

THURSDAY, JUNE 6, 1860.

CITY BANK.

The Annual Meeting of the Stockholders of the City Bank was held at the Banking House, in Montreal, on Tuesday, the 3rd day of June, 1860.

Emmanuel Hawkesworth was called to the Chair, and Robert McCallum appointed Secretary, and H. H. Whitney and George W. Pease, Vice-Presidents.

The Chairman having called the meeting to order, the President, William Workman, introduced the business of the day by describing the operations of the Stockholders in the statements of their depositors, and the amount of money deposited with the Bank, as well as the position of the Bank, he then proceeded to read the following:

REPORT:
My Chairman and Gentlemen.—It is now a year since you placed the Directors in office, and in consequence of the change in the Charter of the Bank, they have again come into your hands; the trust thus committed to their care, and you are now called upon for the purpose of receiving a new Statement of the Business of the Bank, and for the ensuing year.

On the part of this kind, it has heretofore been deemed best by the Directors going out of office, to submit a formal Report to the Stockholders, and as the circumstances under which the present Board of Directors came into office, were somewhat peculiar on account of the change in the Charter, which the claims of the Bank then stood, it will be necessary to enclose with the custom, or the Report, a document to enter somewhat more into detail than has previously been done at annual meetings of Stockholders.

The heavy losses, and other adverse circumstances, having prevented the usual declaration of dividends, from 1st December, 1847, and produced very considerable discontent and excitement among the Stockholders, it was determined to call the 10th of March, 1849, as a general meeting of all the shareholders, to the great loss of the Postmaster.

The Postmaster had submitted particulars of the sum large amounts which the Agency had been permitted to touch in this way, under former management; and had presented a full and accurate statement, fully complying with the custom, or the Report, to enter somewhat more into detail than has previously been done at annual meetings of Stockholders.

It has been their earnest desire, that the Bank, by every means in their power, and thus to promote the interests of the Stockholders.

With these feelings it gave them great pleasure to be enabled to declare a dividend of 2 per cent. for the half year ended December last; and it was again possible for the half year ending instant, and after paying these two dividends amounting together to the sum of \$10,000, to add a balance of surplus profit and loss, towards the payment of the debts of the Bank.

It is now, however, to state that, in the management of the Bank, difficulties of an ordinary character have been encountered; a large portion of the reduced Capital is still locked up in Reserve Deposits at St. Paul's, and invested in Real Estate.

2nd.—To reduce the number of Directors to five instead of seven, and to increase the number of shares of each Director to 40 Shares of Stock instead of 20 Shares, the term existing qualification.

3rd.—To apply to the Legislature, in this manner, for permission to issue a new Charter of the Bank, in conformity with these changes.

The above resolutions were accordingly carried out, and the necessary action of the Legislature obtained in an amended Charter embracing them, and, under this Charter, no annual general meeting of the Board of Directors was held at the annual meeting of the Stockholders.

Mr. George C. Clark, having in the meantime resigned his post, the first attention of the new Board was directed to the filling up of this important vacancy, and in this duty was most successfully performed by Mr. George W. Pease, the present Agent of the present Cashier, Mr. MacCallum, who has since filled the office with unwearied zeal and much ability, under most adverse and trying circumstances.

Before proceeding further, it will be proper here to mention that the amount of 20 per cent. upon the Capital Stock was decided upon at the annual meeting in March, 1849, it was then understood and believed that this reduction of Capital covered all previous losses sustained by the Bank, and that the remaining 20 per cent. of the Stock would be compensated with any further losses, so far as they might occur, in the event of a subsequent discovery of a discrepancy in the amount of \$10,000 in the account of Notes due.

A fresh apparent loss, to be contended against, and arising either in the discovery of unknown losses which the Board have ever since been in search of; this duty which is still in progress has involved a most tedious and minute examination of the Books of the Bank for the last 3 years; and from the mass of papers and documents to which the Directors have resorted, in tracing items, from the books of former Presidents, and from part of the Books having been accidentally burned, it has been found very trying and laborious, but the results already obtained go to show its great importance, and its continuance.

During the early part of the summer the respective Agencies at Quebec, at Sherbrooke and at Stanstead were visited by the President, and such changes, precautions and reforms recommended, and their management as appeared most necessary.

The visit of the Agents Agency entailed very considerable labour, from the continued and very tedious condition of its affairs. The whole department underwent a thorough examination and revision; security was obtained, and every safe and precautionary measure taken, as the circumstances required.

All documents were examined and every caution directed towards calling and settling the large amount of outstanding claims there due; the extent of which the duty done, and time spent in the discharge of this duty, which is still in progress, but in its particular interest in the discharge of the duties of the Bank, has earned much credit and anxiety, and we beseech the thanks of the meeting.

And here it is only right to state, in justice to the Stockholders and the present Board, that a system has been introduced, under the management of the present Cashier, which it is difficult to conceive that any other could have been adopted, than that of suspending all interest on the capital stock, and the winding up of the Estate of the late Mr. Brooks, that it is at present impossible to say how the ultimate result of losses at this Agency may differ above or below the estimation made.

