



FARMERS' LOAN

Toronto, Dec. 13.—The second meeting of shareholders of the Farmers' Loan and Savings company was held this afternoon. Eighty-five shareholders were present, representing 8,700 shares of \$50 each. Rev. Dr. Gregg, Rev. Dr. Moffatt, Rev. Dr. Warden and Prof. Goldwin Smith are among the shareholders. Dr. Warden, agent of the Presbyterian church, complained of the way shareholders had been treated and dwelt on the fact at a meeting in June, the directors had made a statement showing the capital of the company to be intact and a rest of 25 per cent after paying a dividend of \$75,000. After a brisk discussion all the speakers taking the same line as Dr. Warden, the secretary of the meeting was instructed to wait on the masters in chambers on Wednesday and protest against the appointment of a permanent liquidator until the actual state of the company had been ascertained. There is a strong feeling against the directors of the company on the part of the shareholders, many of whom will be ruined. There will be extensive litigation to a certainty and there may be startling developments.

BANK OF OTTAWA

—
 TWENTY-THIRD ANNUAL MEETING OF
 SHAREHOLDERS—THE BUSINESS OF
 A SUCCESSFUL YEAR REVIEWED
 —

The twenty-third annual meeting of the shareholders of the Bank of Ottawa was held at the bank on Wednesday, 8th December, 1897.

Among those present were J. Roberts Allan, R. L. Blackburn, Hon. G. Bryson, Jr., J. F. Cunningham, Alexander Fraser, Geo. Hay, Geo. F. Henderson, Andrew Masson, John Mather, Chas. Magee, D. Murphy, David MacLaren, Sheriff Sweetland and J. G. Whyte.

On the motion of Mr. D. Murphy, seconded by Mr. Alex. Fraser, Mr. Charles Magee took the chair, and the general manager was requested to act as secretary. The chairman then asked the secretary to read the report of the directors.

REPORT OF THE DIRECTORS.

The balance at the credit of profit and loss account on 30th November, 1896, was \$ 44,289.16
 Net profits for the year ending 30th November, 1897, after deducting expenses of management, reduction in bank premises, and making necessary provision for interest due to depositors, unearned interest on current discounts and for all bad and doubtful debts 201,483.80
 \$245,772.96

Appropriated as follows:	
Dividend No. 42	\$ 60,000.00
Dividend No. 43	60,000.00
Bonus of 1 per cent	15,000.00
Appropriation authorized for officers' pension fund	5,000.00
Carried to rest account...	60,000.00
	<u>\$200,000.00</u>

Leaving a balance to be carried forward at the credit of profit and loss account of \$ 45,772.96

And making the rest account \$1,125,000.00

In view of the fact that the business of the Bank continues satisfactory, the directors decided that it would be desirable to declare a bonus of one per cent with the December dividend, which was accordingly done.

A branch of the Bank was opened in Toronto on the 1st of last month, with fair prospects for business.

In order to place the Bank in a better position to take up any new and desirable business offering, the Directors think it advisable to request the shareholders at this meeting to authorize the issue of 5,000 shares of new stock, to be allotted from time to time if required. A resolution bearing on this subject will be submitted for your consideration.

The offices of the Bank have been duly inspected during the year.

The officers of the Bank continue to perform the duties assigned to them in a satisfactory manner.

All of which is respectfully submitted.

CHARLES MAGEE,
 President.

GENERAL STATEMENT.

Liabilities and Assets as on 30th November, 1897.

LIABILITIES.

Notes in circulation	\$ 1,392,705.00
Deposits bearing interest	5,078,982.92
Deposits not bearing interest	895,049.74
Deposits made by other banks in Canada	4,132.86
Balances due to banks in foreign countries	371.31
	<u>\$7,371,241.33</u>
Capital (fully paid up)	1,500,000.00
Rest	1,125,000.00
Dividend No. 43 and bonus	75,000.00
Former dividends unpaid...	1,108.00
Reserved for interest and exchange	14,464.00
Rebate on current discounts	50,757.85
Balance of profit and loss account carried forward	45,772.96
	<u>\$2,812,102.81</u>
	<u>\$10,183,344.14</u>

ASSETS.

Specie	\$ 153,382.58
Dominion notes	438,730.75
Notes of and cheques on other banks in Canada...	130,422.76
Deposits in other Canadian banks	574,458.20
Balances due from other banks in foreign countries...	295,662.18
Balances due from banks in United Kingdom	23,362.37
Dominion government debentures or stock	394,702.77
Deposited with Dominion government for security of note circulation	60,000.00
Canadian municipal debentures	128,287.04
	<u>\$2,198,958.65</u>

Call loans on stocks and bonds	249,186.00
Loans and bills discounted	7,561,190.71
Overdue debts (estimated loss provided for)	85,965.30
Real estate, the property of the bank other than bank premises	13,440.28
Mortgages on real estate sold by the bank	10,594.20
Bank premises	124,000.00
	<u>\$10,183,344.14</u>

GEO. BURN,
 General Manager.

The chairman then said:

The statement which has just been read by the general manager is, in the opinion of the directors, the most satisfactory which they have yet had the honor of submitting to the shareholders.

The payment of a bonus of 1 per cent, in addition to the regular dividend of 5 per cent, and the placing of \$60,000 to the rest account out of the earnings of the year, after having made full provision for bad and doubtful debts, besides appropriating \$5,000 to the pension fund and writing off \$1,000 from the bank premises account is an achievement which the management ought to be proud of and the shareholders congratulated upon.

If you compare the figures in the balance sheet with those of last year, you will find there is an increase this year in deposits of \$754,865, and in loans there is a decrease of \$187,059.

The increase in circulation is \$76,640, which brings the amount about as near the statutory limit as it is safe to go. You are doubtless all aware that under the bank act the circulation is limited to the amount of the paid up capital, and for any over issue the penalty is very heavy. For several weeks in the autumn of the last three years, during the active time of marketing wheat and other grain crops, our circulating power has been inadequate, and the bank has had to pay out the notes of other banks. This year the amount assumed quite large proportions.

The opening of a branch in Toronto was an important step which was very carefully considered by the board. It is convenient and desirable to have the bank represented in the chief business centre of this province, but it is too soon yet to say much about the prospects. It is the intention to pursue a conservative policy and not an aggressive one in seeking new business. The risk of loss will not be great and the chances are the branch will be at least self-sustaining.

The paragraph in the report referring to a possible increase in the capital stock needs explanation. At the present time additional capital is not required and could not be profitably employed. It is not the policy of the directors to increase the capital unless absolutely necessary and until the advantages of so doing are very apparent, the powers asked for to-day will not be used. It is easier to earn good dividends on a capital of from one to two million dollars than on a large capital. There have been times when the deposits and general resources of the bank have not been as large as they are now, when good and profitable business had to be declined, and should such opportunities occur again, the directors feel they ought to be in a position to take advantage of them by being able to call up additional capital without the necessity of calling a special meeting of shareholders, which would require to be advertised six weeks. Should it be decided to increase the capital