

THE
MERCHANTS' MAGAZINE
AND
FINANCIAL REVIEW.

VOL. I.

JUNE, 1891.

No. 3.

EDITORIAL.

MONTREAL, 20th June, 1891.

MONEY AND EXCHANGE.—The condition of the money market, both here and at other financial centres of the Dominion, has been one of continued ease, the banks having more than the average of available cash to meet legitimate requirements. May opened with call money at 4 to 4½ in Montreal, and mercantile paper 6 to 7, according to name and date. Later in the month the price stiffened under the influence of foreign markets, the Bank of England rate advancing to 4 on the 7th May and again to 5 the following Thursday. The Bank Reserve having in consequence risen to £19,000,000 by the 4th June, the rate dropped to 4 again on that date, with the prospect now showing of a still further decline. In Toronto call money has ruled stiff, 5 to 5½ being about the figure for choice collaterals, discounts 6 to 6½ on prime paper, and real estate loans 5½ to 6½. Discount rates have been steady at 7 to 8 in Winnipeg, and mortgage loans have held pretty firm at 8, only specially favorable conditions inducing a lower figure. On the Pacific coast there has been a continued active demand for money, and 10 has been freely paid on loans and mortgages where 8 per cent. would have been about the figure three months ago.

The Bank statement for April bore out our prediction, that a large contraction of the circulation might be looked for when the

returns for the month came to hand, the figures recording a reduction of over two millions. The statement showed a reaction from the business activity of the previous month, due to the causes foreshadowed in these columns. An increase of \$2,361,264 in public deposits gave evidence of an increase in the people's savings, while accounting to some extent for the reduction in circulation. Among other more or less important changes, the following alone call for notice: A decrease of nearly \$500,000 in the unsecured deposits between banks, largely due no doubt to western and country banks having drawn their balances at financial centres to supply the demands of business. This is apparent from the increase of current discounts by a similar amount, the figures for April standing at \$152,778,348 against \$152,259,167 for the previous month. There was also an increase of over \$700,000 in the amounts due to correspondents in Great Britain, while the amounts due by correspondents there had been reduced from \$2,825,078 to \$1,099,731; showing that the banks had drawn largely on their English credits, partly to supply exchange to meet interest falling due by the Government and several large corporations. On the other hand, the balances due from other banks in foreign countries, principally through investments in the United States, had been increased from \$13,316,554 to \$15,145,251, or nearly \$2,000,000. There was a decrease in overdue paper of about \$500,000, which is principally accounted for by the amount written off by the Bank of Montreal and La Banque Nationale at the close of their financial years.

The bank statement for May, just to hand, indicates the revival in business activity incidental to the season, and calls for favorable comment. The demand for money has continued active, and although there was but a slight increase in the amount of outstanding circulation at the end of the month compared with the previous statement, the figures are slightly higher than they were a year ago. As is generally the case at the end of May, a month which closes the yearly operations of so large a number of our banking institutions, a large increase in the cash reserves calls for notice: the amount of specie and Dominion notes held being \$248,884 in advance of the previous month. Balances due from foreign banks are placed at \$16,100,153, an amount nearly \$6,000,000 more than during the corresponding month of last year, and \$954,902 in advance of the figures for April; showing an increase

of loans by Canadian banks in New York and Chicago. A small increase is also noticeable in the balances due by banks in the United Kingdom. Current discounts have fallen off to some extent, due principally to the liquidation of advances made earlier in the season on grain, produce and other products. Overdue paper unsecured continues unusually large, notwithstanding the sums written off by the various banks at the close of the financial year, which have reduced the amount \$263,576. There still remains a sum nearly \$300,000 in excess of the figures for the corresponding month of 1890, a state of affairs to be expected from the numerous failures of the past six months. On the other side of the account public deposits on demand have increased \$1,659,598, owing, no doubt, to the deposit of bills of exchange drawn against the shipment of cattle and other products; while savings bank deposits have increased \$1,121,642. Loans or deposits made by other banks unsecured have increased \$498,684; showing that the country banks have increased their reserve with their city correspondents. There was a decrease of \$310,667 in balances due to banks in the United Kingdom, arising in part, no doubt, from the remittance of commercial bills drawn against shipments. On the whole, the statement shows an increase of \$4,026,873 in total liabilities, due largely to increased deposits and dividends declared but not paid.

The market both in sterling and New York Exchange has ruled firm in sympathy with the London and New York markets, but no important change has to be recorded. The returns of the Montreal Clearing House, which appear elsewhere, continue to show a gratifying increase over those of last year. We hope to be shortly able to present to our readers from month to month, for comparison, the weekly clearings and balances of the four Clearing Houses contemplated or now in operation in Canada, namely, at Halifax, Montreal, Toronto and Hamilton.

On the 2nd proximo the new Bank Act comes into force, and the banks are now arranging for the redemption of their note circulation at the capital cities of the various Provinces, as required by section 55 of the new law. In this connection we desire to call the attention of our subscribers to the issue, early in July, of a supplement to this journal containing the text of the Bank Act of 1890, and also of the recent amendment to the Bills of Exchange Act. This supplement will reach our subscribers before the publication of our monthly number, July 20th. As it

is our intention to issue at the same time a tabulated card, setting forth the arrangements made by the different banks for the redemption of their notes in the cities of Montreal, Toronto, Halifax, St. John, Charlottetown, Winnipeg and Victoria, we would be pleased to receive early information from the various Head Offices touching this matter.

CANADIAN COINAGE.—The necessity of establishing a Dominion Mint, capable of coining a sufficient quantity of gold, silver and copper to meet the commercial demands of Canada, has frequently been urged upon Parliament. We are, therefore, pleased to note that this question is likely to come up for consideration at an early day, a motion having recently been made in the Senate for a select committee to consider the matter, and collect information regarding the expediency and probable cost of such a departure. It is doubtful whether any great progress will be made during the present session. A very considerable length of time will be required to make a thorough report, satisfactory to the committee and to the House, and prorogation cannot be far off. For this reason we would not be surprised to see the motion withdrawn, and discussion deferred until Parliament again sits. The proposed committee will consist of the Hon. Messrs. Vidal, Power, Macdonald (B. C.), McClelan, Bellerose, and the mover, Hon. Mr. McInnes of British Columbia.

TARIFF CHANGES.—The appearance of the Budget is being anxiously awaited by those interested in the sugar trade. Present indications point to an immediate change in the sugar duties, a preliminary step having already been taken by the passing of an Order-in-Council allowing a rebate on sugars exported. Until the views of the Government on this absorbing topic are officially made known, dealers in this staple will continue to trade for immediate necessities only, and no general revival of activity can be looked for. Stocks have been gradually reduced in anticipation of the removal of the duties on raw and a sympathetic lowering of those on refined. The uncertainty is a serious menace to the trade, and we trust that a definite reply to the various trade deputations will shortly be forthcoming. It is certainly only a question of time when the necessity of a modification will force the Government into action, although the question is one calling for mature deliberation. That a decision of some kind has been

arrived at, the rebate mentioned above leads us to conjecture. The sooner this decision is made known the better for the commercial interests involved. The question is being anxiously canvassed: From what articles does the Exchequer intend to recoup itself for loss of revenue, should the raw sugar duty be entirely swept away? Teas, liquors, tobaccos, all have been named in this connection. The removal of this duty would be a complement to the policy of the Government in permitting the general free entry of teas and coffees. To go back to a duty on teas, even confining the tariff to those of a better quality, would be a retrogression. It may therefore be safely predicted that some other article of luxury will receive the attention of the Government, and liquors and tobaccos seem to offer the alternative. When the decision is made known, it will fall on the general public like a thunderbolt from a clear sky, for the authorities at Ottawa are theoretically careful not to give any opportunity for trade speculation. We have said theoretically, we would the term could have been dispensed with.

BILLS OF EXCHANGE ACT.—A Bill has recently been introduced in the Senate by Hon. Mr. Abbott, to amend the Bills of Exchange Act of 1890. It is intended partly to remedy two or three verbal defects in the former Bill, and partly to make two distinct enactments. The verbal defects arose in consequence of the change in the law proposed in the original draft, as regards instruments payable at sight. According to the English Act, days of grace on sight bills have been abolished; a provision to this effect was inserted in the original bill, but it was decided to adhere to and continue the old law allowing days of grace. It appears that in two or three paragraphs, where bills at sight are casually alluded to, the necessary erasures did not take place, and part of the Act reads as if bills at sight had three days grace and part as if they had not. The object of the amending bill is to remove this ambiguity, and set forth more clearly the provision granting days of grace. The bill recently introduced is also intended to remove a certain injustice that at present seems to exist in the case of forged indorsements. It has been the opinion of eminent lawyers in Montreal, Toronto, and the Maritime Provinces, that a bank, paying a cheque bearing a forged indorsement, had no recourse against any one but the person who deposited the cheque with the bank. A holder in due course does not comprise the party on whom a cheque is draw , and

who pays it, for the moment the cheque is paid it is extinguished, and the bank has no other remedy than to sue the party paid as for a wrongful payment. A holder in due course has on the other hand a right of action against all previous endorsers up to the first endorser. In other words, a bank paying a cheque has not the same rights as to the parties on the cheque if it be wrong as a person who receives a cheque and does not pay it, which seems an absurdity. The proposed amendment will alter this anomaly, and provides that the bank shall have all the rights of a holder in due course. The other substantive alteration which this Bill will make is to re-insert in the Act a clause which was in the original draft, but which was left out. It is to be found in the previous law, and it was so in the code,—simply to make the common law of England apply upon a point where it is not inconsistent with the provisions of the Act. The insertion of such a clause was not considered necessary when the Act was passed, but its omission seems to have caused a certain amount of doubt and uneasiness, and it was considered important to re-enact this provision.

When these amendments were being considered in the House, we regret that an effort was not made to alter the provision of the present law regarding Saturday protests. No note can now be protested until after three o'clock on such days, and as the banking hours terminate at one, a large aggregate number of clerks are kept for two hours after closing time, in order to comply with the requirements of the law. In the cities at least the custom as to banking hours should be respected.

REPRESENTATION IN PARLIAMENT.—*La Patrie* draws attention to a curious thing that may result from the decline of the population in Quebec. Quebec has sixty-five members in the House of Commons. That number is fixed for all time by the Constitution, which also provides that the number of representatives from the other provinces shall be regulated by the unit of representation in Quebec. Thus, in 1881, the census showed a population in all Canada of 4,300,000. Quebec had 1,300,000, so that each of her sixty-five members represented 20,000 persons, and accordingly 20,000 was the unit for the other provinces, giving them 150 members for their 3,000,000 inhabitants. Suppose that in consequence of emigration the population of Quebec should be reduced to 1,000,000, she would still retain her sixty-

five members at Ottawa, but the unit of representation would then drop to 15,400, which would involve a considerable increase in the number of members from the other provinces. In other words, there would be witnessed the anomaly of a larger representation in Parliament, resulting from a decline in the population. The makers of the Constitution evidently did not anticipate an exodus from Quebec.

TORONTO CLEARING HOUSE.—As foreshadowed in our previous number, the banking interests of Toronto have fallen into line with those of Montreal and Halifax, by establishing a Clearing House system in place of the time-honored custom of exchange so long in vogue. The advisability of this step was considered at a recent meeting of the Bankers' Section of the Board of Trade, a committee consisting of Messrs. W. E. Walker, D. R. Wilkie, W. Grindlay and C. Brough being appointed to arrange the details. Their report suggests following the precedent offered by the Montreal Clearing House. In place of a permanent head, a senior officer from each of the banks, alternately, will be deputed to act for one month as manager, and the Clearing House will go into operation on the 2nd July. We congratulate the bankers of our sister city on having at last taken the step which has proved of such inestimable benefit to the banks in this city. When the figures of daily balance and clearing are officially made known at the end of the first week's operations, we believe they will be found to reach a sum approaching very closely the exchanges through the Montreal Clearing House. We understand a movement is on foot to establish a similar system in Hamilton.

CANADA'S CREDIT ABROAD.—Canada's public debt, says the *Canadian Gazette*, has been created for the most part by the construction of public works of great utility and national importance; and when the time comes she will reap a harvest certainly not second to that now enjoyed by communities, whose indebtedness is largely the outcome of aggressive and defensive wars. The figures, such as they are, need cause Canada neither shame nor alarm. The increase in the gross debt since Confederation has been \$193,066,244, and the increase in the debt, that is, after deducting available assets, has been \$161,804,570, though the capital expenditure has been \$184,881,076, the difference being provided out of the revenue. Of this increased debt \$10,000,000 is represented by land taken from the Canadian Pacific Railway

Company in part payment of a loan, the balance being paid by the Company in hard cash ; and for the greater part of the other expenditure Canada has substantial return to show in her increased facilities for transport and settlement. Indeed, Mr. Mulhall tells us that while the debt of the Australasian Colonies is 20 per cent. of their national wealth, that of Canada is $6\frac{1}{2}$ per cent. only ; and whereas it would take about $6\frac{1}{2}$ years of the revenue of the Australasian Colonies to pay off their debt, Canada would have needed only $5\frac{1}{2}$ years at the time of Confederation, and even now would need but little more than 6 years. In view of these facts, it is not surprising to find Canada occupying a superior position among British Colonies in the money markets of the Mother Land. While all other Colonial securities have gone back considerably, Canada still maintains the position she held in 1888, when she last came to this market for money ; and whereas other Colonies have to pay their $3\frac{1}{2}$ per cent. interest, Canada has her requirements met at 3 per cent. The increased interest paid by Canada during the past ten years has, in fact, been only $1\frac{1}{2}$ d. per head of the population ; and if a like caution animates Canadian enterprise in the future as in the past, there is no reason why this position of pre-eminence should not be maintained.

COLONIAL HONORS.—Colonial subjects of the British Crown have again been called upon to receive royal favors at the hands of their Sovereign. Late cable advices announce the elevation to the peerage of Sir George Stephen, Bart., and the bestowal of knighthood on Robert Gillespie, Esq., for many years a citizen of this city, now of London, Eng. This appreciation of services rendered to the Empire by two of Canada's foremost sons not only confers an honor on the recipients thus favored, but bears evidence of an earnest desire on the part of the British Government to draw yet closer the ties which bind the colonies to the motherland. The name of Stephen has almost become a household word in Canada, and as Lord Mount Stephen, the identity of the late president of the Canadian Pacific Railway will still be preserved in the great work with which he has been so honorably associated. The services of Sir George Stephen have not been confined to the Dominion alone, nor must the Imperial value of his great enterprise be considered as the sole cause of this mark of sovereign esteem. He is credited with having assisted in no small measure to avert

the serious catastrophe which threatened the financial world in November last, when the great house of Barings was on the brink of ruin, with resources exhausted and credit impaired. In return for favors granted the Canadian Pacific Railway company, when under much the same stress, Sir George Stephen is known to have proposed the formation of a joint stock company to supply the Barings with fresh capital, and generously offered to subscribe very heavily himself and to arrange for the amount necessary to save the firm. To this prompt action and the judgment, tact and resource displayed by him during the crisis is doubtless to be ascribed the new and exalted honor now conferred upon him.

Sir Robert Gillespie has been for many years an active promoter of Canadian enterprises; and although long a resident in the great metropolis, he is still identified with many commercial and monetary associations, whose operations are mainly confined to the Dominion. He is one of the senior members of the Canada Club, chairman of the Canada Company, one of the founders and president of the Bank of British Columbia, and a director of the Bank of Montreal of the Colonial Company and of the London Assurance Corporation. In addition to these positions of trust, he is Deputy-Lieutenant for the county of Lancashire, and magistrate for the county of Sussex, as well as of one of the districts of London.

SAVINGS BANK DEPOSITS.—The question of what rate of interest should be allowed on savings bank deposits is no new theme for discussion, but we cannot forbear drawing the attention of our readers to the comparatively slight effect the lowering of the rate allowed by the Government has had upon the withdrawals from the Dominion savings banks. In the opinion of many astute bankers, the cessation of deposits on account of a decreased rate of interest does not proceed so far as to turn the balance against the bank. That their theory is in the main correct, the figures at hand amply testify. The policy of the Government has resulted in withdrawals to the extent of nearly \$2,000,000, during the past year, and this sum may fairly be taken to represent the effect on deposits of the change in the rate of interest. The increase in withdrawals commenced some months before the lower rate of interest came into operation, and was partly due to the policy of the chartered banks in introducing savings departments or branches. Taking, therefore, the figures for the past fiscal year as a basis of argument,

we find that on the 30th June, 1889, the amount on deposit in the Post office and Dominion Savings Banks aggregated \$42,943,169; a year later the figures stood \$40,999,216, a decrease of nearly \$2,000,000. In order to offset this loss, really a redemption of the public debt to that amount, a loan of £400,000, became necessary, negotiated at 4 per cent. The account therefore shows a balance in favor of the Government amounting to upwards of \$200,000, as follows:—Had 4 per cent. on \$42,943,169 been allowed, it would have amounted to \$1,717,726. The sum actually paid was 3½ on say \$41,000,000, or \$1,435,000, and 4 per cent. on temporary loan of \$2,000,000 or \$80,000, making a total of interest paid \$1,515,000,000, thus effecting a saving of upwards of \$200,000 in round figures. From the above approximate but fairly reasonable figures, the utter folly of bidding for deposits by offering an advanced rate of interest is at once apparent. The ultimate benefit accrues not to the bank so bidding, but to those depositors who avail themselves of this competition. We are glad to see that both the president of the Bank of Montreal and the general manager of the Quebec Bank decry this policy as detrimental to the interests of the banking associations of the Dominion. A more harmonious working together of the various financial institutions of the country would tend to alleviate this grievance, and the formation of a Bankers' Association, to join more closely the various interests, would hasten this end.

WILL RAILROADS COMBINE?—Syndicates and trusts of every possible description have sprung up of late with an alarming frequency, spreading terror and dismay among the minor interests involved. The tendency of times is toward combination, and many commercial interests have undoubtedly been advanced by the adoption of this course. The community alone suffers, in isolated cases, from the loss of those advantages which usually follow keen competition. Labor, especially, feels the growth of this nineteenth century idea, the result of combination being to curtail production, in the desire to keep supply more in sympathy with demand:—lessened production meaning a smaller call for labor. It must be admitted, however, that the formation of trusts may be made productive of more good than evil, and in all cases in which the benefit to be derived from such a course is not wholly confined to the capitalist, but is also shared in by the public at large, no reasonable being can affect to ignore its presence.

