100,000 to \$150,000 is in default. The statement given in embraces the whole of the liabilities. Of the Government securities £2,500 sterling of these are in Toronto, and the balance in the hands of the Union Bank of London, and is available, that Bank being indebted to us. This asset is unpledged. The balances due from other banks are all available. Very little of the current discounts can be considered bad. All the paper on which the names of directors appeared was about \$80,000, \$45,000 of which consists of indirect liability as endorser for others. A very small proportion of the discounts is for accommodation of a permanent nature, as the cashier has always objected to it. A large amount of the discounts is secured by real estate, including part of the overdue paper. The collaterals have been taken on renewals. Very little of the discounts is without endorser. About 3500 shares have been subscribed, on which no payments whatever have been made; but no stockholder has been pressed for payment who has not voluntarily paid the calls. I estimate the overdue paper as worth about 10s. in the pound. The only paper in default bearing the name of a director, is for some \$500 or \$600. There has been stock purchased by one of the directors for, I think, \$18,000 or \$19,000; the purchase money was advanced by the bank, and charged to account standing in the name of the party in trust. This transaction took place more than a year ago. I do not know under what authority the advance was made. I am not aware whether the party in question is held personally liable for the stock, or whether the bank is held responsible for it.

*Hon. Donald McDonald.*—I have been on the Board since July, 1865, and Vice-President since July last. With regard to the four first items, "Coin and Bullion, &c.," "Real Estate, &c.," "Government Securities," and "Notes of other Banks," I have no reason to doubt the value of these. I believe \$50,000 of the securities were pledged to the Ontario Government as security for their balance, but cannot say whether they are deposited with the Government or with the Montreal Bank. I did not know of the transaction at the time. It was admitted to me by the directors at the Board that the aggregate of losses on discounts amounted to \$200,000. My own estimate of this loss is larger. I should say that very few of the accounts reached \$50,000; they were generally of moderate amount, though in many instances large or excessive in proportion to the