

Capital paid up.....	803,700 00
Rest account.....	220,000 00
Former dividends unpaid.....	76 75
Dividend No. 19, payable 2nd July, 1885	28,129 50
Balance of profit and loss account carried forward.....	4,779 95
	\$3,948,256 98

<i>Assets.</i>	
Specie.....	\$ 116,286 78
Dominion notes, legal tenders..	243,762 00
Notes and cheques of other banks	100,861 70
Balances due from other banks in Canada	96,713 83
Balances due from foreign agents in the United States.....	37,173 86
Balances due from agents in Great Britain.....	23,832 27
Dominion Government and other first-class debentures.....	183,006 02
Assets immediately available....	\$ 771,526 46
Mortgages on real estate sold....	1,000 00
Bills discounted and advances current.....	2,056,498 36
Notes and bills past due (considered good).....	7,207 60
Bank premises, safes and office furniture at head office and agencies	108,339 94
Other assets not included under the foregoing	3,684 62
	\$3,948,256 98

J. L. BRODIE,
Cashier.

Toronto, 30th June, 1885.

The report and statements were adopted.

Moved by Major-General Thacker, seconded by R. Carrie, Esq., and carried "That the thanks of the shareholders are hereby tendered to the president, vice-president and directors for their valuable services during the year."

Moved by Wm. Glenney, Esq., seconded by W. Taylor, Esq., and carried, "That the thanks of the shareholders are hereby tendered to the cashier and other officers of the bank for the efficient performance of their respective duties."

Moved by Mr. W. Allison, seconded by W. Tamblin, Esq., and carried, "That a sum not exceeding \$4,500 per annum be appropriated as an allowance for the board of directors to be divided as they think fit."

Moved by Dr. Carlyle, seconded by John Cowan, Esq., and carried, "That the polling for the election of directors do now commence, and continue until two o'clock, unless five minutes shall have elapsed without a vote being tendered, in which case the poll to be closed, and that Messrs. H. Pellatt and C. C. Baines do act as scrutineers."

The scrutineers declared the following gentlemen unanimously elected directors for the ensuing year:—W. F. Cowan, W. F. Allen, A. T. Todd, Dr. G. D. Morton, John Burns, R. C. Jamieson, and Frederick Wyld.

At a subsequent meeting of the newly elected board, W. F. Cowan, Esq., was duly re-elected president and John Burns, Esq., vice-president.

J. L. BRODIE, Cashier.

Toronto, July 8, 1885.

UNION BANK OF LOWER CANADA.

The twentieth annual general meeting of this institution was held in its banking house, in Quebec, on Monday, the 6th inst. There was a large number of shareholders present. The chair was taken by the president.

REPORT.

The directors beg to submit the following statement of the result of the past year's business of the bank:—

Balance at credit of Profit and Loss account on June 15th, 1884	\$ 12,210 79
Profits for the year ending 15th June, 1885, after deducting expenses of management and reserving for interest and exchange	170,711 39
	\$182,922 18

Which has been applied as follows:

Dividend No. 38, 2 p.c. paid January 2nd, 1885	\$ 40,000 00
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Appropriated to bad and doubtful debts..	142,877 23
	182,877 23

Balance at credit of Profit and Loss, new account.....	\$ 44 95
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While the above statement shows that the general business of the bank for the past twelve months has been good, yet for the reason stated in the circular issued to the shareholders in May last, the directors felt it to be their duty to pass the dividend that would otherwise have been payable on the second instant, and to apply the net earnings of the year, exclusive of the dividend of the 2nd January, 1885, towards making provision for bad and doubtful debts, and towards meeting heavy losses sustained by the bank, mainly at Winnipeg branch.

The serious reverses which have followed the over-trading, and land speculations at Winnipeg, during the past few years, have led to very heavy losses by merchants and bankers directly or indirectly interested in the trade and commerce of the North-West. Of these our bank has unfortunately suffered its full share. For a considerable portion of these losses no blame can be attached to the manager, for the reasons above stated, but with respect to other losses of large amount, incurred upon accounts for advances, the nature and extent of which, and of the obligations undertaken by him, he carefully concealed from the cashier, and the head office, it is impossible to avoid coming to the conclusion that he entirely disregarded the interests of the bank.

Since his dismissal in September last, Mr. Balfour has taken charge of the branch at Winnipeg, and the directors are satisfied that under his management every exertion will be made to do a safe and profitable business and to realize all assets to the best advantage.

For the past six months the office has yielded a good return of net earnings, notwithstanding the large amount of unproductive capital charged to the branch.

The bank has also had to meet losses in the Three Rivers branch, of a somewhat similar character to those at Winnipeg, though much less serious in extent.

The unfortunate results of the business at these branches, have left accounts to be collected and assets to be realized of such doubtful and uncertain value, that in the opinion of the board, they should in the meantime be written off from the capital of the bank.

