

Meetings.

MERCHANTS' BANK OF CANADA.

The ninth regular annual meeting of the shareholders of the Merchants' Bank took place in the Board room in the Bank building, corner of St. Peter and St. James streets, Montreal, on Monday the 3rd instant. There was an unusually large attendance of shareholders present.

Sir Hugh Allan, President of the Board of directors, occupied the chair. He said,—Gentlemen, there seems to be a large meeting of shareholders to-day, and therefore I think we had better commence business at once; as a beginning, I would appoint Mr. W. B. Cummings and Mr. Croil as scrutineers, to take the votes of the shareholders for the election of directors. The meeting unanimously acquiesced in the nomination.

Sir Hugh Allan—Now, gentlemen, I will read to you the report of the directors for the past year:—

Report.

In the report submitted to the shareholders at the annual meeting last year, allusion was made to the existing unsatisfactory position of the business of the country, but little idea was then entertained that the depression would continue and become so universal as it has since been found to be. The diminution in the value of nearly all kinds of property has been very great, and many securities which were then regarded as of the most substantial kind have dwindled into very serious proportions. All banks have suffered to a greater or less extent from these causes, and the business of banking has been for the last year attended with considerable anxiety.

The following statement exhibits the position of the bank at the present time:—

Statement of the result of the business of the Bank for the period of twelve months ending 30th May, 1876.

Balance at credit of Contingent Fund 30th June, 1875..	\$ 147,545 80
Profits for half year to November, 1875..	\$687,694 06
Profits for half year to May, 1876.....	\$695,257 70
Taken from the Rest	850,000 00
	<u>\$2,332,951 76</u>
Total.....	\$2,380,497 56
From which has to be deducted—	
Working expe's of the year..	\$349,146 87
Interest paid and reserved	320,551 08
Leaving a balance of.....	\$1,710,799 61
Out of which has been paid—	
The 16th divid'd January, 1876	325,402 40
The 17th divid'd July, 1876....	326,058 00
Appropriation for bad and doubtful debts....	350,000 00
Appropriation to cover shrinkage in value of Detroit and Milwaukee railway bonds, known as Street-Douglas bonds....	600,000 00
	<u>1,601,460 40</u>
Leaving at credit of Conting't Fund	\$109,339 21

GENERAL STATEMENT 31ST MAY 1876.

Liabilities.

Notes of the Bank in Circulation	\$2,554,000 00
Deposits bearing interest	\$5,770,988 31
Deposits not bearing interest....	1,838,696 72
Balances due to other Banks and Foreign Agents.....	7,600,685 03
	<u>722,646 83</u>
Liabilities to the Public....	\$10,886,421 86
Capital Stock paid up.....	8,152,016 67
Rest.....	\$1,000,000 00
Contingent Fund	109,339 21
	<u>1,108,339 21</u>
Dividends unclm'd	6,791,80
Dividend No. 17, payable in July	326,058 00
Interest Reserved.....	332,849 80
	<u>86,086 71</u>
Total Liabilities.....	\$20,566,714 25

Assets.

Gold and Silver Coin on hand..	\$1,103,210 39
Dominion Notes on hand.....	1,216,357 50
Notes and Cheques of other Banks.....	534,712 82
Dominion Government Securities	281,999 55
	<u>\$3,136,280 26</u>
Assets immediately available	374,920 44
Bonds and Mortgages	670,476 34
Bank Premises at Montreal and Branches	
Notes discounted, current, and Advances on Securities	\$15,479,169 49
Notes and Bills discounted overdue and not specially secured (estimated Loss provided for) ..	288,277 27
Notes and Bills discount'd, overdue, secured by Mortgages and other securities	306,723 35
	<u>16,074,170 11</u>
Other Assets not included under the foregoing heads.....	310,867 10
Consisting of:—	
1st. Canadian Assets of Commercial Bank of Canada secured (chiefly by Real Estate).....	\$140,000 00
2nd. Bonds of the Detroit and Milwaukee Railroad, known as the Street-Douglas Bonds, \$1,172,000, at 20c, in the \$= to \$234,400 Am. Cy., say in Gold	210,000 00
	<u>350,000 00</u>
Total Assets.....	\$20,566,714 25

These statements shew that a large appropriation has been made to cover shrinkage in the Street-Douglas bonds of the Detroit and Milwaukee railway, hitherto included under the head of "other assets." These bonds were never specially valued, but merely formed part of the balance at the debit of the Commercial Bank Amalgamation Account, and no basis of valuation existed except the offer of the Great Western Railway Company for them of \$800,000, which, though accepted, was not carried out by

that company in consequence of the refusal of the shareholders to confirm the offer. But an understanding has lately been arrived at between the bank and a committee of the English bondholders, under which these bonds will participate at the rate of twenty cents in the dollar on the first mortgage bonds to be issued upon the reorganization of the railway under pending proceedings. A basis has thus been established for a valuation of them, and they have accordingly been estimated on that basis at \$210,000, with a further allowance of about 12½ per cent. to cover possible depreciation. This estimate is considered reasonable, and from a personal examination of the railway and its resources, I have no doubt of its bonds becoming a remunerative security.

The large amount written off for bad debts arises only, to a small extent, from the business of the past year, but is mainly owing to the disastrous melting away of claim previously regarded as of an undoubted character.

The general aspect of the business of the country is not yet by any means reassuring, and much caution will be required in the business of banking till the atmosphere assumes a less clouded appearance.

It is gratifying to be able to state that the present aspect of the crops throughout the country is such as to warrant the belief of an abundant harvest. This will greatly tend to relieve the present depressed condition of mercantile business; and it is to be hoped that before another year a more prosperous state of affairs will have commenced.

HUGH ALLAN,
President.

Montreal, 3rd July, 1876.

Sir Hugh Allan—I move the adoption of the report; if any gentleman has any remarks to make, or wishes to ask me any questions, I shall be glad to answer whatever the gentleman desires. I will simply say, in addition to the report, that I have reason to believe, after a visit to Detroit, where I looked thoroughly into the working of the Detroit and Milwaukee railway—in fact, I can assure the shareholders of the Merchants' Bank that I don't know of any railway, I don't think there is any railway, east of Chicago which is in a position to-day better than the Detroit and Milwaukee railway. (Applause.) It has paid all its running expenses; it has paid the whole of its interest on the sectional bonds; it has paid a very considerable amount of the accumulated debts which accrued under the management of the road by the Great Western railway, and is at present supplying new ties and steel rails, and is doing a business which is profitable, independent of other railways, and I think altogether the future of the railway offers very well indeed. (Applause.)

The room by this time had become densely packed, and the shareholders discussed one with the other the figures contained in the report, which were circulated amongst them in a printed circular.

Mr. Samuel Pedlar, whose introductory remarks were inaudible, said that he had gathered some interesting facts, which, though the market value of their property during the year showed a great falling off, the shareholders exhibited no lack of confidence. The catalogue list of shareholders in the Merchants' Bank of Canada for the year ending June 3rd, 1876, shows that 158 persons are owners of 100 shares and upwards; 91 of those shareholders hold precisely the same number of shares that they did a year or more ago; 67 out of 158 shareholders have in some cases increased and in other cases decreased the number of their shares, but in the aggregate they hold more stock than they did one year ago by nine hundred and fifty-eight shares. The following are the figures:—