

## Meetings.

## EASTERN TOWNSHIPS BANK.

The annual general meeting of shareholders in the Eastern Townships Bank was held at their banking house, in the city of Sherbrooke, pursuant to notice, on Wednesday, 3rd June inst., a fair number of shareholders being present.

R. W. Heneker, Esq., the president, took the chair.

Wm. Farwell, the general manager of the bank, was elected secretary; C. W. Cate and A. D. Nicolls were elected scrutineers of votes.

Minutes of last annual meeting were read and confirmed, after which the president, on behalf of the board, submitted their

## REPORT.

The directors beg to submit to the shareholders their annual report on the operations of the past year, with the balance sheet and profit and loss statement on the 15th May last.

The results of the year's working proved satisfactory, so that the directors at their meeting on the 2nd inst., after making ample provision for all bad and doubtful debts, as well as the usual appropriation of \$5,000 to the pension fund, were able to declare a second dividend of three and one-half per cent. ( $3\frac{1}{2}$  p.c.), payable on the 2nd July next, making seven per cent. for the year, and to carry \$30,000 to the reserve fund, with a balance forward to the credit of profit and loss of \$21,808.74.

The result was the more gratifying, as the general business of the country during the past year proved disappointing to many who had looked forward to the advent of more prosperous times. Much had been looked for from the prospects of the then coming harvest, but, though the yield was abundant, prices of all descriptions of farm produce continued too low to bring much profit. Trade, consequently, languished and dull times prevailed. Notwithstanding this, the country has progressed, as the Bank Returns show, the interest deposits having increased considerably during the year.

The addition now made to the bank reserve has brought up that fund to the amount long looked forward to, viz., one-half the capital, and the directors are confident that the shareholders will join them in their feeling of satisfaction at this result. The fund should be looked upon, not merely as an addition to the capital, but as a shareholders' security against possible contingencies, and a bank is greatly strengthened in every way by the possession of a strong reserve.

It does not, of course, follow that any change in the system of bank administration will ensue. The same principle of caution, combined with energy and enterprise, will be necessary, in the future, which has brought the small institution of 1859 to the condition of prosperity shown by the balance sheet of 1896. The history of the bank has been in the main a history of steady growth, and the directors feel that the present prosperous condition is largely due to the help afforded by the bank since its establishment to every legitimate enterprise. It was established for the benefit of the Eastern Townships at a time when the business men of this section of the country looked in vain for help from the large centres of trade.

The directors do not shut their eyes to the circumstances of the times. There are clouds on the horizon and every business man must watch them. In the banking business, one of these clouds arises from the lowering of the rate of interest through the accumulation of money. The fall in the rate has been great during the past few years, and while a low rate of interest is often a help to the business man, it tells against the holder of invested means, and tends to induce a spirit of speculation. Men are now more eager to enter on speculative business than they formerly were, and the banker requires great caution in making advances. But the world grows, and will grow healthily, if men will be prudent. The directors of the Eastern Townships Bank see no cause for alarm.

There are a few matters of interest, special and general, which the directors desire to touch upon, and first among these is the opening of the new branch at St. Hyacinthe.

The St. Hyacinthe branch was opened last autumn, after careful thought and consideration, at the solicitation of many business men of that city.

It is the first instance of an extension of the business, beyond the limits of the Townships, into a district which had up to that time been served entirely by Montreal institutions and a local bank. The greatest confidence was expressed in the system of management of the Eastern Townships Bank, and a prosperous career for it was foretold, bringing benefit to the people of that city. The directors are happy to be able to report that the experiment has been, so far, successful. The bank was welcomed by the citizens, deposits to a considerable amount have been secured, and satisfactory business relations have been established with firms of high standing and respectability. The outlook is satisfactory.

The directors feel that it becomes them to express their satisfaction at the course taken by the citizens of Sherbrooke in endeavoring to promote the establishment of new industries in that city. They view with favor the enlargement of the Jenckes Machine Company's works, and the advantages which that company must derive from the change made in the location of their shops. Through the facilities now secured to them, the company can ship the heaviest machinery by rail directly from their works to any part of the continent.

The action of the Sherbrooke Board of Trade in making known the advantages offered by the city as a great business centre, is worthy of praise, and promises well for the future of the city.

The directors are also pleased to notice the development of manufactures at other business centres, such as Granby, for instance, where the Rubber Works have been successfully carried on for some years, and other new industries are being established.

The city of St. Hyacinthe is also an energetic, prosperous business centre, and presents a picture of life and activity worthy of notice.

At the village of Magog, the great print works and cotton mills are kept always full of work, and the industries of Coaticook are also flourishing.