The Directors of the Standard Agency were found in a very regular and safe condition, and much credit is due to the agent, Mr. Judd, for his careful and systematic management; but in watching the progress of the business done at this Agency, the Board arrived at the conclusion that the time had come to make a change, and to place the management of the Agency in the hands of a more discreet and experienced officer, without the benefits usually derived from deposits and circulation, and as no capital thus employed could be better applied here, the Board resolved to trust their duty to the agent, and to make arrangements for the removal of the same to another port, with a view to transferring the capital there, where it can be employed to better advantage; and accordingly the outstanding amount of notes discounted at Stanstead, has been paid off, and no longer remains to be paid.

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To which sum, if we add gain on circulation as above estimated, 7000 0 0

We have the sum of \$7200 12 5, which forms a reserve fund against losses or diminution, if it may be said necessary, of the \$10,000 account, for the estimation of the \$10,000 account, or the amount of these contingencies are amounted to any thing near the \$10,000 in reserve to cover them, a permanent fund will be established, and some emoluments which may appear in the future account of the Standard.

The Board, in consideration of former annual meetings of Stockholders, to pass votes of thanks to the respective Cashiers and Agents for their skill and efficiency in the performance of their respective duties, nothing can be more fitting than such favorable marks of approbation when based on the results of their labours.

Whether this has been always the case or not, it is necessary for us now to thank, but the majority of the Board, on the present occasion, did not do so, and the Board, in this respect, are to be blamed.

With this, however, always in demand for Eastern Canada, we need not look for any extension of circulation in that quarter, without a sensible issue of bills from that agency, and redeemable there only.

Arrangements have been made for issuing bills from this Branch, which, when completed, it is believed will effect a circulation in Western Canada, from the winter season in that quarter, in October last, which has since been conducted under the management of Robert James Jr.

Through this agency a limited extension of business has been obtained, and we expect to find a more profitable field for this agency, without any extension of circulation in that quarter, without a sensible issue of bills from that agency, and redeemable there only.

The Agency at Pease has discontinued the expenses in conducting it, far exceeding the sum due to be derived from continuing it.

The Quebec Agency during the past year, has not been in a position to compete with the commercial banks there, but the large circulation and other benefits, obtained by the Branches former years justify the Board to hope for a beneficial change being.

This Agency has discontinued, though this Agency for 8 years previous to 1849 was over \$200,000; at one period during that time August 1845 it was \$14,000. The net profits for 8 years above named, my year previous to 1849 amounted to over \$24,000. These results of course must leave just ground for believing that the future

years from this Agency will be more profitable.

Reducing the large amount of outstanding claims there, leaving no charge, but to consume it.

Where however, in the course of time, a number of active and successful business men, and others, have come to meet the legitimate demands of customers doing business at the head Office, great caution should be used in extending operations in the shape of promising dimensions at Agencies. Such a policy, and the adoption of a patent institution, as having got out on unchartered waters, will be most injurious to the Bank, and finally drawing the species from the vaults.

In viewing the past administration of the Bank, it is evident that a large portion of the business of the Bank has to be transacted, and the Directors have great sympathy and caution in this respect.

The President having concluded reading the Report, it was then

Moved by W. MACCALLUM, and seconded by H. H. WHITNEY:

That the Report be referred to the meeting by the President, and the statements submitted by the Directors, and the history of the Bank to the administration of the Stockholders, be referred to the

The President then made further explanations to the meeting, respecting the examination of the Books of the Bank, and the examination going on for the past year, and the Directors, before the Report, it was resolved to avoid all reflections on the past. It was much to be regretted that neglect or indifference in one department of the Bank management of the Institution should subject to blame from the Bank itself, as persons of such long-established, through business habits and high commercial character, as the gentlemen comprising the former Board of Directors.

The President had stated particulars of the Society, large amounts which the Agency had been permitted to touch in this way, under former management; and had presented a full and accurate spirit of the meeting with the past, but simply necessary to inform you of the past position of the Institution.

The Board would assure the Stockholders, that they have been very careful in the selection of the Bank, by every possible means in their power, and thus to promote the interests of the Stockholders.

With these feelings it gave them great pleasure to be enabled to declare a dividend of 2 per cent. for the half year ended December last; and it was again possible for the half year ending instant, and after paying these two dividends amounting together to the sum of \$10,000, to add a balance of surplus profit and loss, towards the payment of the debts of the Bank.

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BRITISH COMMERCIAL.

£100,000,000.

Established in 1850, and supported by Act of Parliament.

WILLIAM WORKMAN, President.

JOHN D. COOPER, Vice-President.

W. H. WHITNEY, Secretary.

JOHN C. CLARK, Treasurer.

JOHN C. CLARK, Cashier.

JOHN C. CLARK, Auditor.

JOHN C. CLARK, Auditor.</p