Such a trust would be that proposed by Mr. C. P. Huntington, the well-known and experienced railroad magnate, who has lately been speaking his mind on railway matters. This gentleman advocates a general combination of roads in the mutual interest of bond holders and the public. The remarks attributed to him are as follows:—"I believe I can take all the railroads in this country, knock 2 per cent. off the existing rates as they appear on the surface, and pay 5 per cent. dividends on all the stocks. I would run all the roads as one property, and never charge more for a short haul than for a long haul, that is, where there is only rail competition. The public is not satisfied with the way things are running now, the railroads are not satisfied, and nobody is satisfied. Too much money is wasted in the railroad business in keeping up unnecessary and expensive offices, paying commissions and rebates, and in cutting rates. Each carload of freight out of town is run after by twenty different interests, and in the scramble for it rates are cut. I believe in establishing joint railroad agencies wherever such agencies are practicable. It seems to me that the interests of both the public and the railroads lie in that direction. Of course such agencies must be conducted in the interests of all roads concerned. The moment that it became apparent that one or two roads were getting the best of the others, the whole joint agency scheme would fall to pieces. A railroad as well as a man can be as independently poor as it can be independently rich."

It would appear from the above suggestive remarks, that in the opinion of experienced railroad men the day is not far distant when some such scheme as the above will come to the front for consideration. Competition is now being felt so severely, that a combination of capital seems to be the only way to insure even a fair amount of interest on the vast sums invested in railroad enterprises. In Canada, the same tendency has already shown itself, the great trunk lines acquiring by purchase or lease full control over independent yet subsidiary lines. The question may well be asked, how long will it be before the entire railroad system of the Dominion will be administered by one head?

CANADIAN SECURITIES IN LONDON.—The principal changes with regard to Canadian securities in London, during May, have been in connection with railway stocks, both Canadian Pacific and Grand Trunk having fallen off appreciably from the figures of the previous month. The disturbed feeling in

financial circles, due to the continued rise of the bank rate, in order to stop the efflux of gold, tended to create a somewhat feverish exchange market, and New York as well as Canadian railroad stocks experienced a depreciation in values. This was most marked in the case of Canadian Pacific, which was almost neglected during the opening days of the month, and showed no activity until the annual meeting May 13th, when the satisfactory statement presented prompted purchases, the price of the ordinary stock rising to 80. From the causes already stated, however, and some sales on continental account, it suffered a relapse, closing at 79, a fall of $1\frac{1}{2}$ for the month. First and preference, the 4 per cent. debenture stock and some of the bond issues also fell back.

In Grand Trunk a corresponding weakness has been apparent, notwithstanding considerable trading took place during the early part of the month, in consideration of traffic returns promising a less noticeable falling off, last year's returns at this season offering smaller figures for comparison. General considerations occasioned a steady decline, however, later on in the month, and on closing, ordinary stock and first and second preferences showed a drop from the closing figures of the previous month.

While railroad stocks and bonds thus witnessed an unfavorable change—Government securities exhibited a corresponding firmness, and record an advance for the month. The interview of the Colonial Secretary and the Chancellor of the Exchequer with the representatives of the principal Colonies, with a view of obtaining some extension of trustees' powers of investment, tended to benefit colonial securities, and Dominion issues fully participated in the general advance. The 3 and $3\frac{1}{2}$ per cent. advanced 2 points during the first week in May. During the third week, however, when the bank rate was raised to 5 per cent., a slight reaction sent the 3 and 4 per cents. down one point. Bank of British North America shares suffered a decided relapse after the gain of 8 points recorded last month, and fell from 160 on opening to 156, the closing price.

SIR JOHN MACDONALD.

If anything can assuage the profound grief of every Canadian at the death of SIR JOHN MACDONALD, it is the sincere and universal sorrow which the event has provoked in every corner of the Anglo-Saxon world. Wherever the English language is spoken it is felt that one of the foremost of English statesmen has passed away. The whole Empire, as LORD SALISBURY well said in the House of Lords, on Monday, shares the grief of Canada at the loss of one who was for nearly half a century its devoted champion, and who was as great a constitutional statesman as this or any other nation has seen. These were not words of mere panegyric. They were the expression of the thoughts of QUEEN and subject alike, and the memorial service in Westminster Abbey to-morrow will give a fitting crown to the tributes of respect and esteem which the whole British people have paid to one of their most gifted and devoted public men. And when we remember all that SIR JOHN MACDONALD was and all that he did for Canada and the Empire, this widespread grief is not surprising. It suited some of his opponents to speak of him as a trickster and "a thimble-rigging premier," but there is no one in Canada to-day who does not feel that but for his keen grasp of public affairs and his wonderful skill in the marshalling of forces to attain his end Canada would to-day be but a shadow of herself. He was to Canada what BISMARCK was to Germany—the great unifying force, the central figure round which the new national life gathered life and strength. He realized the needs of a young country, where the rough-and-ready understanding of the people is bound at last to prove the guiding power, and by making himself at once the exponent and the leader of popular feeling, he gained an influence which few living men possessed, and which probably no other statesman turned to greater advantage. There is not a crisis in the Canadian history of the past half-century, down even to the political storm of the present year, in which he did not play a leading part; and the measure of power and prosperity which Canada enjoys is largely due to the zeal and skill of him whose remains the whole Canadian nation is to-day following in affectionate remembrance to their last resting-place at Kings-
ton.

The removal of such a national leader as SIR JOHN MACDONALD must of course have a very potent effect upon the future course of Canadian affairs. We may hope that his marked personality and determined policy will long serve to guide Canadian statesmanship: but in the restless life of a young people each day brings new problems, and the knowledge of this fact is already stirring the Canadian mind. The question uppermost seems to be: upon whom shall devolve the responsibilities of carrying on the Government of which SIR JOHN MACDONALD was the head and soul? That is a question of such moment, that it may well be approached with something of that deliberate caution which the late Premier always applied to national affairs. It is, we observe, stated that the HON. J. J. C. ABBOTT has already received an intimation of the desire of the GOVERNOR-GENERAL that he should accept the task of carrying on the government of the country. His acceptance of the duty all parties would, we imagine, welcome as a prudent interim arrangement, and there would probably be no difficulty in bringing the present session of the Dominion Parliament to a close by the end of the present month, on the full understanding that the reconstruction of the Cabinet would be left until the vacation. There is no very important business pending at Ottawa, and this course of proceeding would seem most fitted to the present wishes and needs of the Canadian people. It appears to be assumed that MR. ABBOTT would not care to become the permanent head of the Government; and if that be so, there would be everything to gain by the lapse of an interval in which to judge of the course best calculated to preserve the unity and national well-being of the Dominion which SIR JOHN MACDONALD did so much to create and sustain. In view of the reconstruction which must come sooner or later, the names of two or three notable associates of the late Premier are foremost in the public mind. SIR JOHN THOMPSON has won for himself the respect of all during his comparatively short career as a Dominion minister. He has shown himself to possess many of the qualifications of a vigorous administrator and capable leader, though whether his preferences do not lie in the direction of a judicial rather than a political career is a consideration which must not be altogether lost sight of. SIR CHARLES TUPPER, on the other hand, has a lifelong experience of Canadian affairs, and of those foreign matters which closely concern Canadian interests: and while there would not seem to be any craving on his part to

resume political power at Ottawa, there is probably no one better fitted to carry to a successful issue the negotiations with the United States which must be the chief work of the Canadian Administration in the near future. All these are, however, little more than matters of conjecture. After the sad ceremony of to-day, it will rest with the GOVERNOR-GENERAL to exercise his prerogative, and the lifelong labors of SIR JOHN MACDONALD on Canada's behalf will have been far less productive of good than we believe them to have been, if the occasion does not find a Canadian leader capable and willing to carry on the work of building up a great British nation on the North American continent.—*Canadian Gazette*, June 11th.

MONTREAL CLEARING HOUSE.

<i>For week ending</i>	1891.		<i>Corresponding Week</i> 1890.	
	Clearings.	Balances.	Clearings.	Balances.
May 7	\$9,575,952	\$1,512,567	\$9,704,693	\$1,346,386
May 14	10,860,355	1,416,300	9,216,039	1,112,564
May 21	9,181,299	1,337,969	10,992,205	1,340,923
*May 28	7,990,928	1,285,403	7,979,496	1,173,908
June 4	10,617,914	1,696,549	10,305,047	1,260,755
June 11	10,685,239	1,318,105	9,426,317	1,161,496

*Two holidays this week.

DIVIDENDS AND MEETINGS.

The Nanaimo Gas Company has declared a dividend of 7 per cent.

A half-yearly dividend has been declared by the Quebec Bank : the rate is 7 per cent. per annum.

The Summerside, P.E.I., Bank has declared a dividend of 3 per cent. for the past six months.

The Windsor Marine Insurance Company, N.S., has paid a dividend of \$20 per share on the business of the past year.

The Bank of New Brunswick has announced a dividend of six per cent. for the current half year.

The St. John and Maine Railway company has declared a dividend for the half year at the rate of 1 per cent. per annum.

The Union Bank of Canada has declared a dividend of 3 per cent. for the current half-year, payable on and after 2nd July next.

The Commercial Cable Co. has declared a quarterly dividend of $1\frac{3}{4}$ per cent., payable on the first day of July next. The transfer books will be closed from June 20 at noon, and will re-open on the morning of July 2.

La Caisse d'Economie de Notre Dame de Québec has declared a dividend of 5 per cent. for the current half-year, payable at the head office. Upper Town, Quebec.

The British Canadian Loan and Investment company (L^td.) has declared a dividend at the rate of 7 per cent. per annum for the half year ending 30th June, 1891, payable on the 2nd July.

A dividend at the rate of 10 per cent. per annum has been declared by the Western Canada Loan and Savings company for the half year ending 30th June, payable 2nd July. The following dividends have also been declared for the half year : Huron and Erie Loan Co., 4 $\frac{1}{2}$ per cent. ; Landed Banking and Loan, 3 per cent. ; Canada Landed and National Investment 3 $\frac{1}{2}$ per cent. ; Building and Loan 3 per cent.

JOURNAL OF MERCANTILE LAW.

COMMENTARY ON THE BANK ACT OF 1890. (1)

CHAPTER II.

MANAGEMENT.

SECT. I.—BOARD OF DIRECTORS. GENERAL FUNCTIONS.

46. It is customary in the incorporating act to confer upon the directors in broad phraseology the general power to conduct and manage the corporate business. This language is practically only a recognition of the functions which the board would be entitled and called upon to exercise by the rules of the common law, and does not operate to enlarge those functions or to designate them with any greater particularity. Nor can the duty thus conferred be construed as a requisition upon the directors to undertake the performance, in person, of all the acts called for by the daily routine of the business of the bank. It extends to such matters only as are usually and conveniently allotted to the charge of directors in the banking business. Some such acts they must perform, others they may perform. But the obligation is measured by a uniform usage prevailing among banks universally. Their personal execution may be restricted to the matters thus designated, unless others be specifically named or added in the law. Besides a variety of specific acts which they must initiate or wholly do, this uniform usage imposes upon them the general superintendence and active management of the corporate "stock, property, affairs and concerns." (2) They are bound to know all that is done, beyond the merest matter of routine; and they are bound to know the system and rules arranged for its doing. For this purpose the books, correspondence and funds of the bank are at all times subject to their inspection (3).

(1) Copyrighted.

2. Section 19. See *McDonald v. Rankin*. (3) Section 46

47. POWER OF DELEGATION. —So although it has been said that powers of a public character given by the legislature to any body of individuals can never be sub-delegated by the recipients, yet this doctrine has never been allowed to prohibit bank directors from appointing agents, and endowing them with sufficient powers for executing the resolutions of the board, and carrying on, without specific authority in each individual case, the ordinary transactions of daily business. Thus the directors may appoint as many officers, clerks and servants for carrying on the business of the bank, and with such salaries and allowances as they consider necessary; and they may also appoint a director or directors for any branch of the bank (1).

48. So in like manner they may delegate to a committee of their own number power to mortgage real estate of the corporation, including as a necessary implication power to execute and deliver the ordinary proper instruments (2). Although dealings in real estate are of the most dignified and formal character of any dealings in the eye of the law, yet general supervision even of these satisfies the duty of the board. All beyond this may be delegated. They may empower the president alone, or the president and cashier conjointly, to borrow money on behalf of the bank, to indorse its promissory notes, to obtain discounts for its use; these powers also including the power to make delivery of the paper thus negotiated.

49. It seems also that these powers may be conferred not only by a special vote with a view to a single occasion, but also by a general resolution looking to their frequent exercise on various occasions (3). But votes of this broad nature, unless very cautiously indulged in, are likely often to be improper and in some degree unsafe. For if they appear to go too far in throwing within the discretion of others the decision of weighty matters covering a wide ground of responsibility, they would amount to an effort in a measure to delegate the "management" of the business of the bank. To this extent the board of directors cannot go. Within reasonable and moderate limits, so narrow that their general supervision must practically cover all that their delegates can

(1) Section 25.

(2) *Burrill v. Nahant Bank*, 2 Met. 163.

(3) *Ridgway v. Farmers' Bank*, 12 Serg. and R. 256; *Merrick v. Bank of the Metropolis*, 8 Gill. 59; *Fleckner v. Bank of the United States*, 8 Wheat. 338.

do within these limits, they may confer powers by a general resolution, which may be valid for an indefinite period and for any number of separate transactions. But authority so large as to transfer in an important degree the control of the corporate affairs they cannot confer,

50. POWER TO MAKE DISCOUNTS.—Thus the making of discounts is an inalienable function of the directors. They cannot part with it or invest any officer or officers with it. It rests in them alone and exclusively. It is a power of that degree of vital importance that it cannot be taken out of the policy of the general principle that powers of a public nature, given by the legislature, cannot be sub-delegated (1). The legislature imposes upon the board the duty of taking charge of all those matters of business upon the wise and skilful conduct of which the prosperity of the corporation and the safety of persons dealing with it depends. This duty they cannot shift in whole or in part upon others, and it covers no department of banking business more unquestionably than the making of loans and discounts.

51. The board may, however, give the manager or cashier of the bank by a single resolution power to make a considerable number of discounts or loans, provided they be requested. But this single resolution must name the person or persons to whom the loans may be made, the aggregate sum which they must not exceed, the time, and such other particulars as the directors may deem of moment. Thus, in fact, though many separate acts may be authorized by this one vote, yet nothing is really done beyond the supervision of the directors, or without the active exercise of their discretion. They may order the cashier to let A have such loans as he shall wish, in such sums and at such times as he shall ask, within a certain period, up to the amount of a designated sum, to run for specified times, at rates of interest named, and upon designated conditions concerning indorsers or collateral security. This does not leave each individual discount made to A to be passed upon by the directors: yet in fact no discount is made to him by any official authority other than that of the board or at the substantial discretion of any person save the directors.

52. EXECUTORY FUNCTIONS.—The ordinary executory functions of the various officers of the bank are not necessarily affected

(1) *Lyon v. Jerome*, 26 Wend. 485.

by the statutory delegation of the management of all corporate affairs to the board. Management is not identical with execution, and does not intend execution. Checks are drawn, notes and bills endorsed, deposits received, drafts paid, and the like transactions conducted as matter of course by the appropriate customary officers, without any authorizing vote of the directorial board. These matters do not constitute the "management" of the bank, nor interfere with the "control" of its affairs. They are properly the medium through which that management and control are introduced into practical transactions (1).

53. DIRECTORS AS TRUSTEES.—The high degree of confidence and responsibility resting upon directors of corporations has often led courts to regard them as trustees, and to declare the relationship existing between them and the stockholders to be that of trustees and *cestuis que trustent*, respectively. If this can be asserted with regard to the generality of corporations, it is peculiarly and exceptionally true with regard to banking corporations, in whose solvency the whole neighboring community must be at least indirectly interested. A bank of issue may properly be regarded as a quasi-public corporation. The directors of a bank are not trustees for the shareholders alone, but they owe an even earlier duty to the depositors, and, where the bank exercises the privilege of circulation, still a prior duty to the public at large. The law is, as it ought to be, very zealous in exacting the strict and thorough performance of these duties, and it is in the scrutiny of possible breaches of them that the rigid rules which govern trustees have been applied (2). It is not enough to exculpate a director that no actual dishonesty can be shown, that he cannot be positively proved to have been influenced by interested motives. Like a trustee he is absolutely prohibited from the performance of those questionable acts, wherein his conduct may be wholly free from blame, but where the bias of self interest is strong and may influence him even without his own recognition of the fact. A director, who wishes to keep completely within the protection of the law, must look to something more than the mere integrity of his own intentions. The law is obliged to forbid a certain general class of actions in which the temptation is so great that it is wisely regarded as better

(1) *MacDonald v. Rankin*.

(2) See *Drake v. Bank of Toronto*, 9 Chy. U. C. 134 *Vankoughnet C.*

wholly to remove human frailty from the possibility of yielding in to be continually plunging into darkling inquiries as to the probable purity and uprightness of sundry isolated transactions. It is possible that any person, being a director, might, at a meeting of the board, vote honestly and with a single eye to the bank's welfare, upon a question in which he had an individual interest opposed to that of the corporation. It is also possible that he might intend so to vote, and yet not succeed in doing so by reason of the unconscious obliquity of mental vision which such circumstances may often produce. But a sound precaution prefers to exchange these possibilities for a certainty. The law, therefore, has, with wholesome care, declared that it is a duty of a director, resulting from the employment itself, not to acquire any interest in any matter adverse to that of the bank so long as he remains in office. Likewise as a trustee is not allowed to make any profit from, or by the aid or use of, the object matters of his trust, so a director is forbidden to make any profit out of his employment. Not only must he refrain from voting on questions in which he is directly interested, but he must not use his influence, resulting from his official position, to secure his own ends or his private advantage. Neither, of course, can he directly or indirectly barter this influence to any outside person upon any species of consideration moving from that person to himself. It is not enough in the eye of the law to protect him that he did not mean to prejudice the bank, if his act is open to suspicion he will, like a trustee, be held to have violated his duty, which is not to strive to do questionable things conscientiously, but wholly to refrain from all actions or intermeddling in them of what nature soever (1).

54. Attempts have often been made to prevent, by statutory enactment, some of the more definite and openly dangerous acts which directors may sometimes be tempted to do for their own use and advantage. But this method is necessarily insufficient. The language, if specific, will cover too little: if general, will cover too much: and so in either case the phraseology will be easily perverted and the intent evaded on the plea of reasonable construction or necessity. The present act, like the National

(1) The English and American cases in support of these common law rules are cited in Morse, p. 115, from whose work the principles here laid down are taken.

Banking Act of the United States, wisely refrains from any enactment on the subject of loans or discounts made to directors. It leaves their conduct in all particulars to the supervision of the common law, which, as it has been above laid down, must be regarded as requiring only proper and efficient enforcement to render it fully equal to the task thus imposed upon it, of securing perfect purity in the administration of the bank's affairs.

