

substituted for the words "net proceeds." This would be in accordance with what was the constitutional practice of every bank in England and Scotland. The financial statement of these banks showed the gross proceeds and expenses, and gave the shareholders some data on which to form an opinion as to the management of the bank. The vice-president had referred to the South African war, and he (Mr. Crawford), would like to say that there was not a shareholder of the bank who would not hold up both hands in congratulating the directors on having subscribed to the Patriotic Fund. He trusted that they might long live to act upon the same principle. They also subscribed towards the relief of the sufferers by the great conflagration at Ottawa. They did not wait to convene a meeting of the shareholders, but responded not only for the bank by liberal donations, but also very generously for themselves. At the same time, he did not wish any banking institution to consider itself a benevolent institution, and though under similar circumstances to those which had occurred, he would have done the same thing, he thought it would be well to have some indemnity clause inserted in the Banking Act. As to the proxy system, he urged that an effort be made to get it to conform to the English system—one year. Reverting to the question of the Rest, he said that several of the best banks in England were satisfied with less than 50 per cent., although one had 60. If the directors of the Bank of Montreal did not think that 50 per cent. was sufficient, they had only to improve the character of their assets. He thought that the shareholders were perfectly satisfied with the magnificent financial statement that had been presented.

The chairman, in replying to Mr. Crawford, said: No one has a greater respect for Mr. Crawford than I have, and we should miss him very much if he forebore, even for one year, his criticisms of our administration. I devoted a portion of the few remarks I made to dealing with the question of Rest, and showed that the bank had more than doubled its responsibilities since the date at which \$6,000,000 was considered a sufficient Rest. It appears to me to be a perfectly obvious proposition either that \$6,000,000 were too much in 1884, when the responsibilities were about \$25,000,000, or they are too little now, when the responsibilities were more than doubled. Consequently, I do not agree with him about the Rest; and if he will cast his memory back to the last meeting, he will remember he asked my opinion about the Rest, whether it should exceed 50 per cent., or not, and I, carefully guarding myself against committing the board, which I could not do, expressed my own opinion that it was insufficient, and ought to be added to. I am still of that opinion and I think the addition to the Rest is a wise and conservative measure, which will increase the public confidence in the bank. With regard to the publication of the gross profits, an item Mr. Crawford referred to, it is an old story comparatively. Some ten years ago, when the Banking Act was being revised, Mr. Crawford brought up the question, and as the incident is likely to be forgotten now, I may say that he persuaded the House of Commons to pass, unanimously, a clause calling for a declaration of the gross profits. I had the honor of opposing it in the Senate, and I also was the only speaker on that occasion, and the Senate unanimously threw it out; so that it was carried unanimously in the Commons, and was discarded unanimously in the Senate. I am still of the opinion that for a bank to disclose its gross profits is an improper disclosure to the public, and likely to do a good deal of harm. I need not take up your time with a lengthy argument on that point. While

it is true railways and other institutions disclose their gross profits, in many cases there is a special feature about credit which is a very delicate thing, and which makes it improper in a bank to have to declare how much is written off for bad debts or anticipated bad debts in any one year. If, for example, a very considerable sum were written off by this bank for bad debts or anticipated bad debts, the first effect produced on the mind of every critic would be, "Who is likely to fail? What in the world are they expecting? What is going to happen?" The whole fabric of credit would be shaken from the very foundation. That is my view of the result which would legitimately and logically follow the stating of how much we wrote off each year for bad and doubtful debts, and providing for them. As for yearly proxies, I don't object to them at all. Referring to the percentage of Rest, Mr. Crawford expressed the opinion that 50 per cent. was above the average. There is nothing in the nature of finality about the percentage of a Rest for a bank; it is what the shareholders and directors think right in their own eyes. The Bank of Toronto has a Rest of 90 per cent.; Molsons' Bank, 69 per cent.; Standard Bank, 60 per cent.; Imperial Bank, 65 per cent.; Merchants' Bank of Halifax, 85 per cent.; Bank of Nova Scotia, 102½ per cent.; Bank of Montreal (with this addition of \$1,000,000), 58½ per cent. In England and Scotland things come out pretty much the same. The Commercial Bank of Scotland has a rest of 82½ per cent.; the London City & Midland, 100 per cent.; and so on to the Manchester and County Bank which has 103 and a fraction per cent. Carefully guarding my late brother directors from any responsibility in this matter, for they have never expressed an opinion on the subject, I have once more to record my opinion that the addition to the Rest is not excessive; in fact, I would rather see it increased than diminished. Mr. Crawford and others, who think with him, get, in the additional price of their stock, a certain equivalent for the bonus they desire.

