THE TORONTO WORLD

A One-Cent Morning Newspaper.

OFFICE: 18 KING-STREET EAST, TORONTO
W. F. MACLEAN, Publisher.

SUBSCRIPTION RATES.

One Year	$6.00	Four Months	$1.20
Six Months	3.00	One Month	50

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WEDNESDAY MORNING, JULY 13, 1887.

Trade With Mexico.

There are probably not many amongst us to whom Mexico occurs as a country with which Canada is likely soon to have trade to any extent. Nevertheless the material for a trade is there, on both sides, and, between effort and accident, or both, the trade may start, some day. It so happens that the two countries differ greatly from each other with regard to what each has to sell; what one has the other wants, and therefore they are in only a very slight degree competitors one of the other. Some circumstances there are to be noted just at the present time which give to the subject an interest which it has not had before, for people in this country at all events. Mexico, long known as a country of revolutions, has now fairly entered on the greatest revolution of all, in that she is actually attending to business and trying to get along without any more of the old-fashioned political and military disturbances. Next, the Mexican Government itself is moving in the matter of establishing commercial relations with nations outside, has appointed an agent in this city, and intends sending two or three carloads of exhibits to the Toronto Exhibition. The agent is Mr. A. W. Murdoch, whose office is at No. 65 and 67 Yonge-street, up-stairs.

When our Minister of Finance was leaving for England recently, it was said that one important part of his business was to complete a commercial treaty between Spain and Canada, chiefly with reference to Cuba and Porto Rico. It has been explained that this time the Premier Colony is given more into her own hands than ever before, in dealings with any foreign nation, and that the British Minister at Madrid and Canada's Finance Minister take part in the treaty-making on equal terms. It rather looks as if business was going to be done this time, we should say. Well, while Sir Charles has his hand in at the Spanish, he might turn his attention to Mexico after getting through with Madrid.

Should the goods from Mexico be here at the exhibition, it will give an opportunity such as there has never been in Canada before for seeing what that country has to sell. We know beforehand that what Mexico has to sell is all raw, or nearly all raw, material, and the chances are that a great deal of what our shops can use will be found among the assortment.

Extremes Meet Upon Good Ground.

The Mail has been growling of late because the French Canadians are opposed to commercial union. Considering this as a free country, and considering the French Canadians as folks who have done the state some service, it may be reasonably inferred that they have a right to be opposed to commercial union if they want to. This opinion would be delivered with more diffidence were we not instructed by our solicitor that there is nothing in the Canadian Constitution—with a big C please—that forbids a French Canadian to oppose commercial union. It is even rumored that a great many French Canadians do not eat "broilers" upon Fridays, which is clearly an insult to the new evangel, and one not to be lightly treated. But look at the law? The Constitution does not say that a French Canadian shall not prefer an ancient mariner in the shape of a salted herring to a toothsome "broiler," at two dollars and fifty cents per broil, upon certain days in the year. It is a sad state of affairs, but it will have to be endured until such time as Messrs. Mowat and Mercier shall meet in conference and rectify the mistakes made by the Fathers of Confederation.

But waiving the constitutional aspect of these grave questions, The Mail will permit us to call attention to the procession which passed through the streets of this town yesterday. It is safe to say that there were not one hundred commercial unionist votes among those thousands. The reasons why extremes meet thus are known to The Mail, though it refuses to expound the reasons. The World is not anxious about that. It is content with the knowledge that here are arrayed two powers political who are prepared to meet commercial union at the polls and wound it so that it shall die.

Q. E. D.

The people of Ottawa and other Canadian cities are puzzled to know why coal has become no cheaper since the duty was removed, per promise of The Globe and its echoes. In Ottawa it is actually twenty-five cents per ton dearer than it was last year. The Globe's answer must be that this is so because the consumer used to pay the duty, but not now having to pay any duty it is only right that an equivalent amount should be paid to the producer. The thing is as clear as mud. We pay the duty on barley. We used to pay the duty on coal. Since we have ceased to pay the duty on coal what we need is to take off the duty on barley. Then, as prohibition is a sure thing in both Canada and the United States, we shall sell barley duty free to the American brewers, who, being inhibited from making beer, will not need the barley, and will therefore ship the barley back here, we buying it at less than they paid us for it. We shall then use it for seed, the result being a manifold multiplication, the which we will ship back to the American brewers, who, having no use for it, will be compelled to again resell us at their loss, and so on, *sæculo sæculorum*.

The above may not be altogether the thing demonstrated, to some minds, but it is as close to The Globe style of argument as this journal can get.

The Bank of Commerce.

No business man can doubt that the directors of the Canadian Bank of Commerce have done a wise act in at once declaring their true position to the public. They appear to have taken the bull by the horns and at any risk made a clean and honest statement. All banks must have losses sometime or other, and the Commerce has not been an exception to the rule. But although losses have occurred, no mismanagement has taken place. It was misfortune to a number of the bank's customers, not mismanagement, that entailed the loss. With a clear sheet ahead the Commerce may look forward with confidence.