55. LOANS TO DIRECTORS.—In the absence of legislative prohibition there is no rule of the common law which prevents the making a loan or discount to a director any more than to any other person. Only a director, applying for such a loan, must not vote or officially aid in the discussion concerning its allowance. The same principles of law will be applied to this as to other loans: but they will be rigidly enforced, and the proceedings will be severely scrutinized (1). He must behave himself strictly like any other *outside* customer of the corporation. He must cause his request to be acted upon by the majority of his co-directors, strictly exclusive of himself. It is probable that any circumstances of impropriety or suspicion attendant upon the fact of his making the application at all, or upon the manner of the making it or the procuring its acceptance, will be construed with a degree of stringency as against him, greater than would be exercised towards an ordinary outside borrower. Under any circumstances favoritism or fear of offending are too likely to have some influence in such a transaction, and even the suspicion of them cannot be too carefully guarded against. Prudence no less than right feeling should prevent the applicant from even being present at the discussion and vote.

Although, as we have said, the present Act wisely refrains from any enactment on the subject of loans and discounts made to directors, such subject has not been entirely ignored. A provision inserted in schedule D, will be found to have reference thereto. This requires a statement of the "aggregate amount of loans to and liabilities, direct or indirect, of Directors, and firms of which they are partners" to be appended to each monthly return. In this manner publicity is given to any extraordinary abuse of the powers vested in the board, and the shareholders are thus afforded ample opportunity to exercise their rights with regard to the framing of a by-law to restrain the otherwise unlimited power of the directors.

(1) See Conynham's Appeal, 57 Penn. St. 474.

56. A method frequently resorted to for securing the fidelity of directors in the exercise of their duties is to require them to own in their own right and unincumbered a certain amount of the corporate stock. Imperfect as this must be, as a check upon men of large property, it is perhaps the best available plan, and it has been adopted in the present Act. A provision to this effect is to be found in section 19, sub-section 2, which declares that each director shall own stock on which at least "three thousand dollars has been paid up, when the paid-up capital thereof is one million dollars or less; four thousand dollars paid up when the paid-up capital thereof is over one million and does not exceed three millions, and five thousand dollars paid up when the paid-up capital thereof exceeds three millions."

57. CONTROL OVER THE BANK'S PROPERTY.—Directors can use the funds and property of the bank only for proper banking purposes, and for the strict furtherance of the business objects and financial prosperity of the corporation (1). Their discretion and power to manage its affairs extend only to the conducting those affairs in the best manner that their knowledge, foresight and observation can suggest, to the end of increasing the profits and enhancing the value of the investments which have been entrusted to their charge by others. They cannot use any portion of the money for such objects of usefulness or charity, or the like, as they may consider worthy of encouragement and aid. All their transactions must be strict matters of business. They cannot make gifts from the corporate property. They cannot, without authority from the stockholders, subscribe money to any objects, however meritorious, unless with the immediate view and expectation of thereby furthering the actual worldly and material well-being of the bank. They are trustees of the property of others for this sole and only purpose, and if they appropriate any portion of the property for any other purpose, whatsoever, however intrinsically deserving, it is yet a deviation from their obvious duty, both legal and moral, for it is nothing else than a clear breach of a plain and simple trust. Such an act, if upon its face perfectly regular, and within the scope of the directorial authority, and if the circumstances did not affect third parties with notice of its wrongfulness, would, as toward such parties, bind the bank. But if the real nature of the act were known to the outsider he

(1) See McDonald v. Rankin.

would be held to a knowledge of its illegality arising from its not being within the ordinary agency conferred by the corporate principal upon its official agents. For directors, though they are the government of the corporation, are yet, no less than any subordinate officers, its agents with a definite scope to their agency, and can only act legally within this scope (1). If their act is such that it is the duty of the party dealing with them to know that it falls without the ordinary limits of directorial power, he will be affected by its invalidity. If the facts are known to him which show that as a matter of law the directors are undertaking an act of this description, he deals with them at his own peril if he neglects to satisfy himself that they have received a special and extraordinary authority in the particular case. If they have not, any loss he may incur is only the natural result of his own laches.

58. Thus it is a principle of law that the directors can only use funds of the Bank for legitimate banking purposes. If they borrow money intending to use it for other purposes, and the lender is aware of this intent, then their use of it accordingly will relieve the bank from indebtedness upon the loan (2).

59. As a rule they cannot voluntarily release a debt owing to the corporation (3); but where the emergencies of business require it, they may make a normal or merely apparent sacrifice of bank property, if it seems reasonably likely to redound to the substantial benefit of the institution. In the *boni fide* pursuit of this end, their power is not limited by technical restrictions which, under other circumstances, would forbid their cancelling debts owing to the bank.

60. Cases shew that they may commute a debt if it seems to them practically more advantageous to do so than it would probably be to push it at law, or to retain the naked legal claim for the full amount. In like manner if any officer of the bank is in arrear or default, it is perfectly in their power to compound and settle with him in any manner and upon any terms which seem to them likely to secure the most complete reimbursement to the bank. Their contract of this nature can be subsequently avoided by the

(1) *Salem Bank v. Gloucester Bank*, 17 Mass. 1.; *Ridley v. Plymouth Grinding and Baking Co.*, 2 Exch. 711.

(2) *Bank of Australasia v. Breillat*, 6 Moore, Privy Council, 197.

(3) *Stanhope's case*, 5 De G. & Sm. 178.

bank, solely on the ground of further fraud or dishonesty of the compounding officer occurring in the negotiation itself (1).

61. In like manner it not unfrequently occurs that the wrongful or erroneous act of an officer causes a loss to the bank which he can be held liable to reimburse, but which there is reason to believe can only be recovered by a suit against some other third party. But if recourse is had to the suit against the third party, then the testimony of the officer in fault may be absolutely essential, or at least very desirable to secure the success of the bank. Whereas, on the ground that he is a party immediately interested in the result of the litigation, he must in all probable expectation be rejected at the trial as an incompetent witness, unless he is first legally and fully released from his liability to the corporation (2). In this dilemma it is the duty of the directors to consult solely comparative ultimate probability of securing reimbursement to the bank from the defendant or from the officer. It may be that the amount of the loss is greater than can possibly be recovered from the officer or from his bondsmen, while the defendant would be amply able to pay it. It may be that the result of the suit is doubtful: or it may be that only a successful result can in reason be anticipated. Upon the consideration of such facts, the directors must conclude whether or not worldly wisdom would lead them to release the claim of the bank against the officer, or to abandon the notion of the other suit, or to sacrifice in its prosecution the advantage of his evidence. If their choice is of the first alternative, then it is not only in their power, but it becomes their duty to execute to him a full, valid, and sufficient release from his liability. We say they must be guided solely by their notion of worldly wisdom in the case: unless by direct sanction from the shareholders, their feeling towards the officer, and their opinion of his conduct and character, cannot be allowed any weight whatsoever: and this equally, whether this feeling and opinion would lead them to punish him to the utmost extent of their power, or to pity and relieve him. The question is purely of dollars and cents, not of moral desert, vindictiveness, or of commiseration (3).

62. OVER ISSUE OF NOTES.—Where the bank has the legal authority to issue its bills or notes for circulation as currency, the

1. *Lewis v. Eastern Bank*, 32 Me. 99.

2. *Frankford Bank v. Johnson*, 24 Me. 390.

3. See *Bank Jacques Cartier v. Valin*.

power to make the issue is one of the ordinary and inherent functions of the board which the public has a right to presume is vested in, and will be honestly exercised by, the directors. The bank is held to warrant their fidelity. If the issue is attended with any error, neglect, or fraud, the resulting loss is that of the bank. For example, if there be, from any of these causes, an over-issue, the bank must yet redeem all the notes in the hands of innocent holders (1), and pay any penalty which may be imposed by the legislature in cases of over-issue (2). The transaction, falling within the ordinary scope of directorial authority, is one wherein the bank guarantees both the integrity and accuracy of its agents.

63. DUTY OF DIRECTORS CONCERNING UNAUTHORIZED ILLEGAL ACTS OF OFFICERS.—It will sometimes happen that a subordinate officer will do an act either illegal or fraudulent, which is of such a nature or done in such a manner that it does not necessarily bind or affect the bank. Thus the conduct of a single official may be such that, if it could be construed as the action of the corporation, it would cause a forfeiture of the charter: but if it be without the direction or privity, *a fortiori*, if it be contrary to the actual orders of the board of directors, the punishment will be meted solely to the wrong doer, and it will be considered that the nature of the case furnishes no ground for proceeding for forfeiture or penalty against the bank itself. But whenever knowledge of the commission of an act of this description, any or all the possible results of which might be averted from the Bank, is brought home to the directors, it is incumbent upon them at once to disavow the doings of their officer on behalf of the body corporate, to decline to allow the corporation to receive any benefit from them, and so far as can be done reasonably and without injury, to seek to undo the transaction if it be still inchoate or imperfect. If the whole affair is completed and can no longer be repudiated or undone, or if no good or just end could be attained by the repudiating or undoing when knowledge of it first reaches the board, still it is their duty promptly to remove the official who was guilty of the misdemeanor. If they neglect these steps, if they knowingly suffer the bank to reap advantage from the wrongful conduct, or if they continue to retain the wrong-doer in the service of the bank

(1) *McDougal v. Belmont*, 18 Ga. 411

(2) Section 51, sub-section 3

they will be regarded as sanctioning and adopting his acts on behalf of the Bank, and it will be affected by these precisely as if they had been originally done under direction, or with the cognizance, approval or collusion of the corporate government (1).

64. Before permitting any cashier, officer, clerk or servant of the bank to enter upon the duties of his office, the board of directors must require him to give bond or other security for the due and faithful performance of his duties (2). Such obligation may be in any sum which the directors see fit. The power to take official bonds is inherent in every corporation, independently of statutory permission. The Act gives no right to the corporation to require bonds of a director, at least, unless he shall also fill some other office. But this does not render the taking of a bond from a director illegal, nor does it prevent such a bond from being valid at common law. It only deprives the bond of a statutory character, which is an insignificant loss, inasmuch as it seems to be attended by no very definite practical advantage.

65. The statute gives no description concerning the terms of the bond, and thereby it saves the chance of considerable litigation in cases where the bond might not precisely conform to the legal requirements. Generally it may be said that any condition in the bond, consistent with its general character, and not in contravention of the rules of law, of good morals, or of public policy, will be sustained. Although the obligation may be in any sum which the board may see fit, it is not probable that they would be allowed to recover any designated sum as "liquidated damages" in all cases, neither any money in the nature of vindictive or penal damages, at least from the sureties. From them the recovery should be limited to the actual amount of the loss. The bond is strictly for reimbursement, not for either punishment or profit. This character imperatively fixes the measure of damages at the amount of actual pecuniary loss or injury which the Bank has sustained (3). And it is conceived that only the injury, naturally and in the ordinary course of business, arising from the misconduct, can be recompensed. Remote results cannot be proved against the sureties; much less results, which are in a measure

(1) *Bank Commissioners v. Bank of Buffalo*, 6 Paige 407; *Robinson v. Beale*, 2 Ga. 275.

(2) Section 23, sub-section 2.

(3) *Bank of Washington v. Barrington*, 2 Penn. 27.

due to negligence or ignorance of the directors in the events transpiring after the malfeasance.

66. THE BANK IS BOUND BY THE ACTION OF THE MAJORITY, AT A REGULAR MEETING OF THE BOARD.—The bank is bound by the action of the majority of the board, taken in the manner usually adopted by the board, no matter how informal or peculiar that manner may be. An expression of the will of the majority is what the law looks for and recognizes (1). It seems, however, that it is indispensable to the validity of any action that it should be taken by the board: that is, that it should be the vote of a majority of a quorum, at a regular and legal meeting of the board. Thus it has been held, that the assent of a majority of the directors, expressed by them individually, and not at a regular stated meeting of the board, is not sufficient to confer upon the cashier authority to do any act which he would not have authority to do, unless it was conferred upon him by the directors (2). But it also appears that when a quorum of the directors are assembled at a legal meeting, they will bind the bank by their proceedings, even though the remainder of their number have had no notification of the meeting (3). Though the action of the quorum may be valid as the action of the corporation under such circumstances, yet it by no means follows that they may not themselves be in fault if the failure to notify all the members of the board was not absolutely unavoidable.

67. DIRECTORS ENTITLED TO NOTICE OF MEETING.—It is the duty of every director to be present at every meeting of the board. Clearly the responsibility which rests upon him, as a part of the government of the corporation, gives him the absolute right to demand that due notice be given him of all meetings of the government for deliberation or action. The directors have no power or discretion, directly or indirectly, to debar any one of their number from the exercise of all his rights, *a fortiori*, from the performance of all his duties. Not even the conviction, honestly entertained by all the rest, that one of the members is secretly hostile to the real interests of the bank, will authorize them to refuse him any of those means of scrutinizing its affairs which ordinarily pertain to his incumbency in office. Even the

(1) Bank of Middlebury v. Rutland & Washington R. R. Co., 30 Vt. 159.

(2) Elliot v. Abbot, 22 N. H. 549.

(3) Edgerly v. Emerson, 3 Post. 555.

formality of a by-law is impotent to deny him access to the books and accounts. A by-law assuming to do so is simply invalid, being "repugnant to the provisions of this Act," and especially to section 46. The effort to exclude by such a by-law constitutes, by itself, sufficient and proper ground for the granting of a writ of *mandamus* in favor of the excluded official; and the writ may be directed, not alone to the other directors, but also to any subordinate officer who has assisted in the attempt to prevent the ousted petitioner from exercising any of his legal functions. The supposed hostility on the part of the petitioner towards the corporation, even if it should be proved, would furnish no valid cause for withholding the writ (1).

68. RECORDS.—Records of the proceedings of the board of directors are good at law, although not taken at the time of the meeting. They may be made at any time subsequently and relate back.

(TO BE CONTINUED.)

LEGISLATION AFFECTING TRUSTEES AND LOAN COMPANIES.

Some reference to the new Ontario Act, respecting the duties, powers and liabilities of trustees, may be of interest to many readers. The powers conferred by this Act are in addition to the powers conferred by any instrument creating a trust.

Trustees, unless expressly forbidden, are permitted now to invest in terminable debentures or debenture stocks of companies authorized to loan moneys on mortgage of real estate. The debenture must be registered and transferable only on the books of the company. The investment is limited to (A) companies having a capitalized, fixed, paid-up and permanent stock amounting to at least \$50,000, having a reserve fund of not less than 25 per cent. of the paid-up capital, and the stock of which has a marketable value of not less than 25 per cent. premium, and which have, during the ten years preceding the date of investment, paid six per cent. dividend on its ordinary stock. (B) Or to gas and water companies, or building societies having a capitalized, fixed, paid up and permanent stock amounting to at least \$100,000, and a reserve fund

(1) People v. Throop, 12 Wend. 183.

of fifteen per cent. of its paid-up capital, the stock of which has a marketable value of not less than seven per cent. premium, and which had, during the ten years prior to the investment, paid a dividend of six per cent. on the ordinary stock.

Investments shall not be made in the debentures of a company of class (A) which has not obtained an Order-in-Council approving of investments in its debentures. Such approval is not to be granted if the company has not kept strictly within its legal powers in relation to borrowing and investment. The Order-in-Council giving such approval may be revoked.

Powers are given to trustees to appoint solicitors, bankers and agents; and trustees making such appointments are relieved from liability for the dealing of trust funds consequent upon such appointment, if the appointee is not permitted to control the trust fund for an unreasonable period. Other provisions are made with regard to the conduct of affairs by trustees, placing them in a fairer position than they have previously occupied. The provisions provide in general terms that they should not be liable for losses to the estate if they act as prudent business men should do.

The Act respecting Loan companies has been passed to follow in its terms the Revised Statutes of Canada, chap. 119, secs. 88 to 92, and 94 to 102, as amended by the Statute of Canada 1887, chap. 20, and therefore effects no real change in the law respecting loan companies. The policy of passing Dominion and Provincial Acts, which use the same terms and which deal with questions as to which there may be doubt as to whether the right of legislation exists with the Dominion or Provincial Parliament, is much to be commended.—*Monetary Times*.

BANKING AND FINANCIAL NEWS.

AND

MISCELLANEOUS BANK AND FINANCIAL ITEMS.

This Department also includes: "OPEN LETTERS FROM BANKERS"—an interchange of opinion by those interested; "THE WORLD OF FINANCE"—extracts on monetary affairs from newspaper sources; and a complete list of NEW BANK AGENCIES, CHANGES IN OFFICERS, etc.

MANITOBA LAND COMPANY.—The accounts of this company to February, 1891, were submitted at its third annual meeting, held in London on the 26th May. A deficit for the year of £316

records the business done during that period, making a total shortage of £1,716 for the three years, since re-construction. The surplus left after re-construction and credited to Reserve has thus been reduced to £1,560. The final call of 5s. a share has not been needed this June; and if the improvement referred to in the chairman's address continues, it will not be required to pay the interest due on debentures in the autumn. Debentures to the amount of £10,950 are outstanding. In answer to a question as to whether the company could be liquidated without ultimate loss, the chairman, Dr. John Rae, is reported to have said that he believed such a result might reasonably be anticipated, in fact, not only without loss but with profit. The annual expenses in Manitoba and London amounted to £321, showing that affairs are being managed at a minimum of expense. Sales in Manitoba are increasing, and always at advancing prices, the prospects of real estate showing a steady improvement.

LA BANQUE NATIONALE.—The annual statement of La Banque Nationale, presented on another page, calls for consideration. As will be seen, the Reserve of \$100,000 has disappeared, having been transferred to Profit and Loss to meet the loss incurred through the sale of 330 miles of timber limits, long held by the bank as security for overdue loans. A larger sum was appropriated in 1888 to cover eventual loss on this item, but an additional amount has been required. This asset has been long unproductive, and entailed an annual outlay of \$1,000, amount of Government dues and incidental expenses. By the liquidation of the account, \$160,000 of locked-up funds have been made available, which at 7 per cent. should add \$11,200 to the future profits of the bank, in addition to a saving of the annual expenses in connection with the ownership of the limits. As a result of this sale, the amount of secured overdue paper has decreased to \$81,754, having formerly stood at \$303,284. Apart from this unfortunate feature the statement shows a fairly satisfactory year's business. Net profits amounted to \$75,254, or 6¼ per cent. on capital. The comparatively small percentage of net profit must be attributed to the writing off of a larger amount of bad debts than usual, and it is probable that the Rest account was not of itself sufficient to cover the actual loss on the sale of the limits already mentioned. In its present position, the bank is undoubtedly in much better shape than for some years past, and we confidently look to a steady

upward movement now that a heavy burden has been removed. The directorate, we feel sure, will prudently avoid in future the handling of so large an account as that which led to the present state of affairs. The bank has always had a good name, and is credited with a very profitable connection, but accounts running up into the hundreds of thousands cannot be carried profitably on a capital of \$1,200,000.

