

TORONTO CLEARING-HOUSE.

Clearings and Balances of this clearing-house (of which the Bank of Toronto is not a member) for the week ended June 16th, 1892, are as under:—

	Clearings.	Balances.
June 10	\$1,070,561	\$186,219
" 11	1,007,204	151,817
" 13	864,104	117,567
" 14	1,030,328	59,392
" 15	846,329	89,745
" 16	909,195	72,157
Total	\$5,727,221	\$676,897

HALIFAX CLEARING-HOUSE.

Bank clearings for week ending June 11th, 1892, were as follows, viz.:

Monday, June 6	\$185,469 59
Tuesday, " 7	246,864 96
Wednesday, " 8	204,331 32
Thursday, " 9	247,338 28
Friday, " 10	216,511 80
Saturday, " 11	147,888 15
Total	\$1,248,204 10

Meetings.

MERCHANTS BANK OF CANADA.

The annual general meeting of the shareholders of the Merchants Bank of Canada was held in the board room of that institution in Montreal, on Wednesday, 15th June, when there were present: Messrs. Andrew Allan, president; Robert Anderson, vice-president; Hector Mackenzie, Jonathan Hodgson, James P. Dawes, F. S. Lyman, John Crawford, W. Burke, J. H. R. Molson, W. B. Francis, A. H. Lunn, J. Y. Gilmour, Robt. Benny, J. S. Meredith, L. H. Montgomerie (St. John), James Croil, John Morrison, David Lewis, John Cassils, Timothy H. Dunn (Quebec), Sir Joseph Hickson, J. T. Molson, E. F. King, John McConnell, Jas. Williamson, C. S. Garland, J. P. Cleghorn, Richard White, A. Leclaire, Jas. B. Allan, and others.

The proceedings were opened by the president, Mr. Andrew Allan, taking the chair, and requesting Mr. John Gault to act as secretary. After the secretary had read the advertisement calling the meeting, the president submitted the following annual report of the directors:—

REPORT.

The directors of the Merchants Bank of Canada beg to report to the stockholders the results of the business of the past year:—
The net profits of the year, after payment of interest and charges, and deducting appropriations for bad and doubtful debts, have amounted to.....\$530,247 17
Balance from last year.....4,430 11

\$534,677 28

This has been disposed of as follows:—

Dividends Nos. 46 and 47, 7 per cent.....\$405,944 00
Added to the "Rest".....125,000 00
Carried forward to Profit and Loss account of next year.....3,733 28

\$534,677 28

The business of the bank has made steady progress in all its leading departments during the past year.

The actual earnings of the bank were not quite equal to those of last year, although a larger business has been done, a state of things which the directors believe to have been common.

During the year the failures amongst the circle of the bank's customers have not been numerous, nor, with one exception, important, and in several cases the securities held were sufficient to liquidate the whole debt. The exception was in New York, where the head of a large firm obtained an advance on forged bills of lading.

The person who committed this fraud was of high character and reputation, whose firm had done an extensive business, with an honorable record, for more than twelve years

back. The firm have gone into insolvency, and the claim of the bank against them is undisputed. Some recovery is expected to be made, but the greater part of the debt has been written off out of the present year's profits.

But for this untoward event the net result would have been better than the average of the last few years.

Certain doubtful debts of former years, provided for in the contingent fund, have now been charged against that fund, leaving a balance therein of \$75,800 to meet the estimated contingency in the remaining doubtful debts of the bank.

The board have had reason to deplore the death of a much esteemed colleague, Mr. John Duncan, whose large experience was always used to the advantage of the bank.

The vacancy has been filled by the election of Sir Joseph Hickson, a gentleman so well known in Canada that it is not necessary to speak of his qualifications for the post.

As requested by the shareholders last year, the board have considered the question of either increasing the capital to six millions, or decreasing it to five millions. They were much inclined to take the latter alternative, as there would be many advantages in that course. But the difficulty of dealing with a capital of such a broken sum as \$5,799,200 was so great, that although no more capital is needed, the directors concluded for convenience sake to increase the stock to the round sum of six millions, by allotment according to Sec. 27 of the Banking Act, at a premium of 45 per cent. The matter will be explained in all its bearings by the general manager.

The officers of the bank have discharged their duties during the year with zeal and efficiency, and to the satisfaction of the directors. The whole respectfully submitted.

(Signed) ANDREW ALLAN,
President.

Montreal, June 10th, 1892.

STATEMENT OF ASSETS AND LIABILITIES AT 31st MAY, 1892.

Liabilities.

