

immense help to the power of producing, of carrying and distributing, and of buying and selling goods. The cable, however, has also given us great power to check the evil as soon as it is apparent, and I have no doubt it was freely used for that purpose during the winter. But periods of congestion from over-production or over-importation we must expect to have, and all we may hope to do is to use our best judgment and call a halt at the first sign of danger. In Canada the evil is doubtless aggravated by our limited market.

A great deal is always said at such a time as this about the evils of long credits. The critics are apt to forget that many many merchants and bankers are steadily laboring against it in good as well as in bad years. But how is the Canadian importer to shorten his credit to retailers as long as English and Scotch sellers offer goods on terms of credit which no sound importer here would think of offering, but with which he must compete somehow if he is to sell his goods? The banker, however, can gather some comfort from the fact that long credits are now restricted to certain classes of trade. Twenty years ago our lumber and flour and many other products of the soil, were sold on long time to weak buyers, and the losses from granting such credits were somewhat akin to those experienced by importers to-day. The active competition and consequent cutting down of profits has in these trades at least produced the result of sales either for cash, or to men of such standing as to represent practically cash.

Perhaps the greatest evil is that of granting credit too readily, having regard to capacity and ability to pay. I refer to what are commonly called supply accounts. I find that the credit extended to the class of retailers who do not receive any particular indulgence from wholesale houses, averages about six or seven months. This is doubtless a long credit, but the class of storekeepers who are supported by wholesale houses do not as an average pay for their goods in less than twelve or fifteen months. Despite the dating ahead, the intense competition and the other evils inevitable in the somewhat overdone condition of business all over the world, the importing business would from a banker's point of view be reasonably healthy if this particularly bad element were removed.

Our very large foreign business causes us to be interested, at times, in products from all portions of the globe, and these interests have required unusual care during the past year. The folly of trying to corner raw products, and the disturbing effects of such attempts upon the operations of legitimate traders, have been shown in the most marked manner by the collapse of huge speculations in wheat, cotton, coffee, tin, etc. We are pleased to say that we have passed through these troubles without loss.

It is perhaps not worth while to try and forecast the future. The prospects for the fall wheat are, as you know, indifferent, and other crops suffered somewhat from the late spring and want of rain, but the crop prospects on the whole are now fairly good. Importations have doubtless been much curtailed, although probably not enough, and a severer warning than we have yet had may be necessary before over-production in certain kinds of manufactures is sufficiently lessened. It is clear that unceasing vigilance will have to be observed by all classes of business men for some time to come in the importation and manufacture of goods, the extending of credit, and the collection of debts. But if we will take our lessons seriously enough all will go well, and we will be none the worse in the end for the storm we have passed through.

Mr. Wardrop—Would the general manager be kind enough to inform us if the contingent fund shown last year as \$455,000 has been used?

Mr. Walker—Not all of it. There is something in the neighborhood of \$300,000 remaining at the credit of the fund, but I do not think it wise to look upon it as an asset of the bank. I said something to the shareholders last year on this point. We know that the fund is ample, and probably more than ample, to provide for all bad and doubtful debts, but it is much wiser for the shareholders to suppose that the money is lost than to put it forward as a surplus.

Senator Gowan expressed his great satisfaction at the able speeches of the president

and vice-president, and the admirable address of the general manager. He said:—It is very rarely, and I have attended a good many bank meetings, that I have heard so full, candid, and business-like statements as those which have now been given to the shareholders. I do not entirely agree with the general manager on some of the broad points he has discussed, particularly in connection with the Savings Banks, but from a banker's point of view he is no doubt quite correct. I have attended, as I say, a good many meetings of the bank, but I have never heard statements that so commended themselves to my judgment, for practical sense and straightforward candor, as those which have been brought before us to-day. I hope that every one here will be as satisfied as I am with the straightforward and thoroughly businesslike statements we have heard. When the directorate does not hesitate to take into its confidence the stockholders, I always think it is a very good sign. Nine and a quarter per cent. seems a small return to make on our capital, but if it is compared with other institutions it may be considered fair, and on the whole I must say that I think it is satisfactory. The year has not been a favorable year, and the contingencies that have arisen have been calculated to affect the business of banking and to diminish the profits. It has certainly involved greater watchfulness on the part of the management. The questions asked have been satisfactorily answered, and I think the tone of the meeting shows that the confidence which is felt in the bank in my part of the country is felt very generally elsewhere.

With regard to the contingent account, of course its very name implies that the fund is there for any contingencies that may arise. In other institutions large sums have been saved on such appropriations, and it may be so with regard to this contingent fund of ours, but, like Cicero, our point of view about the account should be this, "Hope for the best, be prepared for the worst, and make up your mind to bear with equanimity whatever happens." (Hear, hear.)