This tumble-bug talk about abolishing the customs houses and the expenses thereunto attached is talk only. In the first place, commercial union would compel us to maintain a force of customs officers at all our seaports to prevent British or other European goods from coming in to compete with the products of the dominant power, which would then be the United States. Along our lake and inland frontier we would be constrained to support a staff of officials to protect our butter producers and consumers against the incoming of oleomargarine and similar deleterious compounds, which may be grouped as "Yankee notions." This The Globe has acknowledged as a prospective necessity under the Ben Butterworth regime. Where would the saving be? Our columns are open to any person who can tell.

The subject who was truly loyal yesterday, stood on the sidewalk and applauded the brass band.

THE BANK OF COMMERCE.

ANNUAL GENERAL MEETING OF SHAREHOLDERS.

Election of Directors—Some Changes in the Board—Report of the General Manager and Directors—Bad and Doubtful Debts Written Off—A Clean Balance Sheet and Bright Prospects.

The annual meeting of the Shareholders of the Canadian Bank of Commerce was held at the Bank in Toronto on Tuesday, July 12th, 1887. Among those present were Messrs. Henry W. Darling, Hon. Wm. McMaster, Senator; Hon. S. C. Wood, Henry Pellatt, John Battle (Thorold), C. S. Gzowski, Frank MacKelcan (Hamilton), George Taylor, Geo. A. Cox, Edward Martin (Hamilton), W. B. Hamilton, John J. Davidson, Dr. Uzziel Ogden, Hugh Moore (Dundas), W. T. Boyd, H. L. Hime, John Wardrop, E. S. Cox, John Y. Reid, Philip Browne, F. J. Stewart, H. S. Northrop, Thomas Long (Collingwood), Walter S. Lee, E. B. Osler, Geo. Roach (Hamilton), John Scott, Matthew Leggat (Hamilton), S. G. Wood, Z. Burnham (Whitby), George Boyd and Capt. Andros (St. Catharines.

On motion the President, Mr. Henry W. Darling, took the chair.

The CHAIRMAN requested Mr. Plummer, Assistant General Manager, to act as secretary of the meeting.

Mr. GEO. A. COX moved, seconded by Mr. John I. Davidson, that Messrs. Philip Browne, Henry Pellatt and H. C. Hammond act as scrutineers at this meeting. Carried.

The PRESIDENT requested the General Manager, Mr. Walker, to read the Directors' report and statement, which are as follows:

REPORT OF THE BOARD OF DIRECTORS.

The Directors beg to present to the Shareholders the 20th Annual Report, together with the usual Statement of the Assets and Liabilities of the Bank, as on 25th June, 1887:

The balance at credit of Profit and Loss Account brought forward from last year	$ 21,829 03	
The net profits for the year, after deducting charges of management, and providing for losses sustained during the year, amount to	606,715 94	
		$628,544 98
Out of this have been paid Dividends Nos. 39 and 40, at 7 per cent. per annum	420,000 00	
Leaving a balance for the year of		$208,544 98
To this have been added:		
Balance transferred from "Reserve for Rebate of Interest on Current Discounts"	150,000 00	
Amount transferred from Rest Account	1,100,000 00	
	$1,458,544 98	
And the following amounts have been charged thereto:		
Appropriations for bad and doubtful debts	$930,543 87	
Transferred to Contingent Account:		
Estimated loss on accounts in liquidation	$164,900 00	
Reserved for doubtful debts still current	290,500 00	
	455,490 00	
Written off Bank Premises Account	21,883 14	
Written off Bank Furniture Account	43,407 16	
		1,451,384 17
Leaving at Credit of Profit and Loss Account		$ 7,160 81

Since our last annual meeting Mr. W. N. Anderson has resigned his position as General Manager, and Mr. B. E. Walker, late Joint Agent of the Bank in New York, has been appointed in his stead. This change in the general management took place on the 20th of October last.

On the 12th of November following Mr. J. H. Plummer, then Assistant General Manager of the Merchants Bank of Canada, was appointed Assistant General Manager of this Bank, the duties of that position having previously been performed by the Toronto Manager, Mr. J. C Kemp, whose entire attention is now required for the important affairs of that Branch.

This change in the Executive necessarily involved a revaluation of the entire assets of the Bank, the results of which are given in the Report of the General Manager to the Board, a copy of which is appended hereto.

It will be seen from this Report that the General Manager recommends that the sum of $930,543.87 be written off for debts considered bad, and $455,490 appropriated as a Contingent Fund against debts considered doubtful, and that for this purpose the sum of $1,100,000 be taken from the Rest, leaving the balance of that Fund at $500,000. The Directors greatly regret that this result, arrived at after a most rigorous examination of the assets of the Bank, differs from that indicated in their last Annual Report, but after a careful revision of the work of the Executive, they deem it their duty to give effect to the recommendation of the General Manager.