Mr. John Crawford explained that he had not alluded to gross losses at all; only gross profits and gross expenses. He could quite understand that if a bank published a large amount of loss, it might affect credit.

The chairman then put the motion for the adoption of the report, and it was carried unanimously.

VOTES OF THANKS.

Mr. Donald MacMaster moved:

"That the thanks of the meeting be presented to the president, vice-president and directors for their attention to the interests of the bank."

This was seconded by Mr. F. T. Judah, Q.C., and adopted, and was briefly acknowledged by the chairman.

Mr. John Crawford moved:

"That by-law No. 9 be amended by striking out the word 'fifteen' in the second line of the by-law, as printed, and inserting in its place the words 'twenty-five.'"

He explained that it was simply adding \$10,000 to the remuneration given to the directors under the by-law. He made the motion with a great deal of pleasure, and spoke a few kindly words of the president of the bank.

The motion was seconded by Mr. B. A. Boas, and was carried.

Mr. James Ross moved:

"That the thanks of the meeting be given to the general manager, the inspector, the managers, and other officers of the bank, for their services during the past year."

The motion was seconded by Mr. R. G. Reid, and having been unanimously concurred in, was acknowledged by the general manager.

Mr. E. Rawlings moved:

"That the ballot now open for the election of directors be kept open until 3 o'clock, unless fifteen minutes elapse without a vote being cast, when it shall be closed, and until that time and for that purpose only, this meeting be continued."

This was seconded by Mr. Angus W. Hooper, and unanimously agreed to.

On the motion of Mr. John Morrison, seconded by Mr. John Crawford, a hearty vote of thanks was accorded to the chairman for his conduct of the business of the meeting, and he acknowledged the same.

The ballot resulted in the election of the following directors: R. B. Angus, Esq.; Hon. G. A. Drummond, A. F. Gault, Esq.; E. B. Greenshields, Esq.; Sir William C. Macdonald, A. T. Paterson, Esq.; R. G. Reid, Esq.; James Ross, Esq.; Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G.

The president and vice-president were re-elected at Tuesday's meeting of the directors.

THE TRADE PAPERS ABROAD.

One of the consular representatives of the United States abroad, Mr. Wm. C. Fox of Dusseldorf, Germany, thus testifies to the attention paid by Germans to the trade announcements of foreign firms:

Nowhere are there so many class papers as in Germany. They all appear to be highly successful, with large advertising patronage, and the importance of such newspapers to foreign commerce should not be underestimated. They are, indeed, the very nerves which transmit the impulses between the trade centres of the world. Without trade newspapers business certainly would be done, but what would be the volume compared to that which it really is to-day?

If I were a manufacturer seeking foreign business, I would no sooner think of denying my support to the special publications devoted to my branch than I would, having plenty of orders ahead, think of running my factory on half time. In fact, I would feel that if I did one I would be forced later to do the other.

On a certain occasion, a breezy American visited me in the Consulate at Brunswick, and announced that he had come into town on business.

"What is your line?" I asked.

"Shoe pegs."

"Shoe pegs?"

"Yes, shoe pegs. I can make the prices right, and if you have any sewing machine manufacturers in this town, I want to see them."

In a short time thereafter, we were seated in the private office of the manager of, at that time, one of the largest sewing machine establishments in Germany. I must confess that I was very agreeably surprised to see that business was being done. The prices were "right," and everything was satisfactory.

Finally, the manager arose from his desk and went to a locker, from which he took out a number of trade journals. I saw that they were of various kinds and nationalities—English, French, German, American, etc. Taking up one of the latter, he fumbled over the advertising pages, and pointing to a modest announcement he said to the shoe-peg man, "Is that your firm?"

"Yes," replied the American.

After leaving the office, my compatriot, who had a good-sized order safely put away in his portfolio, remarked: "It occurs to me that it is a good thing that our firm carries that advertisement."

I thought so, too.

—The lumber mills at Fredericton have started up for the season, and will be run to their full capacity all season. Millmen are receiving 10 per cent. more wages than last year.