The dairy industry of the country, in which the directors have always felt a lively interest, has not been so profitable during the last year as could be desired. As this is an industry of special importance to the farmers of the country, any falling off in the returns affects more or less the whole community. In their report of 1894, the directors drew special attention to this industry, showing the advantages to be derived from a scientific development of the natural resources of the Townships, which are so eminently suitable for dairy farming, through the quality of the soil, the nature of the climate, and the overflowing supply of pure water derived from the hill sides. Competition is no doubt keen, but by combination amongst farmers, so as to secure a proper number of cows, by care in the selection and management of the animals, by care in both summer and winter feeding, by care in manufacturing, and with a proper system of inspection, it seems impossible that such industries should fail of success. The benefits to the farmer are not merely that he gets a quick return for his outlay, but that he also benefits from having the milk, after separation from the cream, in a state the most profitable for the growth of young animals.

By means of the excellent facilities now provided for inland transportation, as well as ocean transportation through a cool high latitude, under a proper system of cold storage, competition need not be feared. There may be in this, as in other products, at times an overplus, but that is a difficulty at all times incidental to man's labor.

The mining industries cannot be overlooked in a review such as this, for the Townships have established a reputation of being rich in minerals, though as yet only very partially developed.

It is pleasant to note that despite the dull times, the asbestos and copper mines have continued in operation. When it is recognized that the Eastern Townships furnish eighty per cent. of the practicable asbestos of the world, it is reasonable to conclude that, if the cost of production can be kept within the bounds of a quick demand, the success of this industry is assured. The directors have, during the past year, had their attention drawn to the great variety of uses to which this mineral textile material can be applied, and they foresee, if their information prove sound, an immense development of these workings.

The directors are glad to notice also that chrome iron has been found and worked profitably, the demand being active and satisfactory.

Even in the search for gold there is a movement, and the discovery of gold in quartz veins is looked upon as a certainty in the near future.

The advantage to the country of giving employment to the various classes of the people, in farming, in manufacturing and in mining, is all the more important at such times as the present, when the United States, our next-door neighbors, have declared it as part of their policy that employment shall not be given to any but American citizens, all immigrants to that country being obliged to take the oath of allegiance and even to pass a literary examination. This is indeed a change of policy from the time when that great country, in order to encourage immigration, was called "the asylum for the surplus population of Europe," and even sent delegates from New England to induce the population of the province of Quebec to enter the New England factories.

Canada cannot and should not complain, but should seek by enterprise and the employment of capital to furnish employment within her own boundaries for every class of her people.

In conclusion, the directors bear willing testimony to the excellence of the bank administration, and desire to record their thanks to the whole staff of the bank officers.

Respectfully submitted on behalf of the directors,

R. W. HENEKER,  
President.

After reading the report, the president briefly addressed the meeting, and concluded by moving its adoption; this was seconded by Hon. M. H. Cochrane, and after remarks by the general manager, and short remarks by several shareholders, was carried.

On motion, the appropriation for remuneration of directors was increased \$400, making the amount \$8,400.

The thanks of the shareholders were voted to the president and directors, and also to the general manager, managers and officers of the bank.

There being no further business before the meeting, the vote was taken for election of directors for ensuing year, which resulted in the re-election of the old board, viz., R. W. Heneker, M. H. Cochrane, Thomas Hart, J. N. Galer, I. Wood, N. W. Thomas, T. J. Tuck, Gardner Stevens, John G. Foster.

The meeting then adjourned.

PROFIT AND LOSS STATEMENT FOR THE YEAR  
ENDING 15TH MAY, 1896.

Balance of credit of profit and loss, carried forward from May 15th, 1895 .....	\$ 13,534 54
Profit of head office and branches, after deducting charges of management, appropriation towards pension fund, interest due depositors, and ample provision for bad and doubtful debts .....	143,274 20
	<u>\$156,808 74</u>

## DEDUCT.

Dividend of $3\frac{1}{2}$ per cent., paid 2nd January, 1896 .....	\$52,500 00
Dividend of $3\frac{1}{2}$ per cent., payable 2nd July, 1896 .....	52,500 00
Transferred to reserve fund .....	30,000 00
	<u>135,000 00</u>
Balance carried forward .....	\$21,808 74

## GENERAL BALANCE SHEET, MAY 15TH, 1896.

Liabilities.	
Capital paid in .....	\$1,500,000 00
Reserve Fund .....	\$750,000 00
Profit and loss balance .....	21,808 74
Dividend No. 73 of $3\frac{1}{2}$ per cent., payable 2nd July next .....	52,500 00
Dividends unclaimed .....	3,671 82
	<u>827,980 56</u>
E. T. Bank bills in circulation .....	874,046 00
Dominion Government deposits on demand .....	21,562 60
Provincial Government deposits on demand .....	10,797 78
Other deposits on demand .....	552,728 75