CITY AND DISTRICT SAVINGS BANK.—The forty-fourth annual meeting of the shareholders of the Montreal City and District Savings Bank took place on Tuesday, 5th May. The report submitted showed the net profits for the year to be \$122,506.82. After paying two dividends to shareholders the balance was credited to Profit and Loss account, making it \$150,629.70. The Reserve Fund is now \$300,000. The volume of business transacted during the past year amounted to thirty-four million dollars. The increase over last year in the amount due to depositors was \$138,439.28, and the average due to each depositor \$174.38, against \$179.15 for last year, a reduction due to the increase in the number of accounts, which has reached 46,962 or 2,025 more than at the end of the previous year. During the year, the Bank suffered the loss by death of the last of its founders, Mr. Alfred Larocque, who, since the establishment of the Bank, was one of the prominent members of the Board of Directors, and whose influence contributed much to secure the confidence of the public. The vacancy created on the Board has been filled by the election of the Hon. Mr. Chapleau. Mr. S. Bellemare was elected vice-president. The condensed statement of the Bank's assets and liabilities shows a surplus of the former over the latter to the extent of \$948,097.78. According to the classified accounts, 28,693 persons deposited \$50 and under : 4,653 less than \$100 and over \$50 : 4,712 between \$100 and \$200 : 3,866 between \$200 and \$400 : 2,630 between \$400 and \$800 : 1,020 between \$800 and \$1,200 : 484 between \$1,200 and \$1,600 : and 904 over \$1,600. The condition of affairs not only speaks in favor of the administration, but it also points to an increased thrift on the part of depositors and a renewed confidence in the stability of the institution.

CANADA SETTLERS' LOAN AND TRUST COMPANY.—The second ordinary general meeting of this company was held in London, at the offices, 1 Queen Victoria street, Thursday, May 28th. Accounts

to December 31, 1890, were submitted, and showed a net profit of £1,211, which goes forward to the current year. The operations of the company on closing of accounts had only extended over a period of a few months, and the result must be considered fairly satisfactory. The president of the company, Mr. R. A. McLean, accompanied by another of the directorate, has recently visited Manitoba, and he expressed himself as having been very favorably impressed with the business prospects, considering that with care and prudence the operations of the company would yield a handsome return to the shareholders. The report having been adopted, and other formal business transacted, the meeting was made special, with a view of making certain alterations in the articles of association, limiting the borrowing powers of the company to the amount of the uncalled capital. This alteration was agreed to. Debentures are now being issued.

BANK OF MONTREAL.—To many the annual statement of the Bank of Montreal was a genuine surprise. On first publication of the result of operations for the half year ending 30th April, a feeling of anxiety was aroused in the public mind, and this feeling was fostered in no small degree by hasty and unwise comments in the press and on the "street," the general tone of which was unfavorable. Those, however, who were wont to follow closely the trend of financial matters, saw in the report a state of affairs foreshadowed six months previous, when, despite an unusually large amount at credit of Profit and Loss, the expected bonus was not forthcoming. To such the action of the Board, in amply providing for possible losses in the future on accounts in course of liquidation, was no disappointing surprise. It was a necessary course, and has deservedly called forth the commendation of those most interested in the present welfare and future success of the bank. The writing down of securities held by the bank, depreciated through the Baring trouble, while by no means an admission of ultimate loss on such assets, was also a prudent action on the part of the administration, and meets with the approval of all whose trust was thus administered. To provide in advance of pending trouble, by the formation of a generous fund, for the losses that might be reasonably expected to follow is to exercise a wise discretion in the management of the corporate affairs; and when the contingency occurs, what more reasonable than to make use of the fund for the purpose of creation? The directors might well say that "there was nothing to apologize for

at the moment." The financial crises in London and New York, last autumn, were far-reaching in their disastrous effect on the monetary institutions of the world, directly and indirectly, checked though they were, yet the general manager of the Bank of Montreal is able to state that they lost nothing directly, during either of these two periods, but came through with added strength to their already well-established credit, though suffering indirectly. Such a statement calls for congratulation, and no better tribute to the prudence and able management of the bank during the past year could be paid, than to recognize in this one fact the executive abilities of those on whom fell the conduct of affairs.

DOMINION BANK.—Prosperity continues to attend the footsteps of this banking association, whose name seems to have acted as a talisman in assuring success. In net results to shareholders, it easily leads its fellows in the Dominion: and being credited with a Reserve Fund within 10 per cent. of the paid-up capital, and deposits amounting to six times that of the latter, it possesses an earning power that is approached by no other bank of equal capital. For this reason, its stock has for some time past been quoted from ten to fourteen points higher than any other similar institution, the Bank of Montreal not excepted. During the year just closed, the net profits of the Dominion Bank amounted to \$220,423, sufficient to provide for dividends and bonus aggregating 11 per cent., to add \$50,000 to Rest, and to transfer the sum of \$5,000 to a Pension and Guarantee Fund, leaving an increased balance to be carried forward to next year's account. A careful review of the various items that go to make up the annual statement of this bank reveals several interesting features, which will commend themselves to bankers generally. Deposits and discounts are within a small sum of being equal in amount, leaving for cash assets, or equivalent, a sum equal to capital, reserve fund and circulation, sufficient to meet any ordinary emergency. Thus, assets immediately available amount to close on 40 per cent. of the total liabilities to the public. To this fact must be attributed the confidence placed in this bank as a guardian of the savings of the people, of which this bank alone holds upwards of \$7,000,000. Another feature that calls for notice is the small amount of overdue paper held by the bank unsecured, \$90,183, or barely 1 per cent. of the totals of bills under discount.

QUEBEC BANK.—Despite financial storms and periods of depression the Quebec Bank has continued to pay regular dividends for upwards of fifty consecutive years. From the date of its incorporation, indeed, seventy-three years ago, only thrice has it failed to make return to its stockholders, during the years 1834-36, the business of the country being then unsettled through internal dissensions, which culminated in the Rebellion of 1837. Such a record can be claimed by but few banking institutions of equal age; and no surprise is occasioned, therefore, when now, at the end of a crucial year, marked by severe depression and heavy failures in the timber trade, as well as by unexpected crises in the money markets of London and New York, this sterling old bank presents an account setting forth net profits, sufficient to pay a dividend of 7 per cent., to add to its Profit and Loss account, and still leave its half million of a Rest unimpaired. No one but a practical banker, intimately acquainted with the events of the past year, and the consequent call for the exercise of judgment, prudence and fortitude, can fully appreciate the true meaning of this result. It is only when such an ordeal has to be passed that the wisdom of having capable and prudent administrators is brought home to the attention of shareholders. That the management of this bank have adopted a true policy, and have conscientiously carried that policy out, is shown by the successful results of past years and of the year just closed. In the words of an old and experienced director, Mr. Henry Fry, cited with commendation by Mr. Stevenson in his annual address, the true test of a bank's position is not profits nor circulation nor yet deposits, but the *character of its loans*. The policy of the general manager in watching and announcing to shareholders the amount of the bank's advances to the several great departments of trade is one which might be followed advantageously by other banking institutions. Such information is likely to be appreciated by those whose capital is being administered, affording them ample opportunity to judge of the general welfare of the bank. The character of the loans of every bank should be annually made known in some such general way to the great body of shareholders.

EASTERN TOWNSHIPS BANK.—Another successful year has just closed for the shareholders of this bank, who find their Rest account again increased by \$50,000, an enlarged balance going forward to Profit and Loss, and themselves enriched by dividends

at the rate of 7 per cent. per annum. This highly gratifying state of affairs, resulting from a year in which business was extremely dull, and the various industries of the Eastern Townships suffered more or less from extraneous circumstances, bears ample testimony to the careful manner in which the bank has been administered, and promises continued prosperity in the future. That this institution should show net profits, exceeding 10 per cent. on capital paid-up, calls for special remark. The advantages of an ample Reserve Fund are thus apparent. With the profit from such extra capital to increase the net earnings, uniformity of dividend is almost assured, periods of depression notwithstanding. In the case of the Eastern Townships Bank this Fund has now reached the very substantial sum of \$600,000, or over 41 per cent. of the paid-up capital.

CANADIAN PACIFIC RAILWAY.—The sixth annual meeting of the Canadian Pacific Railway Company was held in Montreal on 13th May, and the report submitted contains many interesting features that will repay careful perusal. The extraordinary success that has attended the growth of this national undertaking, years in operation before the time-limit fixed by the contract so familiar a text for comment a few short years since, evinces the financial abilities of those Canadians who shouldered the responsibility and the cares incident to all such gigantic enterprises. If nothing more, the present position of this company affords an evidence of the latent powers that lie dormant in the heart of this great Dominion, needing but the occasion to call them forth. The total earnings for the year just closed reached the sum of \$16,500,000, which, after deducting \$10,252,828 for working expenses, left the sum of \$6,299,700 as net earnings. Deducting from this the fixed charges of \$4,246,618, there was a surplus of \$2,053,082, for division among the stockholders, or a little over three per cent. on the capital stock.

ONTARIO LOAN COMPANIES.—In the Province of Ontario alone there are now operating some seventy-seven Loan companies, whose aggregate paid up capital reaches the enormous sum of \$35,000,000. The business of companies of this class has shown a remarkable expansion during the past ten years, and their phenomenal growth will be made apparent by a comparison of the figures for 1881 and 1891. Loans have increased from \$58,493,000 to \$102,092,000, all save \$4,000,000 on the security of real estate.

In the same period their reserve funds have doubled, and now amount to \$9,500,000; assets total \$116,376,819, of which \$2,500,000 is held in cash, \$12,000,000 in Dominion and other securities, and \$102,000,000 in loans as aforesaid. Against these there are liabilities of \$114,996,000, of which \$48,544,000 are debentures payable at a future time. That success has been attained by most of the larger companies of this particular class speaks well for the care and prudence shown in the management of their business, and the intimate knowledge possessed by the various advisory boards of the country and people with whom they are called upon to deal. We have heard it asserted that the existence of these loan companies is a permanent menace to the thrift of the farmer, encouraging him to extravagance of living by the ease with which he is thus enabled to borrow money for non-essential improvements. We have not been able, however, to accept this dictum as being worthy of serious consideration. As will be seen from an article in another column, the farmers of Ontario have outstanding mortgages equal to but 9 per cent. of the assessed value of their farms, a percentage considerably lower than is to be found in the corresponding figures offered for comparison by most of the States in the neighboring republic.

WORLD OF FINANCE.

FEDERAL BANK.—The liquidation of the Federal Bank is getting near the end. The depositors have been paid in full. All bills presented have been paid, and provision has been made for nearly \$18,000 still outstanding. It will be remembered that when the bank changed management, 50 per cent. of the stock was written off. On the reduced amount there has been paid a dividend of 40 per cent., and a cursory glance at the bank's statement would seem to show that there is a prospect of 10 per cent. more being got. There has been written off within the last eight months bad debts to the amount of about \$355,000, the greater part of which, perhaps \$300,000, was for interest on the Potts' lumbering company account, which, more than anything else, was originally responsible for the disasters of the bank.—*Monetary Times.*

DEFALCATIONS—It is a satisfaction to some extent that the late distressing malversations by bank officers, not numerous, but severe, are old affairs that have only cropped out now. The door is shut in Canada to weak and erring men, and in all other countries, either by their laws, or by courtesy to the United States, so that defalcation is a rare thing nowadays, and we may expect that with more vigilance and better routine discipline by boards of directors, all this class of misdoing will come to an end, except in cases of

absolutely diseased minds that cannot resist appropriating, and these in banks are few and far between. Canada also benefits by the door being shut here, in the excellent treaty of 1890, which would have been in force many years ago if both governments had not mixed up business with international politics.—*Banker's Monthly*.

BANK DIRECTORS.—The United States Supreme Court has, by a majority of 5 to 4, affirmed the judgment of the Circuit Court for the Northern District of New York in the case of Albert B. Briggs, receiver of the First National Bank of Buffalo, against E. G. Spaulding and others, directors of the bank. The receiver sought to hold the directors responsible for bad loans made by the president of the bank. No dishonesty was charged, but it was asserted that if the directors had given proper attention to the affairs of the bank it would not have failed, and that the directors were liable to the bank. The court holds that the directors are simply to exercise ordinary prudence, and that this prudence is to be governed by usage in bank affairs. This was done in the present case. The case is one of great importance, involving the relations of all National bank directors.—*Chicago Trade Bulletin*.

RUSSIAN GOLD.—Ever since April, 1890, the Imperial Bank of St. Petersburg has been accumulating gold. In its *raison* it does not distinguish between gold and silver; but it is impossible to attribute the increase of the stock of precious metal—which was 11½ million roubles a year ago, and has steadily increased to 67½ millions now—to a movement in silver. The bank in question had begun a policy of accumulation before the Baring crisis of November last. By that time it had raised its stock of precious metal to 57 million roubles, but, as we all know, then let out some gold against British Government securities, which will mature next month. The official balances abroad (*Comptes à l'étranger*) are stated in the return of Imperial Bank at 147½ million roubles, or say 16 million pounds sterling. We should all like to know how much of this is to be called home in the shape of gold.—*London Daily News*.

RETURNS.—A great many people are firmly impressed with the idea that this is an age in which the man of money by bounds increases his bank account, and the poor man not merely remains at a standstill but becomes considerably poorer. However, such are not the straight facts, according to some calculations recently made in Great Britain. It is there known that the smaller fortunes are increasing more rapidly than the greater ones. The official statistics show that from 1877 to 1887, incomes averaging from £750 to £2500 per year increased 20 per cent., while those from £2500 to £5000 remained stationary, and those of £5000 and over this amount declined 2½ per cent. For this decade the income tax paid by nine-tenths of the men of small salaries, averaging £2500 a year, increased fully 50 per cent. Another remarkable feature is, that of the estates paying probate duty on personal property in England fully 77 per cent. are below £5000 in amount and 98 per cent. under £100,000.—*Montreal Star*.

THE C. P. R. SYNDICATE.—No little surprise has been expressed on the "street" at the comparatively small amount of Canadian Pacific stock held by the leading members of the old syndicate, as shown by the share list. The road is virtually in the hands of Dutch and English capitalists, the Dutch syndicate holding 52,000 shares, and the London and Westminster Bank, and Morton, Rose & Co., of London, 88,000 shares, as against 44,500 shares held by our Montreal magnates. One year ago the latter owned 54,000 shares, distributed as follows:—Mr. Duncan McIntyre held 24,000 shares, Sir Donald A. Smith 15,000, Sir George Stephen 10,000, and Mr. R. B. Angus 10,000, total 54,000 shares. To-day they are credited with 19,000, 10,000, 8,500 and 7,000 respectively. These reduced holdings are caused by one of two factors. Either the holders are slowly unloading from fear of eventualities, or the organization of co-operating steamship and railway companies has called for more capital than was otherwise available, and realization of part of their Canadian Pacific holdings become necessary in order to enable these gentlemen to pay their quota in order to successfully float the new enterprises. The latter is probably the true explanation.—*Trade Review*.

THE SCARCITY OF SMALL CHANGE.—The Washington government is gradually, from year to year, assuming all functions and attending properly to nothing. Congress is the negligent party, the officials doing what it orders, of course, and no more, for of late years official suggestion has been of little use. It not only puzzles foreign bankers but our own people, for example, that this Washington government should have handled five hundred millions of dollars of the people's money and put it into silver, and yet we are now after years of delay using only worn coins, and these very scarce! We are apt to think we lead all nations; but in England, when small silver change shows the slightest sign of being scarce or worn, the mint promptly keeps up the supply and calls in the worn coins. This is honest. Two years ago or so Mr. Goschen bought \$15,000,000 worth of silver bullion, and had it coined at once and circulated for the benefit of the retail trade. The worn condition and scant supply of our silver coins under a dollar offer proof of the utter negligence of Congress in this matter of retail money. Nor must it be forgotten that an average of \$25,000,000 in silver, practically bullion, has been lying idle in the Treasury for years, that ought to have been coined and circulated. Worn coins are redeemed at but 75 cents in the dollar.—*Bankers' Monthly*.

THE BANK OF MONTREAL.—The papers are making much ado, at present, because the great Bank has had to take a portion of its surplus fund to apply to a full usual dividend. What is a surplus fund for? To meet the emergency of unexpected and exceptional losses, and to even up, average or equalize the income dividend of such permanently held stocks as that of the Bank of Montreal. There has been a change of general management. The new man rarely assumes any doubtful assets, and yet they may be perfectly good; but he exercises the right of severest scrutiny at the begin-

ning of his great trust, and who can blame him? Mr. David Davidson, Mr. E. H. King, Mr. Smithers, Mr. Angus, Mr. Buchanan, protected each his incumbency from the contingency of reflection for a predecessor's acts. Why should he assume and mingle, when, by the rules of a severe discipline in the Bank, there is even more care in recovering suspended debts than in looking after current ones? A slight falling off in earnings for six months in any bank, even in the Bank of England, is small game for big newspapers to blaze away at. There is this about the Bank of Montreal and the Bank of England: they are perfectly candid about earnings and losses, and never conceal anything—in fact they err, if at all, on the pessimistic side.—*Bankers' Monthly*.

THE CENTRAL BANK.—The threatened action against the late directors of the Central Bank, by the shareholders or liquidators, as the case may be, for \$1,954,602.63, has about it a touch of the serio-comic. The long delay that has been suffered to elapse before taking action, and the fact that the liquidators did not initiate the proceedings, stamp the movement as extraordinary. The master has refused to permit the bank to be made a plaintiff, though the suit is allowed to go on. It is quite possible that some of the directors did not know what was going on in the bank in which things were managed so strangely and mysteriously. There may be different degrees of culpability, if any, among them, or some may be culpable and others innocent. The suit, should it go on, will disclose the facts, and show where the blame lies. There are many details of the management of a bank or other large corporation of which the directors must necessarily be unaware; all they can be expected to know is the general principle of management and the movement of the exceptionally large accounts. Where there is fraud on the part of officers there will be concealment, and some or all the directors may be unaware of what is going on. It is well for the reputation of the Central Bank directors as a whole, that the responsibility of wrong-doing should be put on the right shoulders; and if the suit should have this result, it will not be in vain.—*Monetary Times*.