The profits for the current year, after providing for all bad and doubtful debts appertaining to the year, amount to $606,715.94, being slightly in excess of 10 per cent. on the capital of the Bank. The earnings over and above the dividend paid amount to $186,715.94.

The general business of the Bank is increasing in volume, and while there has been a considerable falling off in deposits at interest, the aggregate of those bearing a rate not exceeding 3 per cent. has increased. The Bank, seeking as it does only business of a first-class character, cannot at present find profitable employment for deposits bearing a higher rate of interest than 3 per cent.

It will be observed that we have transferred the balance at credit of "Reserve for Rebate on Current Discounts," to Profit and Loss account; and also that the "Contingent Account," which now amounts to $455,490.00 is not shown among liabilities to Shareholders.

As to the first, the Board are of opinion that the Bank's statement will be more clear and concise if fewer accounts are kept for the purpose of showing its surplus earnings. The Contingent Account has been dropped from the balance sheet, to remove the idea, present in the minds of some Shareholders, that this account is really part of the Bank's surplus. It must be regarded as a provision for doubtful debts, which in all probability will be required for that purpose.

The sum of $65,350.30 has been written off the Bank Premises and Furniture Accounts, as the result of a careful inventory, and the various properties now stand upon our books at figures below their actual cash value.

The premises at present occupied by the Bank in Toronto having long been inadequate to the business needs of the Head Office and the Toronto Branch, a site on the corner of King and Jordan-streets has been acquired, and it is proposed, with the approval of the Shareholders, to erect a more suitable building thereon, for which plans have been prepared and conditional contracts entered into.

Several important changes in the staff, apart from those already referred to, have been made during the year, resulting in increased efficiency in the management of the Bank generally, and the Directors have pleasure in stating that the officers as a whole have discharged their duties satisfactorily.

HENRY W. DARLING, President.

Report of the General Manager to the Board of Directors:

I beg herewith to submit a statement of the Bank's position as at 25th June. It will be seen from it that in order to put the assets of the Bank in an absolutely sound condition it is necessary to provide for bad and doubtful debts to the extent of $1,380,063.87, and that this involves a reduction of the Bank's Rest from its present figure of $1,000,000 to $500,000.

In October last, at the request of Mr. W. N. Anderson, I assumed, at your request, the position of General Manager of the Bank. Among the many serious duties which thereby devolved upon me none is more serious than the task of valuing the assets committed to my charge, in order that the Directors may present to the Shareholders a statement of the Bank's affairs, which shall be at once a clear and trustworthy showing of the position of their property, and, as far as possible, a guarantee of its value. I have fortunately been able to divide the labor incident to my position with the Assistant General Manager, Mr. Plummer, without whose aid the thorough scrutiny to which the Bank's assets have been subjected could not have been accomplished in so short a time.

In this revaluation of the Bank's assets is involved an examination, with the most rigid regard for the dangers always present in trade, of the thousands of business ventures represented by the loans of the Bank. The examination just concluded has been made with as scrupulous care and in as judicial a frame of mind as possible, and it is scarcely necessary for me to add that in succeeding years our statements will be based upon similar examinations, made with similar care and precision.

But the present task has been rendered more than usually difficult by the fact that our opinion of some of the Bank's assets differs very materially from that of my predecessor. Whenever the element of doubt fully enters into an asset, the basis for valuing the asset should be one which leaves out of sight all sources of recovery which are merely conjectural, and this, I think, applies with the same force to an account which is current and on which interest is collected, as to debts already in default, if the source of recovery of the whole debt cannot be seen. Between such a method of valuing the property of the Bank, and a more hopeful view under which appropriations are not made until losses are positively ascertained, there is, unfortunately room for very wide difference, especially when the assets under examination amount to as much as sixteen millions of dollars. The fact that it is found necessary to take from the Rest such a large amount must be a matter of deep regret to all of us, the Executive as well as the Board and the Shareholders, yet nothing but mischief could result from taking too hopeful a view of assets of the description referred to. If we err in judging their value we should be careful that the margin of error in our calculations is on the safe side.

The result of our examination into the affairs of the Bank, apart from the necessary adjustment of these bad and doubtful assets, is much more satisfactory than we had supposed it would be before assuming charge. The loaning business of the Bank is active and healthy; and although we have the largest line of deposits in the Dominion, apart from the Bank of Montreal, and, are only seeking business of the very first quality, we have enough to do to take up all the good accounts which are offered. As a natural consequence the earning power of the Bank is quite satisfactory. Doubtless there are some ways in which it may be improved, and certainly we shall do our best looking to that end, but the average earnings of the past have been sufficiently handsome, and, in our opinion, it has not been from any lack of power in that respect that the Bank has failed to build up a substantial surplus.