1.—To the public:	
Notes in circulation.....	\$ 2,731,797 00
Deposits not bearing interest	\$2,522,246 80
Deposits bearing interest	7,319,756 15
Interest due thereon to date	82,216 15
	9,924,219 10
Balances due to Canadian banks keeping deposit accounts with this bank	720,057 19
Balances due to Canadian banks in daily exchanges	27,695 68
Balances due to agents in Great Britain	334,798 87
Dividend No. 47	202,972 00
Dividends unclaimed.....	1,648 50
	\$13,943,188 34
2.—To the stockholders:	
Capital paid up	5,799,200 00
Rest	2,635,000 00
Contingent account	75,800 00
Balance of Profit and Loss account carried to next year....	3,733 28
	\$22,456,921 62

Assets.

Gold and silver coin on hand....	\$ 305,558 09
Dominion notes on hand.....	553,481 00
Notes and cheques of other Canadian banks.....	601,261 34
Balances due by other Canadian banks in account and daily exchanges.....	76,246 58
Balances due by banks and agents in the United States.....	631,704 49
Dominion Government bonds....	769,981 06
Railway and municipal debentures.....	127,300 00
Call and short loans on bonds and stocks.....	1,698,636 61
Total available assets	\$4,764,169 17
Time loans on bonds and stocks \$	121,181 23
Other loans and discounts.....	16,518,175 43
Loans and discounts overdue (loss provided for)	127,238 71
	16,766,595 37

Deposits with Dominion Government for security of note circulation.....	70,000 00
Mortgages, bonds and other securities, the property of the bank	122,746 11
Real estate.....	203,977 74
Bank premises and furniture....	508,173 28
Other assets.....	21,259 95

\$22,456,921 62
(Signed), G. HAGUE,
General Manager.

The president then moved, seconded by the vice-president, Mr. Robert Anderson:—

"That the report of the directors, as submitted, be and the same is hereby adopted and ordered to be printed for distribution among the stockholders."

But before putting the motion to the meeting, Mr. Andrew Allan called upon the general manager, Mr. George Hague, for a few remarks upon the financial outlook.

GENERAL MANAGER'S ADDRESS.

I desire to say a few words in the first place respecting our own business and various matters appertaining to it, and then to take a brief outlook over the business of the country generally. The latter, you will understand, is just as pertinent to the bank's annual meeting as the former, as has been pointed out more than once in this room.

The figures of our balance sheet will show that there has been a steady advance in all the leading departments of the bank's business during the year.

Our circulation is more by \$140,000, our deposits are more by \$590,000, and our discounts and investments are more by \$983,000, all which is satisfactory, as showing that the directors and officers of the bank in these times of keen competition have been reasonably enterprising. Not that we have adopted a pushing and driving policy, for that is never prudent in banking. Nor have we resorted to illegitimate methods. We have endeavored to conduct our business on the solid and honorable line of banking tradition as understood in the great centres of banking in the world. Experience has proved these to be the most advantageous in the long run. The bank has endeavored so to deal with its customers that they will remain with us, and recommend us to others for business-like treatment. I think the following figures will justify the policy:—

Our deposits in 1880 were	\$ 7,296,000
" " 1885 "	8,574,000
" " 1890 "	9,310,000
" " 1892 "	10,644,000
Our circulation in 1880 was	2,127,000
" " 1890 "	2,563,000
" " 1892 "	2,731,000
Our discounts and advances in 1880	10,822,000
" " 1890 "	16,349,000
" " 1892 "	16,766,000
Our total earning power in 1880 was	12,861,000
" " 1890 "	18,478,000
" " 1892 "	20,117,000

In view of this statement, you may naturally ask why have our net earnings not increased as steadily as the earning power, and especially why do we show such small earnings this year. To the first I reply, that in banking as in other lines of business, along with an increasing volume of business, there has been a decreasing ratio of net profit on the business done.

With regard to the present year, the meagre showing, so much below the average, is wholly due to the misfortune which happened us in New York. Respecting this I can only say that there are some events that can neither be foreseen nor guarded against. When a member of one of the best families of the United States, the head of a firm who have maintained an unblemished reputation during a long business career, every engagement being honorably met—when the head of such a firm descends to the crime of forgery, the event can only be compared to "thunder out of a clear sky." Almost every bank, however, has had an experience of this kind, the Bank of England itself not having escaped. But for this we should have had to present a better statement than the average. For though the year has been marked by many vicissitudes, there have been few failures in our circle of customers, and the ordinary run of losses has been smaller than usual. The bank for years back has admittedly pursued a cautious policy in selecting customers and granting