DETECTING COUNTERFEITS.—The following useful points on the best way to detect an American counterfeit note are from an authority on the subject. Experts don't judge so much by the appearance of the bill as they do by its "feel," that is, by the way it slips through the fingers; but it takes years of experience to acquire the necessary fine touch, and even then it is not always reliable. Every bill is lettered and numbered, and there is a connection between the numbers and letters, which is made in such a way that when you know about it you can tell a genuine bill almost at a glance. What are known as the character letters of a bill are placed on either side of the central figure or vignette, and are A, B, C, and D, and after the numbers have nothing to do with the case so far as detecting a counterfeit goes; but those engraved on the bill in the places mentioned are rightly named character letters, since they serve, in connection with the numbers, to show if the

bill is genuine. Now, suppose you have a bill numbered 12922826. The character letter on such a bill should be B. Why? If you take the last figures, which are 26, and divide them by 4, you will have a remainder of 2. Now, B is the second letter of the alphabet, and the remainder, after dividing the last two figures by 4, must in every case be that represented by the numerical position of the first four letters of the alphabet. That is, when one is left over, the character should be A; 2 over should be B; 3 over should be C; and when there is no remainder the letter should be D. When this rule fails to work on any bill you come across, you can bet as many more as you can raise that the bill is a counterfeit. It's rather strange, but it's still another fact that the counterfeiters have not caught on to this little scheme of Uncle Sam's currency sharps, and they slap in their letters and numbers without any regard to the relation that ought to be between them.—*Boston Journal of Commerce.*

BRITISH INVESTORS GROWING CAUTIOUS.—A sensible impression has been caused by the disclosure, that the public are indisposed to take up foreign bonds in the same ready way that till quite lately they did. It is now established beyond a doubt, that syndicating firms who took the last Portuguese loan have a considerable quantity of it remaining on their hands, and their confident anticipations of absorption of the stock by the public have not been realized. While there has been a feeling of depression in London and on the German Bourses, the Paris Bourse till quite recently has maintained its tone of optimism, and the big speculators there have been carrying very large commitments in leading international securities. Some of the second-class operators have had such extensive engagements that conservative houses have been alarmed, and have endeavored to check the disposition to add to already extensive engagements. The president of one of the leading French finance establishments is understood quite lately to have had a hint given him to reduce his commitments, and the weak tone that was developed a few days ago was attributed to endeavors on his part to carry out the wishes of those who advised him; it was represented quite late last week that he had received assistance, but another large operator is understood to have gone beyond his depth, and further revelations of similar heavy engagements on slender resources are apprehended. Shortly after the disclosures in connection with the disaster of the Société des Dépôts, discount facilities for carrying on speculation with finance paper were curtailed by the Bank of France. Previous to such action, operators found it no hard task to create the appearance of a huge speculation for the fall. The lifting of the floating supply of stock early this year in some instances led to the adverse operators having to pay a bonus for permission to defer delivery. Account after account for months past we have witnessed the feature either of extremely tight rates of contango, or else rates of backwardation on some of the leading international securities. With such a condition of the market's, many operators who sold on the idea of buying back at cheaper prices retired from the contest. The "bear" position was curtailed, the condition of the market altered, owners of stock came forward and lent it in the market, or borrowed

on it at abnormally low rates, so as to be able to employ in other directions the cash secured, and with the recent realizing on the part of speculators for the rise, an altogether changed condition of the markets is presented. It has been known all along to those who have closely observed the state of affairs in Paris, that there has been an enormous speculation for the rise open, and a break has been expected. The development of weakness in Paris has not been without influence in other directions, and leading speculative securities in almost all departments have given way in price. There is a disposition to take an adverse view of the future of the home railway market, and recent operators for the rise in American railway securities have retired for a time until events clear up as regards the immediate money position and condition in Paris.—*London Statist.*

HOW AND WHY GOLD IS SENT ABROAD.—We have a communication from a very intelligent correspondent, which shows how generally is the misapprehension concerning the movements of the precious metal. The writer in question asks us to explain "the method by which gold is withdrawn from the sub-treasury for export." He cannot understand why "if this country does not owe any money abroad," the "country's gold should be taken from the sub-treasury" for shipment. Nor can he see "what consideration is given" for the volume of metal thus transmitted. To those who look upon the movement in this light, the outflow is an unexplained mystery.

The sub-treasury has in its vaults a certain amount of gold that belongs to the holders of gold-certificates, and must pay it out either in the form of bars or coin when the certificate is presented and payment demanded. Neither the country at large nor the government has anything whatever to do with the outflow of coin or bullion. The shipment is wholly a matter of individual concern. The owner of a sum of money wishes to transfer it to Europe. For some reason he prefers to have it on the other side of the ocean. He can now get it in gold, dollar for dollar, and he may look forward to a possible future when gold will be at a premium, and he can only get silver for his capital. He exchanges his check on the bank for gold certificates, presents these at the treasury, draws out the coin, packs it in a keg or box, and sends it on board a ship. But some one may ask why he does not buy a banker's draft payable abroad, if this can be done as cheaply, and save himself the bother and risk of packing and shipping the coin which costs him freight and insurance, while the draft could be sent for simple postage. This is usually the course taken by those who have money to remit, as long as the rate of foreign exchange is below the cost of sending out real money.

It is not easy in every case to see why anyone having a remittance to make should choose to send out gold, when a draft payable in Europe can be obtained at less cost. But there are many reasons why this is often done. The sender of the money may have large remittances to make. If he keeps on buying bankers' drafts until the rate for exchange goes up to the specie point, and then must ship the gold, it would be far better for him to ship the money first, and buy the exchange in lesser amounts and at a lower price. But there are often conditions on the other side which make it desirable for

his correspondents to increase the supply of gold in their market, and they instruct him to ship the coin, preferring to credit him with the expenses in order to strengthen their own financial standing. The owner of the money may be sending it out to aid in the negotiation of some foreign loan, and it then makes a material difference whether he sends in it a draft on money already there, or in a remittance of real money which increases the volume of available currency in the foreign market. Or the shipper here may be merely the agent acting on foreign orders. The banker, or a syndicate of operators, wishes to lessen the pressure for money in some locality, and arranges to do it by importing gold. The balance of trade is of no account to the operator, and he cares nothing for the disturbance he may create here by the withdrawal of the gold. Of course he cannot get the money for nothing, and when those who look on cannot see what he gives for it, they are sorely puzzled. But there is no mystery about it. No man can get something for nothing. A banker in Europe who wants gold brought from New York must give real value for it in some form. If he owns money here already invested, he sells out the security and transfers the proceeds. The investment may be stocks or bonds or real estate, but it is always something that is convertible at the pleasure of the owner.

There is a vast amount of capital in this country belonging to foreign owners. When they are a little frightened for fear gold will sell at a premium, some of the timid will call it home. When the Farmers' Alliances talk of stay laws and other legislation hostile to capitalists, farm mortgages are less desirable, and some capital thus invested is withdrawn. When it is evident that foreign harvests will be poor, and this is likely to tighten the money market, a little more present gold there will be helpful, and this is anticipated. Every fear of a renewal of European hostilities draws real money to the place where it is likely to be needed. And especially when there are to be large government operations in finance, and loans are to be put out which require an easy market for their successful negotiation, it will pay well to draw gold from every quarter where it can be obtained to effect that purpose. This is probably the largest factor at work in the recent demand for gold from this country.—*New York Journal of Commerce*.

FARM MORTGAGES IN ONTARIO.—Those who take a pessimist view of the condition of our farmers believe that the farms in Ontario are more deeply mortgaged than those in the States, and consequently that our farmers are worse off in this respect than the American farmers. The facts, however, prove the reverse.

By Part 3 of the last report of the Bureau of Industries, published in November last, it appears that the total assessed value of "farm property," comprising over 22,000,000 of occupied acres, and including both land and buildings, amounted in 1889, at an average of \$57.39 per acre, to \$824,703,000. The average for the previous year was \$57.79, the decrease being a fraction over 1 per cent., or 40 cents per acre. This decrease of 1 per cent. is of course principally due to adverse circumstances affecting the farmers, but also to a slight extent to the taking up of fresh land, for, when more than usual

is taken up, it slightly lowers average values in statistical reports. A portion of this year's report being still in the printer's hands, we have to refer to the one issued in 1889 in order to arrive at an approximate estimate of the total value of real estate for town and country for the whole province. Part 6 of the report is not at all clear. There is apparently some omission; but it would seem that in 1887 the assessed value of the real estate for the villages, towns and cities was about 35 per cent. of the total for the whole province. Probably it has now risen to 40 per cent. of the total value for both town and country. There are no reliable data as to what are the proportions of mortgages in town and country; but if we assume that it is about the same average in both cases, then about 60 per cent. of all the money lent on mortgage is lent on farms. By Part 5 of this year's report, which gives the facts relative to Ontario loan and investment companies, it appears that the total amount lent on mortgage by our 64 companies is \$91,413,000. The returns as to the sums invested out of Ontario are incomplete, but in those cases where the returns have been full, they amount to \$8,873,000. This leaves \$82,540,000 (probably rather less) as the amount loaned by the companies on mortgages in Ontario. It is estimated that the loans by private persons, of which there is no official report, equal one-half of this sum. This would swell the total amount of mortgages in Ontario to \$123,810,000. If we deduct 40 per cent. for the amount advanced upon the security of village, town and city property, this will show that the total sum lent to our farmers amounts to \$74,286,000. As the report values all our farms for land and buildings at an average of \$37.39 per acre, the total value on a total acreage exceeding 22,000,000 is \$824,793,000. Consequently, the astonishing fact is proved, if the official reports are correct—and no doubt they are reasonably so—that the total indebtedness of our Ontario farmers on mortgages is only about 9 per cent. of the assessed value of their farms. Even supposing that only one-third of the mortgages are on village, town and city property, leaving two-thirds for the farms, the percentage is raised to only about ten per cent. The exact truth would probably show a yet more favorable state of affairs, for it is doubtful whether private individuals have loaned the enormous sum of \$41,270,000.

In a late number of the *Forum*, there is an able article on "Western Farm Mortgages," by Mr. Goodloe. He gives a full account of farmers' indebtedness in Ohio. Omitting five counties containing the great cities, he shows that in the agricultural counties the mortgages amount to \$231,671,000 on real estate assessed at \$866,622,000, or 26 $\frac{3}{4}$ per cent. of the value. This percentage is almost three times as much as in Ontario. The particulars respecting Illinois are not clearly given, but it seems that 8,082,794 acres are mortgaged for \$142,400,000. This does not include chattel mortgages, but reckoning for city and town property, and also arrears of interest, the total mortgage indebtedness of Illinois is \$395,647,000, or 3 1-5th times as much as the total sum loaned on town and country property in Ontario. In Michigan in 1888 there were 90,803 farms with an assessed value of \$193,854,000. Of these 43,079, of the assessed value of \$79,713,000, were mortgaged for \$37,456,000, or 46 per cent. of their value, at an average rate of 7.2

per cent., which is higher than the Canadian rate of interest. The mortgages amounted to over 19 per cent. of the assessed value of the Michigan farms. This is more than double our percentage. Mr. Goodloe points out that the statistics of mortgages for Kansas are incomplete, but he proves that the farmers there are in a very bad condition. The Farmers' Alliance some time ago sent out a circular directing a canvass among the farmers for information. From information derived from 2077 members of the Alliance, it appears that 350 held unmortgaged and 1727 held mortgaged farms. Thus 83 per cent. were mortgaged. The weekly organ of the Alliance estimates as the result of investigation, that the farm mortgages in Kansas amounted to \$146,563,000, or an estimated total of 270,000 farms. In one county in Kansas there are 1100 foreclosures on the docket.

On the whole, considering that it is shown by both American and Ontario official data that Ontario has a far more productive soil than the greater part of the States, and that the mortgage rate is less here than there, our farmers, although they have their troubles, are comparatively better off than those of the United States.—*Toronto Mail*.

MISCELLANEOUS BANK AND FINANCIAL ITEMS.

The Farmers' Bank of Rustico has asked Parliament for an extension of its charter.

The London *Times* believes the Russian Government will withdraw about £3,000,000 from London within the next month or two.

The Coaticook Cotton Co. has already been given \$20,000 bonus and exemption from taxation and is now asking for \$1,500 more.

The directors of the Fortress Hotel Company, Quebec, have been authorized to sue all shareholders who have not paid the last call.

Hebrew bankers in Berlin have given notice to their agents and customers that Russian securities will no longer be dealt in by them.

The advisability of establishing a Canadian mint will come up in the House of Commons during the present session.

The Town of Petrolia is about to issue 20 year debentures, bearing 5 per cent. interest to the amount of \$27,000.

The Quebec Board of Trade has drawn up a memorial to the Dominion Government asking the cancellation of the million dollars of North Shore bonds.

Since 1815 the Rothschilds are said to have raised for European Government upwards of \$3,000,000,000, of which one-third was for Great Britain alone.

The Sherbrooke by-law, authorizing the issue of debentures by the amount of \$50,000 for permanent improvements, has been sanctioned by the Lieutenant-Governor.

The salary of Mr. Clouston, general manager of the Bank of Montreal, was recently increased to \$17,000, or more than double the amount received by a Dominion cabinet minister.

The Town Treasurer of Toronto Junction has called for tenders for the purchase of \$20,000 of Public School 20 year bonds, bearing interest at the rate of 5 per cent. per annum, payable yearly.

The withdrawals from the savings bank in the Province of New Brunswick during the month of April exceeded the deposits \$31,677.06. The amount of deposits was \$72,321.22, and the withdrawals \$103,998.28.

The withdrawals from the New Brunswick branches of the Savings Bank during the month of May exceeded the deposits \$36,133.40. The amount of the deposits was \$66,264.73, and the withdrawals were \$102,398.13.

The assessment roll of Regina this year will sum up nearly one million dollars, being an increase of \$200,000 over that of last year. A by-law to expend \$20,000 for drainage has been carried by a vote of 140 to 1.

The Town of Port Arthur is calling for tenders for the purchase of \$75,000, 30 year 4 per cent. debentures, interest payable semi-annually. This amount is required for the building, equipping and operating of an electric street railway.

The secretary-treasurer of the Township of Potton, Que., has called for tenders for an issue of \$15,000 bonds, payable in 15 annual payments of \$1,000 each, and bearing interest at the rate of 4½ per cent. per annum, payable yearly.

The new safe in the Finance Department has cost the immense sum of \$44,468, of which \$33,377 went to Messrs. Goldie & McCulloch, the remainder being expended in making ready the building, laying the foundation, etc.

United States Mint director Loech says he has not heard that American banks have refused to receive from Canadian banks American silver currency at par, as stated in a St. Thomas, Ont., despatch and he does not believe they have done so.

The St. Thomas Loan Company will make application to have the name of the company changed to the Atlas Loan Company, because from its present name some people form the idea that they do only a city business, which is not the case.

The Quebec *Chronicle* warns its readers against a new species of false coin now floating around, which consists in splitting a silver coin in two, one side being silver and the other lead. "The one which came to our notice is a 25 cent piece."

The receipts on account of consolidated fund from July 1, 1889, to May 20, 1890, were \$34,438,528, as against \$33,382,378 for the period from July 1, 1890, to May 20, 1891. The expenditures during these periods were: 89-90, \$25,825,914; 1890-91, \$27,229,788.

Among the dupes of Edward Pinter, who claimed to be able to multiply gold by a chemical process, were, it is said, one of Gladstone's cabinet ministers, who was swindled out of £6,000; a member of the Rothschild family, who gave up £2,000; and a member of Baring Brothers, who contributed £50,000.

In the matter of trust and safe deposit companies the Montreal Board of Trade have resolved to memorialize the Government, asking that no charter be granted to any such company unless it deposit a sum with the Government proportionate to the amount of its business and furnishes annual returns to the Government.

Sir Charles Tupper has been appointed a director of the Water Works and Gas Works' Securities Corporation, London, Eng., which has just been organized there with a capital of \$2,000,000. The object of this new corporation is to buy up water works and gas and other works of the kind in Canada and the United States.

Toronto has been flooded with circulars from counterfeiters calling attention to their goods. These have got into the hands of detectives, and a copy of one is published. The prices of exchange are \$40 for \$5, \$100 for \$10, \$300 for \$30, and so on. Montreal has been similarly honored, circulars written in both languages having been received.

The Superior Court of Montreal has dismissed the suit of Joel Leduc against F. X. St. Charles, president of the Hochelaga Bank. Mr. Leduc sued to hold Mr. St. Charles personally responsible for the defalcations of Parent, the ex-cashier, holding that he had not exercised a proper supervision, but the court maintained he had, and dismissed the case.

As an illustration of the power of little things in effecting great results, it is said that the recent introduction of little dime pocket savings-banks sold on the streets has caused the withdrawal of over a million dollars of subsidiary silver from the United States Treasury, and made a perceptible stringency in the amount of small coins used in trade.

At a general meeting of the shareholders of La Compagnie Industrielle de Berthier, held on the 11th May, it was resolved that, in accordance with the report of the directors, the company be dissolved and wound up voluntarily. This concern was organized in 1887, to continue the holt manufacturing business of Messrs. Goudron Frères, and had, we believe, a paid-up capital of \$20,000.

The French mint authorities examined during the first quarter of this year no less than 2,900,000 20-franc pieces, 177,600 of these being of foreign origin. Among the 2,422,400 French coins examined, 2,166,332 were good, 255,426 were found to be of light weight, and 142 were either counterfeit or defaced. The 255,426 light pieces were replaced at a cost of 56,760*f*. The actual expense of replacing each 20-franc piece found light has been 23 centimes, or about 2¼*d*.

The colonies have received another warning that the British investors will not go on lending as freely as they have been doing of late. The Bank of

England recently brought out a loan for the Queensland Government of two and a half millions sterling, bearing $3\frac{1}{2}$ per cent. interest, the minimum price being 94, but the subscriptions amounted to a little under £3,000,000. Queensland, like all the other colonies, has been borrowing too rapidly, and it will benefit in the long run if it takes this lesson to heart and practises more economy in the future.

The directors of the New Glasgow Iron, Coal and Railway Company (limited) have issued \$500,000 of 8 per cent. first preference shares. The *Enterprise* says that the whole issue of ordinary shares [\$500,000] is held by the founders. The directors are: John F. Stairs, president, M.P., Halifax; Graham Fraser, vice-president (president of Nova Scotia Steel and Forge Co.), New Glasgow; William Jacks, Glasgow, Scotland; Frank Ross, Quebec; George F. McKay, New Glasgow; J. Walter Allison, Halifax; Harvey Graham, New Glasgow.

J. B. LePoulin, of Montreal, is suing the London Guarantee Company for \$20,000. For twelve years Mr. LePoulin had been teller in the Banque Nationale, and his honesty and integrity were guaranteed by a bond of the Guarantee Company for \$20,000. The grounds for the action are that some time since a report was sent into the bank, stating that Poulin was a gambler, and that he played poker for an \$8 limit. The company refused to guarantee him any longer, and he was therefore discharged. LePoulin claims that he is not the poker player.