The business organization of the Bank is excellent. The administration of its routine work is as nearly perfect as may be. The junior members of the staff, with but few exceptions have been trained in our own system; and this is also true of the majority of our more senior officers. In the administration of the Bank this is of the very first importance. It is quite natural that in building up a large institution we should have had bitter experiences, but we have now a large body of men who have grown up with the Bank, and to whom these experiences belong almost as much as to the institution itself; and it is out of this condition of things that we are to look in the future for that strength in the management which comes from a keen appreciation of the sources of profit, combined with a matured experience of the dangers incident to our business.

Feeling as I do regarding the organization and the earning power of the Bank, it is hardly necessary for me to add that I entertain no fears regarding our future. Losses we must have of course, and nothing but untiring vigilance will keep our losses in satisfactorily small proportion to our profits, but this is in the nature of banking, and I see no reason, looking to our equipment for business and our accumulated experience, why the losses of the past should occur again.

Respectfully submitted,
B. E. WALKER,
General Manager.

GENERAL STATEMENT,
25TH JUNE, 1887.

Liabilities.

Notes of the Bank in circulation	$3,390,732 00	
Deposits not bearing interest	$2,068,845 77	
Deposits bearing interest, including interest accrued to date	7,896,194 41	
	9,965,040 18	
Balance due other Banks in Canada	208,544 05	
Balances due Agents in Great Britain	279,219 28	
Unclaimed Dividends	2,398 33	
Dividend No. 40 payable 2nd July	210,000 00	
		$13,055,933 83
Capital paid up	$6,000,000 00	
Rest	500,000 00	
Balance of Profit and Loss Account carried forward	7,160 81	
		$ 6,507,160 81
		$19,574,094 64

Assets.

Specie	$445,306 55	
Dominion Notes	879,472 75	
		$1,324,779 30
Notes and Cheques on other Banks		417,411 89
Balances due by other Banks in Canada		159,626 11
Balances due by Agents of the Bank in the United States		823,432 55
British, Canadian and U. S. Government Securities, Municipal and other Stocks and Bonds		866,524 31
Call and Short Loans on Stocks and Bonds		591,388 77
		$4,183,162 93
Time Loans on Stocks and Bonds		525,563 00
Other current Loans and Discounts		14,264,228 47
Bills Discounted Overdue, not specially secured, (loss fully provided for)		36,781 45
Overdue Debts, secured		149,040 94
Real Estate (other than Bank premises) and Mortgages		167,686 46
Bank Premises and Furniture		257,631 39
		$19,574,094 64

B. E. WALKER,
General Manager.

THE PRESIDENT'S ADDRESS.

Mr. DARLING then said—The report has been in your hands for some time, and before formally moving its adoption I have a few remarks to make upon it.

The information afforded you in the report of the Board and of the General Manager in your hands is so full and comprehensive that I do not propose to detain you with any lengthy remarks.

CHANGES IN THE STAFF.

The resignation of the late General Manager, Mr. Anderson, soon after the Board honored me by electing me to the postion of President, placed upon them a duty and responsibility exceeding in importance any other, I might truly say every other duty which they are called upon to perform, namely the appointment of the chief Executive Officer of the Bank. Failure here to secure the proper officer could not be remedied by the faultless performance of every other duty assigned to the Board.

The Board was fortunate in finding among the officers of the Bank in the person of Mr. B. E. Walker, one trained in it, intimate with its history, one who growing up with it had filled with marked ability and success many important positions in it, whose experience answered in every important respect to the requirements of the position, and he was accordingly appointed.

The duties of the head office are of such an engrossing, multifarious and exacting character, it was felt that the interests of the Bank required that the General Manager should have the undivided assistance of the most talented available gentleman we could find, so that Mr. Walker should feel free at all times to devote himself to the particular branch work requiring his personal attention for the time being, without any anxiety as to the effect of this upon the ordinary duties of his office. If the Board did not on this occasion give expression to its natural desires by selecting this officer from the existing staff, we at least came very near it, and I have the best reason for saying that the return of Mr. Plummer to the ranks of our officers has not only been a great gain to us, but has also been received with the most cordial approval by the staff generally.

From a personal acquaintance of a somewhat limited and yet very intimate kind, the judgment which I had formed of the capabilities of our new General Manager and Assistant General Manager have been more than confirmed, and I have no hesitation in saying that in them we have men of the highest character and integrity; enthusiastic in the study and performance of their professional duties, thoroughly devoted to this institution and with a diversity of experience which renders them the complete complement one of the other, from whom the shareholders may expect services of an eminent kind.

THE POSITION OF THE BANK.

