

Commercial Bank of Canada.

GENERAL STATEMENT AS ON 20th JUNE, 1864.

LIABILITIES.				ASSETS.			
To the Public.				To the Shareholders.			
	<i>Sterling.</i>		<i>Currency.</i>		<i>Sterling.</i>		<i>Currency.</i>
Bank Notes in circulation, £	215,217	2 10	\$1,047,390 00	Gold, Silver and Copper			
Deposits,	499,396	10 0	2,430,396 28	Coins in vaults,	£ 100,832	7 2	490,717 45
Balances due to other Banks				Notes and Cheques of other			
and Foreign Agents, ...	23,185	6 2	112,835 17	Banks,	26,321	6 7	128,097 14
	737,798	19 0	3,590,621 45	Balances due by other Banks			
				and Foreign Agents, ...	9,391	5 11	45,704 32
				Government Securities, ...	82,191	15 7	400,000 00
					218,736	15 3	1,064,518 91
CAPITAL STOCK—				Real Estate—			
Canada Register \$3,111,300				Bank premises at Head			
London Register 888,700	821,917	16 0	4,000,000 00	Office and Branches, ...	53,168	3 8	258,751 81
Dividend No. 62, 3 per cent.				Notes discounted, and all			
payable 1st July,	24,657	10 8	120,000 00	other debts due to the			
Former Dividends not				Bank and not included			
claimed,	2,059	9 1	10,022 71	under the foregoing heads,	1,399,743	14 2	6,812,086 06
Reserve Fund,	82,191	15 7	400,000 00				
Profit and Loss Account,	3,023	2 9	14,712 62				
	£ 1,671,648	13 1	\$8,135,356 78		£ 1,671,648	13 1	\$8,135,356 78

COMMERCIAL BANK OF CANADA,
KINGSTON, 20TH JUNE, 1864.

C. S. ROSS,
CASHIER AND GENERAL MANAGER.

The Annual General Meeting of the Shareholders of the Commercial Bank of Canada, was held at the Bank in Kingston, on Saturday the 25th day of June, 1864, in conformity with Act of Incorporation.

The Chair having been taken by MAXWELL W. STRANGE, Esq., President of the Board of Directors for the past year, the Cashier submitted the General Statement of the affairs of the Bank as on 20th June, and thereafter read the following

REPORT

OF THE DIRECTORS OF THE COMMERCIAL BANK OF CANADA TO THE SHAREHOLDERS, AT THE ANNUAL GENERAL MEETING, 25TH JUNE, 1864.

The usual General Statement of the affairs of the Bank as at 20th June, 1864, is herewith submitted.

Profit and Loss Account for the year, after deduction of expenses of management, Government Tax on circulation, and other charges, showed a balance of		\$274,712.62
Of this amount there has been appropriated to Dividend No. 61, in January last, 3½ per cent.,	\$140,000	
Dividend No. 62, 3 per cent., payable 1st July,	120,000	260,000.00
	Leaving the sum of	\$14,712.62

at credit of the account.

The business of the Bank for the past year, like that which preceded last Annual Meeting, has not been quite so remunerative as formerly, and, in a great measure, from similar causes. The fluctuations of the price of gold in the United States, have rendered transactions with that country even more uncertain and hazardous than before, and consequently they have been restricted to the lowest point. The amount of Canada Bank Notes in circulation displaced by American silver, has increased: and the low prices of breadstuffs in England, have checked purchases in Canada, the effects of which restriction, have been felt in every channel of trade.

Apart from these general causes, affecting all Bank business, the Bank has sustained a loss in the conversion of United States currency, taken in payment of debts of some years standing, due by parties resident in that country who had deferred payment, and who could not be compelled to pay in coin through proceedings in the Courts of the United States. After mature consideration the Directors came to the conclusion that they would not be justified in refusing to take payment, although in such depreciated money, nor in placing the funds in any American Securities, however approved, to wait resumption of specie payments in the United States. Believing it was more prudent to incur the loss rather than risk the future of any American securities, the Directors ordered conversion, and subsequent events have confirmed the propriety of the decision. The loss, however, was such as to cause reduction of the Dividend for the current half-year to 3 per cent.

In last Annual Report, the Directors gave a full statement of the then position of proceedings against the Great Western Railway Company, to enforce payment of the Bank's claim. As stated at the time, they fully expected that settlement could not be delayed much longer, as the Company would be brought to it in course of law. But the policy of protracting by every possible means has been adhered to by the authorities of the Company. The argument in Appeal took place in December last, and no decision was had until March. Judgment was then given by the Court of Error and Appeal, but it was of such an indefinite character, that the Directors could neither be governed by it, nor justified in considering it conclusive. At the time, it was so little understood, and the reports in the public prints were so contradictory, that the Directors deemed it absolutely necessary to order the Cashier to address the Managers and Agents of the Bank in an explanatory Circular, accompanied by copies of the Judgment, in order that Shareholders desiring information, might obtain it correctly. Doubtless the Circular and the Judgment have been read by some of the Shareholders, but there are many who have not seen them, and therefore it is now necessary to repeat the leading points.