The fluctuations in the Bank of England rate of discount since January 1, 1890, have been as follows: On that date a 6 per cent. rate ruled. A reduction to 5 took place Feb. 20; to $4\frac{1}{2}$ March 6; to 4 March 13; to $3\frac{1}{2}$ April 10; and to 3 a week later. On June 26, the rate advanced to 4 again, followed by a further advance of 1 per cent. on the 31st July. This 5 per cent. rate was maintained for upwards of five months, commencing to decline Jan. 8, 1891, and reached its minimum of 3 again Jan. 29. Since that date the fluctuations have been recorded in these pages, viz., April 16, $3\frac{1}{2}$ per cent.; May 7, 4 per cent. and May 14, 5 per cent.

The amended law relating to the capital stock of trust companies in New York State provides, that in cities of over 100,000 inhabitants the capital stock must not be less than \$500,000; in cities whose population is not in excess of that number, the capital must be \$250,000, and in cities and villages with a population of less than 25,000 inhabitants, the capital stock must not be less than \$100,000. In Toronto with a population of 220,000 there are three trust companies, one of which has an advertised capital of £1,500,000, and the other two \$1,000,000 respectively.

To defeat the forgers of the \$2 certificates now in circulation, newly engraved ones will be issued by the United States. The vignette will be a portrait of the late eminent Secretary of the Treasury, Mr. Windom. This will defeat the counterfeiters for a time on "twos," and will very slowly relieve the people of the present soiled and disease-breeding notes in "pushed along" circulation. They will return very slowly, however, to

the Treasury. A bank circulation is different; each bank putting out its own and sending in the others for redemption, the paper currency is kept clean, and saves the people from a large percentage of disease and death.

According to the *Toronto World*, City Treasurer Coady has recently paid a visit to Ottawa, for the purpose of stamping across the face of some \$500,000 of Toronto debentures held by the Government the words "payable only in legal tender or gold." This amount of municipal bonds is held on deposit in the Treasury vaults at Ottawa, as pledges of good faith on the part of holders for the carrying out of contracts, etc. According to the original tenor of these bonds, they might have been redeemed in bank currency or silver. Now they are redeemable only in Dominion notes, gold, or silver to the extent of \$10, and copper to the extent of \$1, the only legal tender in Canada.

The official Bank of England statement rendered to the guarantors of the Baring Brothers, who came to that firm's assistance at the time of the recent Argentine financial crisis, gives the following account of the liabilities and assets:—Liabilities—Due to diverse creditors and depositors, £828,000; advances by the Bank of England, £7,508,000. Assets—Good securities, including the partners' lands and houses, £2,860,000; securities, the values of which are based on the quotations of October 31, 1890, other than South American, £1,100,000; Uruguay securities, £2,117,000; Argentine securities, £5,785,000. On November 14, 1890, the total liabilities were £20,963,000, and the total assets £24,770,000.

One of the important causes of the recent extraordinary exports of gold from New York is held by Henry Clews to be the new tariff, having induced an extraordinary importation of goods in anticipation of the higher rates of duty. For months before the McKinley bill was adopted goods were imported at the rate of \$5,000,000 per month in excess of the previous year; and during the seven months from Sept. 1st, to April 1st, the increase over a year previous was \$44,000,000, while the increase in the exports during the same months was only \$16,000,000. Then there was also a large return of securities consequent on the Baring and South American troubles, variously estimated between forty and fifty millions.

The immediate cause of the demand in Europe for more gold seems to be the desire of the banks and bankers there, to strengthen their reserves against a possible stringency growing out of the impending large funding operations of Russia and Portugal. The Rothschilds have a contract with the Russian Government, which, though temporarily suspended, will sooner or later be carried out, for the conversion of an old loan of some \$70,000,000, now bearing $4\frac{1}{2}$ per cent. interest, into one at 3 per cent., and for the procurement of \$50,000,000 fresh money. The Paris bankers are asking for a loan of about \$50,000,000 to the kingdom of Portugal, and various British colonies are seeking to borrow large sums in London.

The Chemical National Bank of New York is the largest bank in the United States; and its statement, issued May 4th, runs up into big figures. This bank reports total resources of \$35,468,925. While its capital is only

\$500,000, it has a surplus of \$6,000,000 and undivided profits of \$484,647 more. Its deposits aggregate \$28,700,000 and its loans \$21,000,000. The bank's stock is gilt edged and hard to get at any price. The par value is \$100 per share, but the last sale of the stock some time ago was at \$4,500, and none can be obtained now for less than \$5,000 per share. Mr. Williams, the president, and Mr. Quinlan, the cashier, have reason to be proud of the splendid empire they control, and in which are employed eighty-seven persons, all needed to do the daily work of the bank.

The following is a condensed statement of what at present constitutes the Dominion currency:—

Fractional notes	\$ 179,342 60
Provincial notes	32,234 12
Dominion Fours	421,910 00
Montreal issue.....	7,071,731 50
Toronto issue.....	6,954,146 75
Halifax issue.....	845,637 50
St. John issue.....	678,436 00
Victoria issue.....	433,250 00
Total.....	\$19,192,770 90

The London *Daily Chronicle* says there is a strong feeling in financial circles that the money market ought to be placed upon a different footing. "The frame work of the money market," the *Chronicle* says, "is antiquated, and no longer suitable to the conditions of recent years." Mr. Lidderdale, the governor of the Bank of England, called a meeting recently of representatives of the larger banks, to consider questions bearing upon the co-operation of joint stock banks with the Bank of England, in view of exceptional circumstances which may arise. The indications are that a change in the present banking methods is necessary. At the bankers meeting it was decided that it is no longer imperative to fix the minimum rate of discount, but that it will be expedient in future times of difficulty jointly to assist the Bank of England to maintain its reserve of bullion.

A U. S. treasury official, speaking of the embarrassment the dime savings banks are causing the treasury department, is quoted as saying: "It is estimated that there are \$1,000,000 in dimes hidden away in these pocket banks to-day, and there appears to be no way to draw on this reserve until the bank is glutted to its full capacity. There are 1000 banks in active operation in the department alone, and thousands in the other departments, and millions more in the hands of Washington children, and every one of them has a wide open mouth yawning to devour the fractional coin. It is estimated that 75 per cent. of the dimes that were in circulation three months ago in the city have been banked in these little tubular depositories, and the cry is for more. The craze has affected other cities, too; Baltimore, New York, Philadelphia, Boston, and other commercial towns are sorely put to it for change of this unit of value. This demand is giving the bank cashiers and sub-treasurers a great deal of worry, for it requires three expert clerks a whole day to count \$10,000 in this sort of money."

Tenders will be received up to Monday, June 15th, for debentures of the City of New Westminster, B.C., amounting to \$176,000. Debentures are for \$1,000 each, payable on the 17th June, 1939, in the City of New Westminster, and bear 5 per cent. interest per annum, payable on the 1st days of January and July in each year, from the date of the delivery of the debentures. Debentures will be ready for delivery at New Westminster, July, 1st.

Mr. J. D. Henderson and a number of other shareholders in the defunct Central Bank, have entered on action-at-law in Osgoode Hall to recover \$1,954,603.93 and damages from the directors, David Blain, C. Blackett Robinson, Kenneth Chisholm, M.P.P., A. McLean Howard, Samuel Trees and H. P. Dwight. D. Mitchell Macdonald, who was also a director, is not included as a defendant, as he is out of the jurisdiction of a Canadian court. The amount named represents the net receipts of the liquidation on the double liability, \$1,800,336.57, which the plaintiffs were called on to pay, and the amount of claims set off against the double liability, \$154,267.36. The master-in-ordinary will be asked for an order directing the liquidators of the bank to bring this action, or in case they refuse to do so, the plaintiffs ask for power to proceed on their own behalf.

A bill has been sent by the Argentine Government to Congress creating a new National Bank, which it is proposed will take over the affairs of the old bank, and which will have a capital of \$30,000,000 in paper currency and \$30,000,000 in gold. The Board of Directors of this bank, according to the Government's propositions, is to consist of 15 members, the majority of the Board to be composed of natives of the Argentine Republic. The chairman of the Board to be appointed by the Government. The new bank is to take over all the realizable assets of the old bank in order to pay the liabilities of the last named institution. The new bank will enjoy all the old bank's privileges, but it will not issue paper currency until the Government has arranged for a conversion or for a reduction of the present currency. The new bank places its gold capital in the conversion *caisse*, receiving notes in return at the rate of two and a half dollars in notes to every dollar in gold held in the *caisse*.

A new era has dawned for burglars. Speaking of a robbery which was recently committed at a bank in Hanover, a continental paper says that though it was supposed at the time that the thief opened the safe by means of a gas jet and some sort of acid, it is extremely probable that the robbery was accomplished by electricity. With the aid of electricity, the paper states, any safe, however strong, can be opened in the space of thirty minutes. To do so the safe should be connected with one pole of the electric machine, while the other must be attached to a carbon point. The latter pole should then be placed against the safe, with the other a short distance away. In a few seconds a jet of flame will appear, and this in a few minutes would render the iron of the safe quite soft and easy to cut. The whole affair can be managed in a very short time and without any noise or smell. Burglars, as a rule, would not even have to incur themselves with tools, as many banks are fitted with electric light, thus providing all the requisite implements on the spot.

The excess of withdrawals over deposits, which has marked the monthly returns of the Dominion Savings Banks ever since the reduction of the rate of interest from 4 to $3\frac{1}{2}$ per cent., still continues, the balance on 30th April last being \$180,418 below that at the close of the preceding month. The deposits for April amounted to \$251,348 and the withdrawals to \$431,766, leaving the balance in the hands of the Government on 30th April at \$17,250,901 compared with \$17,431,319 on 31st March. The total deposits held on 30th April, 1890, were \$18,695,065, thus making the apparent decrease during the twelve months \$1,444,464; but of the amounts then deposited \$435,952 was in two branches which have since been closed, the accounts having been transferred to the Post Office Savings Bank. This amount must therefore be deducted, which makes the real shrinkage \$1,008,212.

The deposits in the Post-Office Savings Bank for the month of April amounted to \$578,231, and the interest allowed depositors on accounts closed during the month to \$17,320, making a total of \$588,551. The withdrawals for the same time were \$769,523, making an excess of \$180,972 over deposits and interest. The total amount on deposit on 30th April was \$21,147,949 compared with \$21,328,921 on 31st March. A year ago the total amount of deposits was \$21,549,080. The deposits for April, 1890, were, with interest, \$511,250; the same month this year shows an increase of \$77,301. The total savings held by the Government in the Post Office Savings Bank and the Government Savings Banks on 30th April last was \$38,398,850 compared with \$38,760,240 on 31st March, a shrinkage of \$361,390 during the month of April. A year ago the total deposits were \$40,244,126; compared with that date there is a contraction in the total deposits of \$1,845,296. The total contraction in deposits since October 11 1889, when the reduction from 4 to $3\frac{1}{2}$ per cent. came into force, is \$4,600,992, the total on that date being \$42,999,792.

NEW BANK AGENCIES, CHANGES IN OFFICERS, ETC.

We shall esteem it as a favor if readers of the MAGAZINE will notify us of any changes in the banks with which they are connected, as well as of new bank agencies and banking firms organized or recently opened in their place or vicinity, in order that the changes and addition may be made without delay in this department.

The Quebec Bank has opened a savings branch in connection with its new premises in the New York Life Company's building, Montreal.

Mr. E. A. Bog, manager of the Standard Bank, Campbellford, has been in Chatham, relieving the manager of the agency there, who has been ill.

The Molsons Bank is opening branches in Winnipeg and Calgary. The Winnipeg establishment is already open, and the Calgary one will be ready for business on the 5th of June.

The New Bank of British Columbia building, at Vancouver, is rapidly advancing in height. The arches over the windows are now all up, and there is no doubt but that this will be the most handsome building in the city.

Mr. J. R. Ambrose, who has been for some years accountant at the Toronto branch of the Bank of British North America, has been appointed accountant at the New York branch of the same bank, his place in Toronto being meantime taken by Mr. G. H. McKay.

Mr. McArthur, banker, has purchased the outstanding notes of the Knowles estate, Prince Albert, from the assignee. The notes amount to over \$17,000. This arrangement leaves but a comparatively small sum due to the Commercial Bank, with the real estate yet to be realized upon.

CANADA'S PUBLIC DEBT.

The following statement published by the Finance Department shows the state of the public debt of Canada on the 30th day of April last:—

Liabilities.

Payable in England	\$187,991,466 88	
" " temporary loans	4,886,186 65	
" " Canada	12,068,056 66	
Dominion Notes	16,183,134 48	
Savings Banks	38,597,928 77	
Trust Funds	8,127,344 45	
Province Accounts	16,907,532 78	
Mis. and Banking Accounts	1,118,273 88	
Total Gross Debt		\$285,879,924 55

Assets.

Investments—Sinking Funds	\$25,524,238 10	
Other investments	6,199,881 07	
Province Accounts	9,918,919 40	
Mis. and Banking Accounts	9,969,436 27	
		51,606,474 84
Total Net Debt		\$234,273,449 71
do 31st March, 1891		234,692,554 42
Decrease of Debt		\$418,904 71

From this it appears that for the month of April, there was an increase of \$162,540 in the total gross debt, and one of \$581,445 in assets, resulting in a reduction of \$418,904 in the total net debt. The increase in the total gross debt is in three items,—liabilities payable in England which are expanded by \$74,964, Dominion notes which are increased by \$79,119, and miscellaneous and banking accounts which are increased by \$11,063, making in the three items an increase of \$165,146. This is offset to the extent of \$357,618 by a reduction of \$11,063 in liabilities payable in Canada, one of \$328,826 in Savings Banks, and one of \$11,728 in trust funds, temporary loans and province accounts being unchanged. The increase in assets is confined to two out of four items, *i. e.*, investments—sinking funds—which are expanded by \$92,697, and miscellaneous and banking accounts which show an increase of \$48,748. Other investments and province accounts are unchanged.

RAILWAYS AND NAVIGATION.

RAILWAY OFFICIAL LIFE.—The days have passed when railway management was a comparatively easy and peaceful avocation, each company having its own field of operation in which it met little competition from other lines and little trouble from the public; when presidents and managers were on cordial terms with their fellows of other roads; when rates were remunerative and well maintained; when dividends were regular and directors and stockholders were satisfied; and when railway systems were small and easily managed. Now competition is fierce, aggressive, far reaching and unremitting; railway officials, from the top down, look with suspicion and jealousy upon the officers of the numerous lines which at innumerable points contend with them for business; confidence and friendship have been, in many instances, succeeded by personal dislike and bitterness; rates are frequently below the paying point and agreements to maintain them are constantly being violated, either openly or through subterfuge and duplicity repugnant to really honest men; dividends are the exception rather than the rule, and "the usual 10 per cent." besides extras has dwindled, in the case of nearly all of the few companies which continue to pay anything, to a pitiful 1 per cent. quarterly; stockholders—in the good old days heard from only at the quiet annual elections, and then only by proxy—are demonstrative and belligerent, calling directors to sharp account and often sweeping whole boards out of official existence; directors have taken up their unused powers and require all matters of importance connected with the company's management to be submitted to them for ratification or disapproval; presidents, shorn of their former absolute power, are subordinated to "chairmen of the board," and in turn have assumed or delegated to vice-presidents some of the former prerogatives of the general manager; general managers chafe under the authority of vice-presidents and come in collision with the powers conferred upon traffic managers; heads of department are irritated by inroads over the ill-defined boundaries which separate each other's provinces; subordinates all the way down the ladder are trying to climb up over other men, and friendship and loyalty are frequently sacrificed in the struggle of selfish ambition; railways have

grown from independent, easily managed properties of a few hundred miles to vast aggregations or systems comprising many thousand miles of lines, and allying sometimes scores of different companies whose geographical location, traffic, peculiarities of construction and operation, and relations to the communities in which they exist involve endless varieties and perplexities of management ; so that the head of the system is loaded down with a tremendous burden of responsibility and labor under which mental and physical endurance frequently gives way, and which, although he may struggle on, robs life of its pleasure and makes even satisfied ambition seem a hollow mockery.

Above all, and most fatal to former peace and prosperity, state and national authorities with iron hand have seized the practical control of the railways, fixed their rates, prescribed rules for the construction and operation of the roads and their equipment, and subjected railway officials and employes, from directors down to trackwalkers, to the danger of personal punishment, even to penitentiary imprisonment, for the results of accidents which they would have risked their lives and fortunes to prevent.

Altogether the life of the railway official in these days of tremendous competition, vast systems, multiplication of duties, development of popular hostility and subjection to politically constituted authorities is not one very full of satisfaction, and those who, having experienced its burdens and disappointments, have retired to leisurely life or to the independence of private business are happier than the "railway magnates" whom the public admires and envies. The popular expression "The good Indian is the dead Indian" might be paraphrased to read, "The happiest railway manager is the ex-manager."—*Railway Age*.

The Montreal and Ottawa Railway is applying for power to increase the directors to nine and to increase the bond issue from \$15,000 to \$17,500 per mile. The extension of time for the completion of the road to 1894 is also asked for.

The C.P.R. have established a line of steamers, known as the British Columbia Steamship Company, which is to be a feeder of the ocean service of the Canadian Pacific for passengers and freight between San Francisco and British Columbia. The "West Indian" is now plying on the route. Another steamer of the line, the "East India," is expected in a few weeks, and still another vessel of the same company will soon be despatched to the coast from Liverpool.

The annual meeting of the shareholders of the Quebec & Lake St. John railway was held in Quebec, 1st June, when the following were elected directors for the ensuing year: Frank Ross, E. Beaudet, Simon Peters, Hon. P. Garneau, Gaven Moir, Hon. F. Langelier, Thomas A. Piddington, Jules Tessier, M.L.A.; John Theodore Ross, Hon. George Irvine and Joseph J. Fremont, all of Quebec; Edwin Hanson, of Montreal; and Judge J. A. Gagné, of Chicoutimi. The annual report was extremely satisfactory.

A cablegram to the *Globe* says:—"A good deal of attention has been attracted by the delivery of the mails from China and Japan in London recently, twenty-five days after leaving Yokohama, despite three days delay at New York waiting for the last Atlantic steamer. Allowing for this delay, the result agrees well with the forecast of what the new route would achieve, but it brings out all the more clearly the present utter breakdown in the Atlantic link. I have good authority for stating that high official circles here regard Canada's failure to provide an improved and adequate Atlantic service as virtually a breach of the conditions on which the imperial subsidy was granted for the Pacific service. The latter has little imperial value till the former is brought up to date."

General Manager Seargeant of the Grand Trunk Railway, in an interview on the reduction of salaries, says:—"The traffic receipts of the road have of late been very much on the decrease, and the directors have decided to adopt the best means possible of tiding over the difficulty." In consequence a circular has been issued, to the effect that those employees receiving from \$500 to \$750 per annum would have their salaries reduced by 5 per cent. Those getting \$750 and upwards would have their stipends reduced 10 per cent. On being asked how long the reduction in his estimation was likely to last, Mr. Seargeant said that he anticipated it would only be for a short period. If the crops were good the traffic would be greatly increased. Mr. Seargeant was at the meeting of the presidents in the States a few days ago, and, so far as he could then learn, the prospects were that in the coming autumn the traffic would be very large and in excess of previous years. He expects that traffic will commence to revive in July, and that by August there will be a complete revival.