The investigation which followed upon these appointments being made, and its results, are fully referred to in the report. Much as it has pained us all to find the position of the Bank's affairs as it is now represented to you, it seemed to be a duty of the plainest kind that you should be made fully aware of the result of the searching investigation which has been made by the new Executive. It has necessarily been a trying and an exhaustive one, but you may rely, and it is clear the public has relied, implicitly, upon the thoroughness and accuracy of our work, and we have been greatly encouraged by the spontaneous expressions of confidence which have been extended to us by some of the largest and most influential Shareholders of the Bank as to our future work, even if it has had such an unpleasant beginning.

There is much in the statement before you and in the present position of the Bank to gratify the Shareholders, and to stimulate and encourage the Board and the officers of the Bank.

In some very important respects, as the report states, the affairs of the Bank are in a much better condition than we had expected to find them. The large proportion of our assets, which is in the shape of business of a first-class and remunerative character, is a matter not lightly to be esteemed.

The growth of an institution of this kind with its wide ramifications and extended field of operations is necessarily of a slow nature. That the preliminary dangers and disastrous experiences incident to almost every institution in its early history have now been passed, and this experience, obtained while the country and its commerce have been passing through alternate periods of expansion and depression, has been distilled and its lessons burned into the minds of the older members of our staff, to serve as capital which money cannot purchase, is also worthy of remembrance.

Peculiarly the creature of confidence, this Bank goes won its way to a very high place in the esteem alike of its customers and the public generally, and we rely with every assurance upon meriting an increasing measure of this confidence.

Although the year which has just closed has been an eventful one in the history of the Bank and much has been done towards the end we have in view, there is yet much, we feel, that can be done towards securing greater efficiency in the administration of its affairs, with possibly an increased measure of economy and profit, which we hope to take up during the year upon which we have just entered if it shall please the Shareholders to restore to us the trust which we now again place in their hands.

We have all felt and still feel deeply the responsibilities which have devolved upon us in keeping the large funds at the disposal of the Bank fully, profitably and safely employed.

There is nothing apparent upon the face of the commercial barometer to presage disaster or even depression, but we are not unmindful of the fact that it is in just such times that the seeds of future losses are sown, and we feel that our mission is essentially one of untiring vigilance.

THE NEW BUILDING.

The paragraph at the close of the Directors' Report is one to which your attention must be especially directed, and will form the subject of a separate resolution later on.

You are probably aware, and indeed you have only to look around you to see, that the premises we occupy as the head office and for the business of the Toronto Branch are far from being creditable to us, and in the early part of the year the Directors sought a solution to the difficulty. There were several reasons why this should be done without delay. It was impossible that we should be indifferent to the action of the other Banks in erecting and occupying improved edifices of modern construction and in keeping with the progress of the city generally. The rapid advance in the value of real estate all over the city, and especially in the business part of it, warned us that every year's delay would very largely enhance the value of a new site. After careful consultation with the managers it was demonstrated to be quite impossible that we could occupy any temporary premises, which would expose our treasury. It was necessary that we should be within a radius of a few hundred yards of our present site, in the centre of the business part of the city, the available sites near which must necessarily become scarcer and more expensive. The Hay property having come upon the market opportunely, the Board unanimously resolved to acquire it, and in the exercise of the discretion vested in them took the necessary steps for the erection of a new building which would at once afford ample facilities for the present and growing business of the Bank, be of the most modern construction, creditable to the Bank, and which would at the same time afford a considerable revenue from the portion not required immediately for the use of the Bank.

It was at this stage that the possibility of a large reduction of the Rest loomed up, and the Directors deemed it advisable to take the Shareholders into their full confidence and ask their approval of this important step. The circumstances are not altered in any way since the first step was taken; the necessity is still as great, and the erection of a new building can only be delayed at the most a very short time. The money that has been spent for years in repairs upon our present building, or which may be spent upon it, is practically thrown away. The value of real estate is advancing; suitable sites are becoming even scarcer and more difficult to secure, and while we would have gladly seen larger surplus resources with which to engage in an enterprise of this kind, the Board considers the best interests of the Bank and its creditable appearance in the eyes of the public are deeply involved in the question of a new building.

I trust the meeting will concur in the views which I have thus briefly laid before you and move them in a formal resolution to that effect.

I have now to move, seconded by Mr. Cox, the Vice-President not being here, that the report of the Directors now read be adopted and printed for the information of the Shareholders. The General Manager will have a few remarks to make, and will then, I am sure, be very happy to answer any questions which may be put to him. I beg to move the adoption of the report.

Mr. GEO. A. COX briefly seconded the motion.

THE GENERAL MANAGER'S ADDRESS.