In some respects the Judgment was satisfactory. It established the character of the account through which the advances were made as being in its inception, and during its continuance, an account with the Great Western Railway Company, not with the Detroit and Milwaukie Company, as asserted in error by the defendants in the suit. It was also established, that Messrs. Brydges and Reynolds, Directors of the Great Western Railway Company, who had control of the expenditure of that Company upon the Detroit and Milwaukie line, were fully empowered to bind the Great Western Railway Company to the extent of the two votes of their shareholders, amounting to £250,000 sterling, and that the Bank was entitled to recover from the Great Western Railway Company so much of that sum as was not drawn through the Bank by Bills of Exchange; and this, according to the views of the Bank's Counsel, would, with interest, give the Bank \$750,000. It may also be well to explain here that the amount sued for was, in round numbers, \$950,000 and interest. It will be in the recollection of the Shareholders that at the trial it was agreed by both to leave the amount of the verdict payable to the Bank, to be settled by a referee, who, after the fullest examination, ascertained that the sum of \$980,000, including interest, was due to the Bank.

But the judgment of the Court of Appeal prescribed, that unless the parties could agree upon the amount for which the Great Western Railway Company is liable under the opinion expressed by the Court, there must be a new trial to fix the amount. The Directors were satisfied that from the extreme views held by the Great Western Railway Company, that Company would not pay even the modified amount indicated by the Court of Appeal; their practice, in respect of all important verdicts against the Company being, to carry the cases to the Privy Council in England. Subsequent events proved that this conclusion of the Directors was a correct one, for at the General Meeting of the Great Western Railway Company held in London in April last, the Chairman clearly intimated the intention to have the case brought to the Privy Council, before he knew what course had been resolved upon by the Bank. It was clear to the minds of the Directors, that (although under the decision of the Court of Appeal, the verdict must of necessity be against the Great Western Railway Company to at least the amount indicated,) a new trial would be followed by the same policy of delay which has governed the Company hitherto; and that, for various reasons, it was the duty of the Directors to order the case to be taken to the Privy Council at once. It is unnecessary here to particularise these reasons. One point may, however, be noticed, viz., that the Court in discriminating regarding the amount sued for by the Bank, exceeded its jurisdiction as an appellate tribunal, and gave effect to an objection to the Bank's recovering the full amount claimed, which was not taken at the trial, nor raised in the Queen's Bench, as stated by Mr. Justice Hagarty.

Apart from all other considerations, as settlement under the decision of the Court of Error and Appeal would involve some considerable loss to the Bank as already shown, the Directors decided that, as Trustees for the Shareholders, they were bound to use all the means at their command to prevent such a loss; more particularly since the views of Counsel in England have uniformly been in favor of the Bank recovering its claim, should the case reach the Privy Council. Accordingly the necessary steps have been taken to have the case brought before the Judicial Committee of the Privy Council, and the most eminent counsel had been previously retained. It was not possible to get the case ready for the June sittings, but it will be heard in November. Hitherto important points have been established, which the Great Western Railway Company cannot controvert; and the Directors, with confidence, ask the Shareholders to look at these results as confirming the assurances of ultimate success which have been expressed by the Board from time to time, and which lead the Board to be fully satisfied that the Bank will eventually recover the amount shown to be due to it by the referee.

Since last Annual Meeting the Institution has sustained the loss of a most zealous Director, by the decease of Mr. ARCHIBALD JOHN MACDONELL, whose honesty of purpose, and advocacy of whatever was right, were ruling characteristics. The Directors cannot allow the occasion to pass without paying this brief tribute to the memory of their late colleague.

The Cashier reports his satisfaction with the attention to duty shown by the Managers, Agents and Officers of the Bank.

COMMERCIAL BANK OF CANADA,
KINGSTON, 20th JUNE, 1864.

M. W. STRANGE,
PRESIDENT.

It was then moved by RYBERT KENT, Esq., seconded by JOHN PATON, Esq., and unanimously

Resolved,—That the General Statement of the affairs of the Bank, and Report of the Directors now submitted, be received, adopted and printed for the information of the Shareholders.

It was moved by ROBERT ANDERSON, Esq., seconded by JAMES LOGIE, Esq., and unanimously

Resolved,—That the thanks of the Shareholders are due and are hereby given to the President, Vice-President and Directors, for their attention to the interests of the Bank during the past year, and that this meeting approves of the course adopted by the Directors in regard to the case against the Great Western Railway Company.

It was moved by GEORGE BAXTER, Esq., seconded by SAMUEL MUCKLESTON, Esq., and unanimously

Resolved,—That the thanks of the Shareholders be tendered to the Cashier, Managers, Agents and other officers of the Bank, for their attention to the duties of their respective offices.

JOHN PATON, Esq., and ALFRED FINNEMORE, Esq., having been requested to act as Scrutineers, the Meeting proceeded to the election of Directors, when the following gentlemen were duly elected Directors for the ensuing year:

EDWARD BERRY, ESQ.,
RICHARD JOHN CARTWRIGHT, ESQ.,
CHARLES F. GILDERSLEEVE, ESQ.

JAMES HARTY, ESQ.,
HON. JOHN A. MACDONALD,
HON. JAMES PATTON.

MAXWELL W. STRANGE, ESQ.

The newly elected Board of Directors met subsequently, when RICHARD JOHN CARTWRIGHT, Esq., was unanimously elected President, and EDWARD BERRY, Esq., Vice-President for the ensuing year.