QUEBEC CENTRAL RAILWAY.—A special meeting of the shareholders and income bondholders of the Quebec Central Railway Company was recently held at the offices of the company, 5 Great Winchester street, London, "for the purpose of considering and, if approved of, passing a resolution sanctioning the construction of a line starting from between Beauce Junction Station, in the township of St. Joseph, and Tring Station, in the township of Broughton, both in the county of Beauce, to join the Atlantic and Northwestern Railway to the Canadian Pacific Railway at or about Lake Megantic, in lieu and in substitution of completing the Chaudière Valley extension line from St. Francis beyond St. George's to the frontier in Beauce."

The chairman, Mr. Dent, said the directors wanted the consent of the income bondholders and the shareholders to this change of line. The line originally contemplated was from the Chaudière Valley extension from Beauce Junction, down to the boundary line, and then on to the junction of the Canadian Pacific and the Moose river, near Jackmantown. But there were certain difficulties connected with this line, because in the charter which empowered the company to build it, they were not allowed to work a certain portion of the boundary to the junction of the Canadian Pacific until they had also made a junction at the Forks with the Somerset line. That was a difficult line to build, because the country was so mountainous. After due consideration it was decided that it would be better to run the line from Tring to Megantic, in which case an advantage would be obtained, as it would all be in the Canadian territory. They were led to believe that if they did build the proposed line, the Maine Central would build up their line so as to meet this company's. When this line was completed, the distance from Quebec to St. John, New Brunswick, would be about 90 miles shorter than the present route. The company's general manager thought that the proposed line would be by far the best route. He concluded by moving the following resolution which was carried:—That the construction of a line starting from between Beauce Junction Station, in the township of St. Joseph, and Tring Station, in the township of Broughton, both in the county of Beauce, to join the Atlantic and Northwestern Railway, leased to the Canadian Pacific Railway, at or about Lake Megantic, in lieu and in substitution of completing the Chaudière Valley Extension Line from St. Francis beyond St. George's to the frontier in Beauce, be and is hereby sanctioned."

GRAND TRUNK RAILWAY TRAFFIC RETURNS.

<i>Week ending</i>				<i>1891.</i>	<i>1890.</i>
May 2	Passenger	train	earnings	\$123,291	\$121,075
do	Freight	do	do	211,908	260,482
May 9	Passenger	do	do	110,724	114,505
do	Freight	do	do	217,327	255,842
May 16	Passenger	do	do	113,832	111,873
do	Freight	do	do	216,895	257,653
May 23	Passenger	do	do	126,603	134,331
do	Freight	do	do	214,380	248,733
May 30	Passenger	do	do	141,431	132,203
do	Freight	do	do	218,904	242,255
				<hr/>	<hr/>
				\$1,695,300	\$1,878,952
					1,695,300

Decrease..... \$183,652

The total gross receipts of the Chicago and Grand Trunk Railway for the year 1890 amounted to £771,264, against £746,573—an increase of £24,691. The working expenses were £587,279, or 76.14 per cent., in 1890; against £559,466, or 74.93 per cent., in 1889; showing an increase of £27,813 in their amount, and an increase of 1.21 in their percentage proportion to gross receipts. The net profit was thus £183,985, against £187,107, a decrease of £3,122. The net revenue charges for the year were £161,460, so that there was a surplus over the net revenue charges in 1890 of £22,525, as compared with a surplus for the year 1889 of £25,286. The surplus has been credited to the Grand Trunk Company.

The gross receipts of the Detroit, Grand Haven and Milwaukee Railway for the year 1890 were £232,772, against £220,038, showing an increase of £12,734; the working expenses were £177,501, or 76.25 per cent., against £168,627, or 76.63 per cent.; showing an increase of £8,874 in their amount, and a decrease of .38 in their percentage proportion to gross receipts; thus leaving a balance of £55,271, against £51,411, and showing an increased net revenue compared with the year 1889 of £3,860. The above net revenue compared with the interest charges for the year of £72,162, leaves a deficit of £16,891 7s. 5d. (against a deficit for 1889 of £19,131), which has been debited against the Grand Trunk Company. On the other hand, the Grand Trunk Company derived a net revenue of £39,660 during the year from traffic interchanged with this railway.

CANADIAN PACIFIC RAILWAY TRAFFIC RETURNS.

<i>Week ending</i>		<i>1891.</i>	<i>1890.</i>
May 7	Traffic earnings	\$347,000	\$293,000
May 14	Do	356,000	303,000
May 21	Do	356,000	304,000
May 31	Do	534,000	428,000
		<hr/>	<hr/>
		\$1,593,000	\$1,328,000
		<hr/>	<hr/>
		1,328,000	

Increase..... \$265,000

The earnings of the New Brunswick Railway are included in the earnings of both years.

The earnings of the Canadian Pacific Railway for the month of April, 1891, were as follows:—

Gross earnings	\$1,608,308 49
Working expenses.....	<hr/> 1,008,823 96

Net Profits..... \$599,484 53

Net Profits, April, 1890.....

440,162 11

Increase, 1891..... \$159,322 42

For the four months ending April 30, 1891, the figures are as follows:—

Gross earnings.....	\$5,822,063 10
Working expenses.....	<hr/> 4,058,992 37

Net profits.....\$1,763,070 73

Net profits, same period, 1890.....

\$1,207,293 67

Increase, 1891..... \$555,777 06

The earnings and expenses of the New Brunswick Railway are included in both years.

The gross earnings of the Canadian Pacific Railway for the year 1890 amounted to \$16,552,528.98, distributed as follows:—

From Passengers	\$4,774,713 76
" Freight	10,106,644 02
" Mails	356,038 61
" Express.....	260,268 43
" Parlor and Sleeping Cars.....	268,096 76
" Telegraph and Miscellaneous.....	<hr/> 786,767 40

\$16,552,528 98

The working expenses aggregated \$10,252,828.47, distributed as follows :—

Conducting Transportation.....	\$2,576,725 72
Maintenance of Way and Structures.....	2,069,658 78
Motive Power.....	3,655,244 22
Maintenance of Cars.....	539,316 27
Parlor and Sleeping Car Expenses ...	64,096 14
Expenses of Lake Steamers	108,335 92
General Expenses	950,754 06
Commercial Telegraph.....	288,697 36

\$10,252,828 47

INSURANCE DEPARTMENT.

COMMERCIAL VALUE OF FIRE INSURANCE.

So accustomed do men become by familiarity with the operation of some of the most potent forces in the natural world, that they are unconscious of their value until startled out of their listless mood by some unusual exhibition of these forces. The never ceasing, noiseless heat of the sun's rays which pervades the universe, working a thousand daily miracles of creation, and moving the myriad wheels of nature's complicated machinery, is little noted as the days go smoothly by. But when the sun's alchemy generates the dangerous gases in the pent-up laboratory of the inner earth and the earthquake shock comes, men are startled into compelled recognition of one of nature's greatest forces. So in the business world some of its most important factors are little noted because of their very commonness. Prominent among these factors is fire insurance which has become so thoroughly incorporated into the structure of the commercial world that its importance receives tardy recognition. It is only now and then, when the unusual happens and the world is startled out of its complacent mood by a vast Chicago or London conflagration, that men stop to take an inventory of the value of fire insurance as a regenerative factor in the commercial world. And yet, quietly, effectually and indispensably, every day and

month and year this agency restores otherwise ruined credit, replaces the crumbling walls of mammoth stores and factories, and recreates the vanished home. It puts new goods upon the new shelves of the merchant, sets in motion again the machinery of the manufacturer, and rings out the *Te Deum* for rebuilt church and college. It exchanges among all classes the dismal night of calamity for the new, bright day of hopeful opportunity, banishes bankruptcy, and save communities from financial paralysis.

The business of property insurance, either fire or marine, has come to be an essential part of nearly all other kinds of business in the world, and its value as a balance wheel to all commercial machinery can scarcely be overstated. The merchant of limited resources expands his credit by means of well-placed insurance ; the vessel owner and the shipper alike protect their ventures by calling in the aid of insurance capital ; the manufacturer doubles his producing capacity by confiding in insurance ; and the frugal builder of a home in need of more money gets it through the recognized security of the insurance policy.

Just what fire insurance does for the commercial world may be more strikingly seen, however, by a broad view of its place as a contributor to the fire waste constantly going on. A reference to the various insurance reports reveals the fact that, during the year 1890 the vast sum of more than \$68,000,000 was paid in the United States and Canada for losses by the fire and marine insurance companies, of which about \$63,500,000 was for fire and \$4,500,000 for marine losses. How great the calamity to the business of the community would have resulted if this vast amount had been a dead loss to the individuals insured can easily be conjectured, for not only the actual loss by fire or tempest to the individual would in many, perhaps most cases, have been financial ruin, but when one business man fails, he drags from one to half a dozen other men down with him. In Canada alone, during the past twenty years, the aggregate amount paid to make good the fire loss of the country was upward of \$57,000,000, about six and a half millions of which went to re-create the burned out city of St. John.

It is true fire insurance does not create capital—a million dollars' worth of property burned up is so much value gone from the world's assets ; but fire insurance does what, *to the individual*, is the same thing as creating capital, for it makes good his loss. It is a distributor of a fund contributed by the many for the

preservation of the few, every contributor well knowing that he may be one of that few, and that if he is, his protection is assured. Thus, fire insurance goes on from year to year, standing in the place of banker to that portion of the community who in the stress of fire loss would, but for its open purse, drift into hopeless bankruptcy, dragging scores after them. The commercial value of insurance in the United States and Canada in 1890 was not only sixty-eight millions, but several times that sum. That amount not only paid an actual fire loss, but it prevented a vast number of failures, the happening of which would have caused widespread commercial disaster. The world without insurance to-day would be a world of commercial chaos.—*Insurance and Finance Chronicle.*

E. T. MUTUAL INSURANCE COMPANY.—At a meeting of the Board of Directors of the Eastern Townships Mutual Fire Insurance Co., held at their offices in Beebe Plain, at which the Government Inspector was present, it was decided to put the company into liquidation. The losses for the year ending April 31st, 1890, were very heavy, but the losses for the first six months of this year exceed those of all last by nearly five thousand dollars, in addition to which there is a large amount due in assessment, which the company will never likely be able to collect. The liabilities of the company for borrowed money, etc., are large, causing a continual drain to pay interest. Taking everything into consideration, the Directors, after consulting the Inspector, felt it their duty and in the interest of the policyholders that the above course be taken. The liabilities of the Company will likely be paid in full, although it will entail the payment of nearly the whole amount of the premium notes given it by the policyholders. The company has never been strong. It has struggled against fate and early bad management, coupled with heavy running expenses and numerous losses, so that liquidation became simply inevitable.

GRAND TRUNK RAILWAY INSURANCE AND PROVINCIAL SOCIETY.—The annual statement of this society, submitted at the meeting held in April last, presents some interesting figures, and evidences the magnitude of the society. The sick benefit fund for 1889 amounted to \$76,238.14; for 1890, \$77,564. The insurance fund for 1890 was \$75,427.70. The total expenditure from January 1st, 1885, to December 31st, 1890, was \$748,470.78, divided as follows:—Insurance, \$351,114.80; sick benefits, \$236,

386.47; medical attendance, \$128,384.64; general expenses, \$31,263.57; unpaid death claims, \$1,321.30.

The total receipts from January 1st, 1885, to December 31st, 1890, were \$747,271.17.

From members, \$673,582.29; from Grand Trunk Railway Co., \$73,688.88; leaving a deficit of \$1,199.61. The total membership on the books of the society at December 31st was 12,890, being an increase of 428 over that of the previous year. One hundred and nineteen deaths were reported during the year, of which 37 were the results of accidents and the remainder from natural causes. Thirty-two members, who were certified unfit for further work in the company's service, commuted their insurance, making a total of 157 claims, for which levies were made. The total number of sick benefit claims paid was \$7,095, being \$2,517 more than the previous year, the increase being the result of the influenza or "grippe" epidemic, of which disease alone there were 2,311 cases on the fund. In looking over the analysis of diseases one is struck with the increase of la grippe or influenza. The society had to deal with 22 cases in 1889 and 2,311 cases in 1890. The total sickness in 1887 was 3,566; in 1890, 5,920. Total accounts in 1890, 1,175.

MINES AND MANUFACTURES.

PETROLEUM.—There was an increased production of petroleum in Canada, according to the report of the Inland Revenue Department for the twelve months ending December 31, 1890, as compared with the two previous years. In 1890 inspection shows a total of 236,768 barrels of forty-five gallons each, and 44,196 cases of twenty gallons each. In 1889 the total number of barrels inspected was 220,960, and cases, 38,344; while in 1888 the number in each case was still less, there having been 217,587 barrels and 23,928 cases inspected.

PLATINUM.—A company of local capitalists has been formed in New Westminster, B.C., with a capital of \$40,000, to work immensely rich platinum and iridium mines in that Province. The mines are situated on the Tulameen river, a tributary to the Similkameen, nine miles from Granite Creek, B.C. They have a water front of five miles, and these are probably the

richest platinum mines in the world, the mineral, as found, containing about 75 per cent. of platinum and 5 per cent. of iridium, a still rarer metal. The mines are also very rich in gold, having been worked principally by Chinamen, for the past thirty years for that metal. Until five years ago the platinum deposits were not known, and a great quantity has been thrown away. During the last five years, however, the yield has been enormous, one miner alone, handling thousands of ounces of that valuable metal. The value of the property would be hard to estimate. It has been thoroughly prospected and is known to be rich throughout. The owners intend working it on an extensive scale by the hydraulic system of mining. The supply of platinum in the Ural mountains, hitherto the largest source of supply, is giving out, and the owners claim that in these present mines they have the richest platinum deposits in the world. Platinum is worth \$20 per ounce, the iridium and enormous sum of \$1,400 per pound. The new demand which has sprung up for platinum consequent on its utilization in the manufacture of the incandescent lamps used in electric lighting, has made the question of a larger supply a matter of importance; and the fact, that probably the source of this will be found in British Columbia, serves as another illustration of the enormous and varied character of the mineral riches of that Province. Platinum is also found in the Saskatchewan district in connection with gold.

BRIDGE WORKS.—As a result of the visit of Hon. Mr. Mercier to Europe, vast bridge works are likely to be established at St. Hyacinthe, Que. by "La Compagnie Metallurgique" of Ghent, Belgium. A bonus of \$62,000 payable in five annual payments, extending over five years, together, with a grant of land in close proximity to the Grand Trunk station, has already been voted by the town, on condition that the new enterprise be commenced within a year. The company will find employment for from 500 to 600 hands. It is understood that all the iron bridges, partly paid for by the Government, to be erected in the different municipalities, will be built here, together with the great Quebec bridge, if it ever becomes a reality. The iron, it is said, will be drawn from blasting furnaces to be erected in the valley of the St. Maurice. When in Belgium Mr. Mercier visited the Ghent works, in company with the Government engineer, Mr. Maquet, and entered into negotiations with the above result.

BANK STATEMENTS.

	Mch., 1891.	Apl., 1891.	May, 1891.	May, 1890
Capital authorized....	\$75,258,665	\$75,258,665	\$75,258,665	\$76,008,665
Capital subscribed....	61,502,932	61,618,152	61,855,692	61,858,832
Capital paid-up.....	60,248,198	60,374,784	60,480,392	59,567,749
Reserve fund (Rest)...	22,193,026	22,137,459	22,853,789	21,034,034

LIABILITIES.

Circulation.....	\$33,020,661	\$30,904,096	\$30,917,214	\$30,831,914
Dom. Govt. deposits on demand.....	3,134,048	3,204,733	3,411,061	3,747,841
Do after notice.....	.....	.....	.....	.....
Deposits for contracts and insurance.....	94,562	86,062	89,062	206,781
Prov. Govt. deposits on demand.....	841,874	734,219	974,086	766,201
Do after notice....	2,121,518	2,078,102	1,873,642	2,168,874
Other deposits on demand.....	53,316,290	54,862,875	56,522,473	51,440,101
Do pay'e aft. notice	82,743,079	83,557,738	84,679,400	74,629,147
Loans from or deposits by other banks in Canada, secured....	219,000	209,000	234,000	292,748
Do unsecured...	2,002,756	1,553,239	2,051,923	1,461,357
Due Banks in Canada.	\$19,821	573,186	790,668	741,275
Do For. countries..	153,858	123,334	108,847	316,558
Do the U. Kingdom	2,866,107	3,591,519	3,280,852	2,441,440
Other liabilities.....	168,897	86,617	658,385	640,669
Total liabilities...	\$181,502,475	\$181,564,745	\$185,591,618	\$169,684,912

ASSETS.

Specie.....	\$ 6,661,193	\$ 6,672,904	\$6,767,167	\$ 6,145,182
Dominion Notes.....	10,546,360	10,634,792	10,789,413	9,845,830
Notes and cheques on other banks.....	8,126,319	5,987,059	5,996,309	5,813,744
Due from banks in Canada.....	3,703,642	2,982,608	3,730,957	2,784,471
Due from foreign agencies or banks.....	13,316,554	15,145,251	16,100,153	10,367,628
Do in U. Kingdom	2,825,078	1,099,731	1,295,804	2,332,447
Available Assets..	\$45,179,146	\$42,522,345	\$44,679,803	\$37,289,302
Govt. Deb. or Stock..	\$2,512,371	\$2,507,973	\$2,505,156	\$2,556,758
Loans to Dom. Govt..	682,439	956,773	525,010	923,448
to Prov. Govt..	1,575,033	1,706,764	1,951,557	768,361

	Mich., 1891.	April, 1891.	May, 1891.	May, 1890.
Securities other than Canadian	6,411,556	6,534,412	6,603,916	5,860,354
Loans on stocks, bonds, debentures.....	12,937,606	14,505,454	16,064,807	11,374,257
Do to Mun. Corp'ns	3,679,283	3,850,913	4,669,649	2,622,342
Do to other Corp'ns.	25,678,503	25,999,327	27,056,214	24,446,286
Loans to or deposits in other banks, secured	551,594	449,787	529,288	444,235
Do unsecured.....	324,208	292,874	331,541	185,213
Discounts.....	152,259,167	152,778,348	151,181,199	154,072,929
Notes overdue not sec.	1,843,989	1,525,254	1,325,874	72,317
Overdue notes, sec'd.	1,492,649	1,283,801	1,282,657	1,421,819
Real Estate.....	1,040,267	1,035,788	983,608	993,142
Mort. on Real Estate sold by banks.....	755,733	754,205	786,962	723,291
Bank premises.....	4,235,542	4,246,718	4,269,408	4,030,821
Other assets.....	2,317,056	2,525,476	2,454,554	2,376,960
Total Assets.....	\$263,476,151	\$263,476,221	\$267,201,211	\$250,161,846
Directors' liabilities ..	\$7,544,429	\$6,963,523	\$7,092,636	\$7,118,264
Ave. specie for month..	6,597,927	6,649,642	6,668,292	6,195,323
Ave. Dom. notes for month.....	10,296,429	10,344,502	10,601,033	8,956,899

There are some points in connection with free silver coinage that do not appear to have been given the attention they deserve by the men engaged in urging this fallacy upon the people of the country. When once the coinage of silver becomes free, the Government ceases to be a purchaser, and does not maintain a high price for the metal by being in the market every month for the forced purchase of 165 tons. Foreign silver would have the same chance as our own, and would at once come into competition with it. The leading countries of Europe would be exceedingly glad to exchange their silver for American gold, and the latter metal would soon become as much of a rarity with us as it was during the decade succeeding the close of the Rebellion. Take France, for instance. How glad she would be to receive \$1,000,000,000 for her reserve, and how willing to send her five franc silver pieces to our mint at Philadelphia, taking pay in notes, exchangeable in greenbacks, redeemable in gold. This one example of what we might logically expect as an outcome of free silver coinage furnishes the strongest possible argument against its adoption.—*Kennebec Journal*.