Mr. WALKER, General Manager, said: I have nothing in the nature of a speech to make, but I merely wish to add a few words by way of information to the report of the Directors which has just been presented. Since the annual statement of the Bank has been made public there have been many comments made in the press, which may be supposed more or less to reflect the opinions of the Shareholders. As a whole these comments seem to show that the action of the new Executive is approved. But these expressions of approval are made from various point of view, and many of them seem to have been written under the impression that there was more than one course of action open to us—a comment frequently made being that while it was wise to do so, we have doubtless put the knife into the Bank's assets deeper than there was any real necessity to do. Now, we are quite satisfied that we have put the knife in deep enough, but we wish to remove the idea that we have, as a matter of deliberate policy, undervalued the Shareholders' property. The object of the new Executive in the matter was a very simple one, viz., to arrive at as precise a statement of the Bank's position as possible. We were, of course, very conscious that we would be judged in the future by the progress made from the date of the present statement; but, while jealously guarding our own interests, we have not been disloyal to the interests of the Shareholders. Every account in the Bank has been submitted to the closest scrutiny not once, but several times, during the 7 or 8 months at our disposal. In examining the Bank's risks we have required from all borrowers of any moment precise statements of their affairs, and these statements have been subjected to a severe analysis made by an actual re-statement of what the customers' position would be if forced to liquidate. In this manner all the business of the Bank has undergone examination, the Executive classing as satisfactory only business of a high order. The amount of assets admitted to this class, but which may be said to be locked up for terms longer than the ordinary currency of banking transactions, is very small, and in every case the security is ample and the loan is earning interest. In a few cases, where assets are locked up in the manner referred to and the security is ample but the interest has, by arrangement, been waived, or cannot be collected, we have reduced the asset to its present cash value. For a score or so of accounts, in which no one could venture to assert that loss will occur, but which are sufficiently unsatisfactory to warrant their being classed as accounts which we would refuse if now offered to the Bank, we have set aside a sufficient general contingent fund. Regarding assets which do not come up to the standard already indicated, and in which the doubtful element is quite evident, we have made provision on clearly defined principles, writing off or making contingent appropriations against each particular asset or account. Where the Bank has claims, the obligants on which are not discharged, but are at the moment in such a shape financially that the claims cannot be made, we have written the debts down to a mere nominal figure, leaving a small balance, in order to keep them under such periodical review as will prevent opportunities of recovery being overlooked, should obligants again become in a position to pay.

Where our source of recovery depends on the disposal of property we had of course the greatest difficulty. Immediately after taking charge valuations of such properties were obtained from the various managers. These properties then became the subject of the most exhaustive correspondence, independent valuations being obtained wherever possible. After a period of several months, during which a great mass of information had been brought together, the managers were required to prepare new statements, great stress being laid upon the necessity of placing the lowest warrantable values on all such assets in order to avoid the possibility of any further appropriations being required. This resulted in many cases in a most marked shrinkage from previous estimates, and, of course, the final values set by us were in no case higher, and in most cases very considerably lower, than the lowest estimate made by the managers. Nothing was more persistently present in our minds than the determination not to attempt to conjecture regarding the surplus that would be left. The Executive simply concluded its labors by adding up the results and presenting them to the Board, and it should not be necessary to say that our course would have been the same if the result had shown that the Rest Fund was entirely absorbed on the one hand, or was left at a much higher figure than half a million of dollars on the other.

Mr. WARDROP—I would like to ask if there will be any difficulty in keeping up the 7 per cent. dividends. The reason I ask that question is that there will be a good deal of speculation on the subject, and I know it has been the outside talk that it would likely be put down to 6 per cent. Now it would be as well for us to know if the 7 per cent. dividend with which we have commenced is likely to be maintained, as that knowledge would save a good deal of speculation.

Mr. WALKER—I may say that in declaring a 7 per cent. dividend for the first half of the year we simply followed the course of our predecessors; but before declaring a dividend for the second half of the year we were quite sufficiently—I may say almost fully—aware of the exact position of the Bank; and, as I have stated in my Report, the earnings for the current year, after providing for the losses of the current year, were in excess of 10 per cent. Now, I do not know that I could say anything more to show that if such a state of things continues we will be able to pay 7 per cent., that that after providing for the losses of the current year the earnings amounted to 10 per cent.; or in other words, if we had not had to meet those losses we would have added something like $200,000 to the Rest.

Mr. WARDROP—I may say that my reason for asking the question is to save speculation on the subject, as it has been going abroad that the dividends would be cut down to six per cent., and the influence of this would be to depreciate the stock.

Mr. WALKER—We presume that our declaration of the last dividend of seven per cent. was the most emphatic way in which we could stop talk of that kind, and we feel sure that in Montreal and elsewhere it has had that effect.

The resolution to adopt the report was then put and carried.

THE NEW BUILDING.