Your directors therefore recommend that application be made at the next session of Parliament, for an act authorizing the reduction of the capital to such an extent, as will leave it intact and free from all doubtful assets—with at the same time a further amount for a rest to meet contingencies, and ensure the future regular payment of dividends. The reduction necessary to effect this end must depend in some measure on the result of the current business of the bank, and on the success that may attend the realization of questionable assets during the next six months; but the directors do not feel justified in assuring the shareholders that the required percentage will be less than 25.

Apart from the exceptional losses above referred to, the business of the bank for the past year has been good and profitable, when it is remembered that a part of the capital has been unproductive—and that there is no rest to assist the profits—the net earnings of the bank as given in the above statement, establish that the business is an excellent one for the capital employed.

The directors are satisfied that with the capital reduced as proposed, to a gold basis, and with a surplus fund for a rest, the shareholders may confidently rely upon a steady proportionate increase in the bank's earnings and upon receiving fair dividends regularly in future.

The President moved, seconded by the Hon. Geo. Irvine, and carried,—"That considering the losses which the bank has sustained, this meeting is of opinion that the capital should be reduced, and the directors are hereby authorized to apply to the Parliament of Canada for an act authorizing a reduction of the capital to such an amount not exceeding 25 per cent., as the directors after a careful consideration of the assets, shall deem necessary."

The President moved, seconded by the Hon.

Geo. Irvine, and carried,—"That this meeting is of opinion that it would be desirable to ask Parliament to permit the name of this bank to be changed to 'The Union Bank of Canada.'"

The scrutineers, Messrs. Shaw and Budden, reported the following gentlemen elected as directors for the ensuing year, viz:—Andrew Thomson, Hon. Geo. Irvine, E. J. Hale, D. C. Thomson, E. Giroux, Hon. Thos. McGreevy, E. J. Price.

At a subsequent meeting of the new board Andrew Thomson, Esq., was re-elected President, and Hon. Geo. Irvine, Vice-President.

Commercial.

MONTREAL MARKETS.

MONTREAL, July 8th, 1885.

The mid-summer "between seasons" being now fairly on, it is not to be expected that there should be any active movement of merchandise. In groceries, however, there is rather more doing than for the last several weeks, and in boots and shoes the factories are getting fairly under way on fall orders, which are reported as very satisfactory, country stocks generally being at a pretty low ebb. A shipment of four tons of boots and shoes was made to Government by a local house this week.

Leather, as a consequence of the comparative activity in shoes, is in somewhat better demand. Other lines are dull and sluggish. Remittances continue rather slow, but failures are not numerous nor heavy.

The grocery trade has been much exercised the last couple of days over rumors regarding an increased excise on tobacco, as well as the imposition of a duty on teas, shipped direct. There is evidently some sort of foundation for the report as regards tobaccos, as we have learned that the excise office has refused acceptance of duties at existing rates, under instructions from Ottawa. As regards teas nothing of a definite character has yet transpired.

The past week has witnessed a great improvement in the appearance of the country, under the effect of grateful rains and favorable growing weather. Hay, which was suffering severely from drouth, has been much advanced, but will still be a short crop in a good many sections. Grains and roots look well.

ASHES.—Prices continue on the same level i.e. \$3.65 to \$3.70 for No. 1 pots. No seconds selling. A shipment of ten brls. of pearls was made last week to Britain, but no local transactions have been reported for some time. General receipts and shipments of the moment are light. From Jan'y 1st to June 30th, receipts of pots were 2,416 brls.; last year, 3,369; pearls 125 brls. as against 378 last year.

CEMENTS, FIRECLAY, &c.—There is not much doing in these lines just now. We quote Portland cement \$3.25 per single brl., \$2.50 to \$2.75 in lots; Roman, \$2.75; Canadian, \$1.75. Fireclay \$2 a bag, \$4 a brl.; firebricks \$3.25 per hundred, \$25 per thousand.

FISH.—The amount of business transpiring in this line is hardly worth noting, and stocks generally are low. There is a little doing in B. C. Salmon at \$10.50 to \$11.00, and American cod at \$2.50.

DRY GOODS.—There is very little of a new or interesting character to be said about trade matters in this line, the time being a "tween season one." Buyers generally are back from the other side, and the preparation of samples for the fall campaign is the order of the day, though some houses show no special haste to get travellers out. What paper fall due on the 4th is reported to have run off fairly, but the general run of remittances is not improved.

DRUGS AND CHEMICALS.—Trade in this line continues very sluggish, heavy goods are not in demand, and the movement in all lines is very restricted. Payments are reported as fair. Prices are subject to no change since last week's revision. We quote: Sal Soda, \$1.00 to \$1.10 per 100 lbs., Bi-Carb Soda, \$2.30