The P resident—I can assure the Hon. Mr. Gowan that it is very gratifying to us to hear such remarks from so critical a shareholder as himself. We are here to answer candidly any questions which may be put, and we are perfectly ready to afford our shareholders any information to which they are entitled.

No further questions being asked, the resolution to adopt the report was put and carried.

CHANGE IN BY-LAW.

Moved by Mr. W. B. Hamilton, seconded by Mr. M. Leggat, that By-law No. 1, as passed by the shareholders on 12th July, 1887, be hereby repealed, and the following be and is hereby enacted in its stead:

"The board of directors of the bank shall be eight in number, of whom three shall constitute a quorum. No shareholder shall be eligible as a director unless he holds, and has held for thirty days prior to his election, in his own name and right, and not as trustee or in other representative capacity, at least five thousand dollars of the paid-up capital stock of the bank, and no director shall hold office as such after he has ceased to be the holder of at least the said amount of paid-up stock. In case a director makes a general assignment for the benefit of creditors, or his estate is placed in bankruptcy or liquidation under the provisions of any statute relating to bankruptcy or insolvency, such director shall forthwith cease to be a member of the board." Carried.

THANKS TO THE BOARD.

Mr. Sheriff McConkey, of Barrie, 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." The motion was briefly seconded by Mr. John Y. Reid, and was carried unanimously.

Mr. Darling—I can assure you that to receive such an acknowledgment from the shareholders is a great encouragement in the very responsible duties that devolve on us from year to year.

THANKS TO THE OFFICERS.

It was then moved by Mr. Geo. Roach:—"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. Roach, in moving this resolution, spoke as follows:—

I am sure, after the very lucid statement made by the general manager, the shareholders must feel a great deal of confidence in the new management. I have had the pleasure of knowing Mr. Walker for many years, and wherever he is known I am sure he enjoys the confidence of moneyed men. I hope that in moving this resolution it will not be out of place to remark that it is very essential we should have the very best men as managers of the institution. We have seen in another quarter a fearful example this year of inefficient bank management, and while we expect from our own officers very important duties, we should also remember that they should be well paid for doing these duties. Good men cannot be too well paid. I have great pleasure in moving the resolution.

The resolution was briefly seconded by Mr. Hugh Ryan and carried.

Moved by Mr. John Scott, seconded by Mr. D. E. Thomson, "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." Carried.

The meeting then adjourned.

The scrutineers subsequently reported the following gentlemen to be elected as directors for the ensuing year:—Henry W. Darling, Geo. A. Cox, Geo. Taylor, W. B. Hamilton, Jas. Crathern, 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., re-elected vice-president.

B. E. WALKER,
General Manager.

ONTARIO BANK.

The thirty-first annual meeting of the shareholders of this institution was held at its banking house in this city, on Tuesday, the 19th day of June, 1888.

Among the shareholders present were:—Messrs. T. R. Wood, W. Glenney (Oshawa), Sir W. P. Howland, W. Alexander, A. M. Smith, Donald Mackay, Jos. Ketserson, C. S. Gzowski, jr., R. K. Burgess, J. K. Macdonald, G. M. Rose, C. C. Baines, W. J. Macdonell, Alexander Nairn, W. Kingston.

On motion, duly seconded, Sir W. P. Howland took the chair, Mr. Holland, the general manager, was requested to act as secretary, and Messrs. J. K. Macdonald, W. J. Macdonell, and C. C. Baines were appointed scrutineers.

Sir William Howland, the president, then submitted the following

REPORT.

In presenting to the shareholders their 31st annual report, the directors are pleased to be able to state that the business of the bank continues to progress to their satisfaction.

The net profits, after deducting charges of management, interest accrued upon deposits, etc., and making provision for bad and doubtful debts, were.. \$ 151,670 78
Profit and loss (brought forward from 31st May, 1887) 41,879 98
\$193,550 76

Which have been appropriated as follows:—

Dividend No. 60, 3½ per cent., paid 1st Dec., 1887	\$52,500 00
Div. No. 61, 3½ per cent., payable 1st of June, 1888	52,500 00
Quebec Government tax and costs	9,456 71
Rest	25,000 00
Contingent account..	50,000 00
	\$ 189,456 71

Balance of profits carried forward.....

\$4,094 05
The usual inspections of the different branches of the bank have been made during the year.

The branch at Port Perry has been closed, and new offices have been opened at Kingston and Aurora, which already give promise of being desirable acquisitions to the bank's influence.