Mr. EDWARD MARTIN moved, "That having regard to the requirements of the Bank's business in Toronto, and the inadequate accommodation afforded by the present premises, the Shareholders approve of the action of the Directors in acquiring a site on the corner of King and Jordan-streets, and in arranging for the erection thereon of suitable premises for the use of the Head Office and Toronto Branch." He said—I think the premises in which we are holding this meeting speaks very eloquently as to the necessity of adopting this resolution; and I am glad that the gentlemen who have been connected with the Bank for twenty years have made up their minds to conduct the business of the Bank of Commerce in a building constructed for that purpose.

Mr. J. Y. REID seconded the motion.

Some questions having been raised as to the advisability of expending money on a new building at present,

The CHAIRMAN remarked—The question is whether we should acquire a new property at all or not; if we should, there is no doubt that if we delay for a few years property may enormously increase in value, and possibly we may not be able to get the site we want. I think it is perfectly clear, if you admit the necessity, that the time is opportune.

After some further discussion the motion was carried.

A CHANGE IN THE BY-LAWS.

The CHAIRMAN announced that it had been found desirable to make new by-laws for the bank, under the powers conferred by the Banking Act, to take the place of the existing by-laws. The most important change proposed is that the annual meeting be held on the third Tuesday in June in each year, instead of the second Tuesday in July, the earlier date being more convenient. This would necessitate the payment of dividends on the 1st December and 1st June each year, and the dividend to be declared on 1st December next must be made to cover a broken period of five months.

The proposed by-laws having been read, it was moved by Hon. S. C. WOOD, seconded by Mr. W. B. HAMILTON, and carried: That by-laws Numbers 1 to 9, as read, be and are hereby adopted as the by-laws of the Canadian Bank of Commerce.

THANKS TO THE BOARD.

Mr. F. MACKELCAN moved—That the thanks of the meeting are due, and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past year. In moving the resolution he said—I think I can confidently speak for the Shareholders of the Bank when I say that they are under deep obligations to the President and Directors for the bold and straightforward policy they have adopted in dealing with the affairs of the Bank. They have made a most incisive and careful examination into the assets of the Bank, and they now present to us a fearless, full and true explanation of its actual position. The Shareholders feel confident that they now know the whole truth with regard to the position of the Bank, and the confidence which is thus inspired in the minds of the Shareholders will extend from them to the public. Believing, as I do, and as I think the Shareholders generally do, that the Bank has now entered upon an era of prosperity, and that it will soon reclaim the ground it has lost, I have great pleasure in submitting this resolution to the Shareholders here present.

Mr. H. S. NORTHROP—I have great pleasure in seconding the resolution.

Hon. WM. MCMASTER—Before this motion is put I would like to say a few words. I do not wonder that the large amount written off the Rest is disappointing to the Shareholders. But it should be remembered that moneyed institutions, when aiming to build up a large business, are, in their early days, exposed to losses, even under the most favorable circumstances. This has been peculiarly the case during seasons of great depression such as have been frequently experienced since the Bank of Commerce was established. It should also be borne in mind that the Bank has paid an average dividend of 8 per cent. since the day it opened. In view of these facts, together with its present position and future prospects, I venture to hope that on reflection the Shareholders will see that they have no great reason to complain. After the most rigid investigation, and after the application of the knife with no sparing hand, it is found that the capital is still unimpaired and its Rest not by any means exhausted. It would have been most unwise in the Directors to interfere with Mr. Walker in the exercise of his judgment in dealing with the assets. His report on the condition of the Bank, made not hastily, but after months of patient investigation, cannot be otherwise than satisfactory to the Shareholders. So much for the past. As to the future, whether I look to the capital of the Bank, which is sound beyond all question, or to its extensive and valuable connection and known earning power, I confidently anticipate that its future, under the present management, will be all that the Shareholders could desire. I have been for years a pretty large shareholder, and have not parted with a dollar of my stock, which, allow me to say, I regard as being amongst my safest and best investments. (Cheers.)

The resolution was thereupon carried.

THANKS TO THE OFFICERS.

Mr. WALTER S. LEE—The resolution which I beg to propose is one thanking the executive officers—the General Manager, the Assistant General Manager and the other officers—for their services in connection with the management of the Bank's affairs. We have had very important meetings in this room in the past, but I think none have been more important than the one which has been held to-day, at which the General Manager has given a very explicit statement of the state of our finances. We are told by that officer that he has very carefully gone over our assets, and has applied the pruning knife to everyone of them so as to bring them to an interest-bearing basis. I have no hesitation as a financier in saying that any person holding stock resting on those assets is in a far better position than a person taking stock in all sorts of assets which have not been so tested. The General Manager, who has had nothing to do with making the investments, has come here to-day, and he has done exactly what we wished him to do—he has told us frankly what the state of the Bank is. Knowing that that is the case, I think it is the duty of the Shareholders to give the Manager and his Assistant and the staff generally their confidence; I therefore move, "That the thanks of the meeting be tendered to the General Manager, Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past year."

Mr. E. B. OSLER—In seconding the resolution which has been moved, I can only say that, after listening to the statement which has been made here to-day, I believe these officers deserve the thanks of the Shareholders.

Mr. ROACH (Hamilton) expressed the hope that the Board would act liberally with the staff with regard to the remuneration for their services during the current year.

The motion was carried.

Mr. THOMAS LONG (Collingwood) moved, seconded by Dr. OGDEN—That the ballot box be now opened, and remain open until three o'clock this day, for the receipt of ballots for the election of Directors, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered.

The meeting then adjourned.

The scrutineers subsequently reported the following gentlemen to be elected as Directors for the ensuing year:

HENRY W. DARLING.
HON. WM. MCMASTER.
GEO. TAYLOR.
HON. S. C. WOOD.
W. B. HAMILTON.
JAS. CRATHERN.
GEO. A. COX.
JOHN I. DAVIDSON.
WM. GOODERHAM.
MATTHEW LEGGAT.

At a meeting of the newly-elected Board of Directors, held subsequently, Henry W. Darling, Esq., was re-elected President, and Geo. A. Cox, Esq., elected Vice-President.

H. E. WALKER,
General Manager.

PROGRESS AT THE WATER FRONT.

A New Method of Unloading Coal by the Conger Company.

Every season sees additions to the commercial buildings of the Queen City of the West; and with these additions the spirit of competition is roused, which leads to the adoption of improved machinery. The latest exemplification of this is to be seen in daily working at the Conger Coal Dock, at the foot of Lorne-street. The enterprising firm, which have their central office at No. 6 King-street east, in view of their rapidly increasing business, have erected one of Harrison's local elevators, which was specially built for them at Chicago, and occupied six weeks in its erection at the company's dock. It was personally superintended by an engineer of that city and is a wonderful structure admirably adapted for its special purpose. Large iron buckets, holding half a carload, are filled by men in the hold of the adjoining vessel, and these buckets are then hoisted by machinery to an elevated platform, along which they glide and are duly tipped, the bucket being returned to the hold. The coal is emptied into hoppers and weighed by one of Gurney & Ware's patent scales. Thence the coal is carried along tubes worked with special machinery, where it is properly screened, and then either stored in sheds or shot into carts for delivery.

At the time The World inspected the machinery yesterday it was being worked in unloading the Mary Everet of Belleville. It will handle sixty tons of coal per hour. A large iron shed has been built for the thirty-five horse-power steam engine which drives the elevator, which is the only one of its kind in Toronto, and even in Canada. It has thoroughly answered its purpose, and has effected a great saving in time and labor. It speaks highly for the spirit of the Conger Coal Company.

The Weaker Sex

—are immensely strengthened by the use of Dr. R. V. Pierce's "Favorite Prescription, which cures all female derangements, and gives tone to the system. Sold by druggists.

—Why will you allow a cough to lacerate your throat or lungs and run the risk of filling a consumptive's grave, when by the timely use of Hickie's Anti-Consumptive Syrup the pain can be allayed and the danger avoided. This Syrup is pleasant to the taste, and unsurpassed for relieving, healing and curing all affections of the throat and lungs, coughs, colds, bronchitis, etc., etc.

Mrs. Fox Sticks to Her Story.

Editor World: The report of the burglary and outrage perpetrated at No. 221 Sackville-street on Friday morning last, as published in The News of the same date, is correct in every particular, as I and those who assisted in releasing me from my dangerous and painful position are prepared to testify. I utterly disregard the opinions and abilities of the detective to investigate the matter. It appeared as if he came not for the purpose of doing anything to forward the ends of justice but to make light of everything told him regarding the affair, and insinuate that facts, as stated, never occurred, and before leaving gave me warning to put away the money I had left, as the same parties would be back again at night.

I also beg to state that I am neither nervous or hysterical, and, any tendency in that direction that may have prevented me from the terrible ordeal I passed through and the persistent and senseless questioning of the detectives sent to investigate.

MRS. FOX, 221 Sackville street.

Toronto, July 12.

—The great lung healer is found in that excellent medicine sold as Hickie's Anti-Consumptive Syrup. It soothes and diminishes the sensibility of the membrane of the throat and air passages, and is a sovereign remedy for all coughs, colds, hoarseness, pain or soreness in the chest, bronchitis, etc. It has cured many when supposed to be far advanced in consumption.

St. Mary's Altar Boys.

The members of this society held their annual excursion at Niagara last Thursday. A considerable number of parents and friends accompanied the boys and enjoyed equally the invigorating breeze of Paradise Grove. Shortly after arriving on the grounds the races were begun, and carried on enthusiastically till noon, when they adjourned to the afternoon. An amusing game was played between the boys and a party of young men from Buffalo. Although the latter were nearly all over 21, it was evident that if time permitted the termination of the game, the boys would have held their own. Torpy's pitching