MEETINGS AND REPORTS.

GRAND TRUNK RAILWAY COMPANY.

The half-yearly general meeting of the Grand Trunk Railway Company of Canada was held on Tuesday, April 14, at the City Terminus hotel, London, Eng., under the presidency of Sir Henry W. Tyler, M.P.

The chairman stated that the directors met them with greater pleasure than usual, as they desired to dispel some illusions which had been thrown upon the undertaking, and to treat of matters, some of which were of exceptional interest and importance. He regretted that the history of the past half year had been by no means satisfactory, and he trusted they might never experience such a half year again. With reference to their passenger traffic, they had carried during the half year 3,734,000 passengers, or 37,000 more than in the December half of 1889, and the average receipt per passenger had been 91 cents, compared with 90 cents. In this way they had derived an additional revenue from passenger traffic of a little over £16,000. It must, however, be remembered that they were always affording increased accommodation, which caused a high rate of working expenses for passenger traffic. As regarded goods traffic, while they had carried practically almost as much traffic in 1890 as in 1889, the receipts had been £95,000 less, which was entirely, or almost entirely, in consequence of the reduction of rates. The rates in 1883 were \$5-100 of a cent per ton per mile, while in the past half year they were 72-100 of a cent, in consequence of the competition which had prevailed. In the cases of the New York Central, the Erie, the Michigan Central, and the New York, Chicago and St. Louis roads, the result had been far worse. In the midst of all this competition and low rates, which had done their own and other railways so much harm, there was one substantial crumb of comfort. Mr. Cooley, the chairman of the Inter-State Commerce Commission, had been making a long speech on the subject of rates, and it was generally expected that in the next session of Congress the question would be dealt with, and that division of traffic would again be legalized. If that was so, they might hope for a very different state of things. Their principal item of expenditure was fuel. They had consumed 402,000 tons in the past half-year, the duty upon which had been £35,000, while for the whole year it had amounted to £68,000. This duty was kept on for the benefit of the Maritime provinces. It was very hard for some of the other provinces and very hard for this company. He was glad to say that there was some reason to hope that this duty would be taken off before very long; and in that event he believed he was not going too far when he said that this company would thus be benefited by £90,000 or £100,000 a year. The St. Clair tunnel had been finished, and the permanent way had been laid through it; and a telegram had informed them that the first engine had at

length passed through the tunnel. He could not yet fix a day when the tunnel was likely to be opened. It was very difficult to say exactly what they had lost by the decrease in passenger rates, but it must have been very large, probably £100,000 or more; but taking the freight rates only, if they applied the rates received in 1883 to the traffic carried in the last half of 1890, they would have received £254,000 more net profit than they had received. Their net profit would then have enabled them to pay the dividends on their preference stocks, and have left something over for the ordinary stock. It was always brought against them that their subsidiary lines did not pay them. The details showing the value of these lines had, however, been taken out, and he had found that from the years 1885 to 1890 their net value to this company had been as follows:—In 1885, £56,000; in 1886, £106,000; in 1887, £110,000; in 1888, £113,000; in 1889, £122,000; and in 1890, £123,489. They would, therefore, see that these lines were gradually developing and progressing; and, moreover, they were practically branches of the parent line. The Hamilton and Northwestern railway, one of their last acquisitions, which was not classed with their subsidiary lines, had been from the first a most satisfactory speculation for the Grand Trunk company. He then proceeded to deal at considerable length with the charges recently brought against the company by Sir Charles Tupper. He concluded by moving the adoption of the report and the payment of the dividends recommended, which was duly recorded and carried.

REPORT.

The half-yearly report of the Grand Trunk directors, submitted at the meeting, says, among other things:—

The following statement exhibits a comparison of the half year's revenue account with that of the corresponding half year ended the 31st December, 1889:—

31st December. 1889.		31st December. 1890.
£2,223,026	Gross receipts.....	£2,124,092
	<i>Deduct—</i>	
1,568,029	Working expenses, being at the rate of 73·12 per cent. as compared with 71·17 per cent. in 1889....	1,555,205
<hr/>		<hr/>
654,997	Net traffic receipts.....	570,885
	<i>Add—</i>	
11,386	From the International Bridge company.....	12,926
16,938	Interest on £316,898 four per cent. debenture stock.	16,937
1,097	Dividend on £45,190 first preference stock.....	519
11,258	Balance of general interest account.....	19,228
25,286	Repayment from the Chicago and Grand Trunk Railway.....	22,525
Dr. 19,131	Detroit, Grand Haven and Milwaukee deficiency for year 1890.....	Dr. 16,891
<hr/>		<hr/>
£681,531	Net revenue receipts.....	£626,135

From the above amount of £626,135 the following preference charges have to be deducted:—

Interest on loan capital, and debenture stocks (less interest on acquired bonds and obligations of controlled lines)	£351,446
Rents, leased lines	75,334
Interest on bonds of subsidiary lines not yet acquired	56,517
	<hr/>
	483,298
Leaving a net revenue balance on the working of the half year of..	142,837

£626,135

The above amount of £142,837 0s 6d, added to the balance from last half-year of £300 16s 0d, makes a total of £143,137 16s. 6d. This provides (1) for the payment of the dividend on the 4 per cent. guaranteed stock for the half-year, amounting to £104,395 17s 6d; and (2) a dividend on the first preference stock of £1 2s 6d per cent., amounting to £38,439 6s 9d, making with the dividend of 7s per cent. paid for the half-year ended 30th June, 1890, a dividend of £1 9s 6d per cent. for the year 1890, and leaving a balance of £312 12s 3d to be carried forward to the next half year's account.

It will be observed that though the charge for pre-preference interest (loan capital, debenture stocks, bonds, etc.) was increased from £479,880 at 31st December, 1889, to £483,298 at 31st December, 1890, or by £3,418, yet there was an increase on the balance of general interest received of £7,970, so that the actual charge for the half-year on account of pre-preference interest was decreased by £4,552, though there has been a very considerable additional expenditure on capital account for doubling the line, increase of rolling stock and other purposes. This satisfactory result has been obtained through the acquisition or conversion of securities bearing higher rates of interest by the issue of 4 per cent. debenture stock.

CAPITAL ACCOUNT.

The amount charged against capital in the half year was £840,959 18s 11d; and the amount of additional capital, in the form of perpetual four per cent. consolidated debenture stock issued, was £842,886. On the other hand, there were reductions, by redemption or exchange, of the six per cent. loan capital of the company of £423,600, and of the five per cent. loan capital of £16,100, and of the five per cent. debenture stock capital of £200; and in addition the company acquired bonds and securities of the controlled and subsidiary lines amounting to £341,617, and of the Wellington, Grey and Bruce railway of £31,900, and of the United States and Canada and Beauharnois Junction railways of £311,000, making a total of pre-preference bonds and securities acquired during the half-year of £877,321 2s 2d, the interest on which was considerably in excess of the interest on the four per cent. debenture stock issued during the half year.

The actual expenditure on capital account, as distinguished from the redemption or exchange of securities above referred to, was:—

instalment of Portland loan sinking fund	£446
New works	79,421

Doubling track between Montreal and Toronto, and Toronto and Hamilton.....	210,004
New rolling stock.....	\$4,515
	<hr/>
	£375,256
Deduct credits.....	919
	<hr/>
Total.....	£374,367

The total amount of 4 per cent debenture stock issued at the 31st December, 1890, was £8,483,977; and the statement of the pre-preference securities of the company, and of the bonds and obligations of the controlled and subsidiary lines acquired by purchase, exchange, or otherwise, by the issue of 4 per cent. debenture stock from the 12th August, 1882, to the 31st December, 1890, shows a total of £5,915,366, carrying an annual interest charge of £320,389.

The directors cannot too strongly deprecate the action thus taken by Sir Charles Tupper, and the language which he has permitted himself to employ, especially in view of the fact that as High Commissioner from Canada to the United Kingdom, it is his duty fairly to represent all the interests of the Dominion, and not to attack a company which has been for a long time, and is still, expending very large sums of money with a view to the improvement of a vast railway system, which expenditure has already resulted in enormous benefits to the Dominion, and cannot but tend in future to its increased prosperity.

The board have good reason to be satisfied with the attitude of independence which Mr. Scargeant has, under their instructions, adopted, and which will certainly redound to the future benefit of the company.

The results of the first half of the year 1890 were, it will be remembered, having regard to all the conditions, of a satisfactory character. Although there was a large decrease in passenger receipts from various causes, and although the rates for freight were unremunerative for a portion of the half year, as regards important classes of the traffic, yet the interest on the guaranteed stock was paid in full, and there was a small dividend on the first preference stock for that, the weaker half-year.

During the second half of 1890, now specially under consideration, the gross passenger receipts improved to the extent of upwards of £16,000; but the gross freight receipts fell off upwards of £95,000, with only a slight diminution in the tonnage carried. This most disappointing result occurred in consequence of the very low rates received for freight during the greater part of the half year. The average receipt for freight was reduced from .75 to .72 of a cent., or 4 per cent. less per ton per mile. This reduction of rates followed upon the opening of the Canadian Pacific railway from London to Detroit and the competition which then ensued for dressed beef and other traffic. It was not until November that the rates were to some extent restored—too late to have much effect upon the results of the half-year. In consequence of these low rates, the percentage of working expenses to gross receipts was increased, though the actual cost of working the traffic was not materially affected.

So far as can be judged—though the traffic receipts for the current half year have as yet shown a decrease as compared with the comparatively high returns of the first few months of 1890—it may be hoped that the net results of the current half year will not fall much, if at all, behind those of the half-year of 1890. The General Manager's attention has been particularly directed to this subject, and he will do everything that is possible to contribute to economy of working, so as to bring down the working expenses to the lowest figure, compatible with the efficiency of the service, and to encourage the further development of the local traffic and that of the system generally.

THE CANADIAN PACIFIC RAILWAY COMPANY.

The annual meeting of the Canadian Pacific Railway Company was held in Montreal on the 13th May. The report having been considered, it was moved by the president, Mr. William C. Van Horne, seconded by Sir Donald A. Smith, and unanimously resolved:—"That the report on the affairs of the Company for the year ended December 31st, 1890, now submitted, be adopted, and that the same be published and forwarded to the shareholders and others interested in the Company."

The President laid on the table the lease for 990 years of the New Brunswick Railway Company's system (embracing 417 miles), which had been executed under authority given at the adjourned annual meeting of last year, as stated in the report; and he explained at length the provisions of Clause 4, which specifies the amounts of rent to be paid, reaching in the aggregate about 325,000 dols. per annum, which clause is in the following words:—"The lessee will pay yearly and every year. (a) The operating expenses of the New Brunswick system, which shall include, amongst other things, the cost of maintaining each portion thereof in good order and condition, also ordinary repairs and renewals, all expenditures arising out of any business or contract obligation, negligence, or misfeasance, or however otherwise in any way connected with the use and operation thereof, including damages to persons or property, all taxes of every description, federal, provincial or municipal, upon the said demised properties, or the business or franchises thereof, and also any other expenditure, which is herein declared to be operating expenses. (b) To the lessor, on the tenth day of March next after the date of these presents, and thereafter half-yearly on the tenth day of the months of March and September in each and every year, including and ending with the month of September next after the period of the said term, an amount equal to so much of eighty-eight four hundred and twentieths of twenty-three one-hundredths of the aggregate gross earnings of the lessor during the half-year, ending the thirtieth day of June or the thirty-first day of December (as the case may be), next preceding such day of payment over the system of railways, described in the third clause of the said indenture of lease, dated the twenty-first day of May, A.D. 1885, as shall exceed, if it do exceed, two thousand seven hundred and fifty pounds sterling, the amount of this excess (if any) to be paid to the lessor, at such place in London,

England, as it may from time to time, in writing, direct; but it is to be paid only so long as the St. John & Maine Railway Company or its assigns shall continue to be entitled to receive the same by way of rent under the terms of the said lease; and if the obligation of the lessor to pay the same be at any time hereafter satisfied or acquired on behalf of the lessor, by means of the issue by the lessor of consolidated debenture stock, to such an amount as may be necessary for that purpose, then the lessee will thereafter pay directly to the respective holders of consolidated debenture stock the interest as it shall fall due half-yearly on so much of such consolidated debenture stock as shall have been so issued for that purpose. (c) To the lessor, as and when and where they respectively fall due, all such sums, as may be necessary from time to time to meet the interest at the rate of three and a half per centum per annum, on eighty-two thousand pounds sterling of perpetual guaranteed debenture stock, issued by the New Brunswick & Canada Railway Company. (d) To the lessor annually the sum of three hundred and nineteen thousand three hundred and ninety dol., in half-yearly payments of one hundred and fifty-nine thousand six hundred and ninety-five dol. each, on the first day of the months of January and July in every year; after deducting from each such half-yearly instalment, whatever sum the lessee shall have paid or shall become liable to pay on account of any part of the six months next preceding the day on which such half-yearly instalment shall mature, in respect of consolidated debenture stock, to be issued by the lessor, as provided for in the next succeeding paragraph. (e) To every holder of any consolidated debenture stock, which may be hereafter at any time issued by the lessor upon the written request of the lessee, and under the provisions of the Act of Parliament of Canada, 53 Victoria, chapter 71, or of any subsequent or amending Act or Acts, as and when and where they respectively fall due, all such sums as may be necessary from time to time to meet the interest thereon, according to the rate at and the terms on which it shall have been issued, and will execute on each certificate, which shall be issued in respect of any such stock, or in such other manner as may be requisite, a valid and sufficient undertaking and guaranty to that effect. (f) If, at the request of the lessee, consolidated debenture stock shall be at any time or times issued by the lessor in respect of floating obligations, under paragraph (d) of Clause III. of the said Act, exceeding in the aggregate four hundred thousand dollars, then the lessee will pay as rent, in addition to the amounts covered by the two next preceding paragraphs, taken together, a further sum equal to four per centum per annum on the excess, whatever it may be, from time to time, beyond the said sum of four hundred thousand dollars, such additional rent to be paid to the several holders of debenture stock, in the same manner as is heretofore provided for, in respect of other portions of such consolidated debenture stock."

The President further stated that the lease gave the Pacific Company the option to purchase the 1,650,000 acres of timber lands belonging to the New Brunswick Company, at a price equivalent to 56¼ cents per acre.

Whereupon it was moved by Mr. Sandford Fleming, seconded by Hon. Donald McInnes, and unanimously resolved:—"That the shareholders do

hereby adopt and confirm the executed lease of the New Brunswick Railway system now submitted."

The President reported that under the authority of the resolution passed at the last annual meeting, an agreement had been executed between this Company and the Calgary & Edmonton Railway Company, by which this Company would on its own account operate that Company's railway for a period of six years without rental, with the option of purchasing it at the end of that period on satisfaction of the outstanding bonds of the Calgary & Edmonton Company, and 10 per cent. premium thereon, the amount of such bonds being limited by the terms of the agreement to a sum which shall not exceed 18,000 dols. per mile of the Railway; and the agreement was laid on the table, whereupon it was moved by Mr. Richard B. Angus, seconded by Mr. F. M. David, and unanimously resolved:—"That the shareholders do hereby adopt and confirm the executed agreement now submitted and dated the 24th June, 1890, between this Company and the Calgary & Edmonton Railway Company."

The President reported that in pursuance of the authority given at the adjourned annual meeting of last year, the Company had executed a lease in that form approved at the meeting, by which it had become possessed of the Columbia & Kootenay Railway & Navigation Company for 999 years, from 1st July, 1890, paying by way of rental the interest at the rate of 4 per cent. per annum on the bonds of that Company, such bonds not to exceed £5,000 sterling per mile of such railway, the length being about twenty-eight miles. And the lease having been laid on the table, it was moved by Mr. Duncan MacIntyre, seconded by Mr. J. Alex. Strathy, and unanimously resolved:—"That the shareholders do hereby adopt and confirm the executed lease of the Columbia & Kootenay Railway now submitted."

The following by-laws, passed by the directors since the last meeting of the shareholders, were read as follows: By-law No. 61.—The Canadian Pacific Railway Company hereby enacts as follows, that is to say:—"Whenever and as often as the duly authorized conductor for the time being of any train requests any passenger to show or deliver up his or her ticket, such passenger shall comply with the request, or in default thereof, shall be liable to pay and shall on demand pay the regular fare from the place whence such passenger took the train to the end of his or her journey; and if on any such demand a passenger fail to pay such fare, then the conductor of the train, either alone, or with the assistance of other servants of the Company, may put such passenger out of the train (either with or without his or her baggage) at any usual stopping-place, or near any dwelling-house, as the conductor elects, the train being first stopped, and no unnecessary force being used. Dated this eleventh day of August, 1890."

By-law No. 62, amending by-law No. 59.—The Canadian Pacific Railway Company doth hereby enact as follows:—"Section 205 of by-law 59 is hereby repealed, and the following enacted in lieu thereof, that is to say:—205. "In addition to these rules, the time-tables of the different divisions will contain special instructions as the same may be necessary. Special instructions not in conflict with these rules, which may be given by proper author-

ity, and issued in connection with the then current time-table, will be observed and remain in force only during the life of the latter. All other special instructions given by proper authority shall be observed and remain in force until cancelled. No alterations shall be made by any officer or employee, unless with the approval of the General Superintendent."

The regulation in said by-law 59 relating to tramps is hereby amended, by inserting after the word "Superintendent" in the last line but two, the following words, that is to say: "except in cases where it may be absolutely necessary for their proper care and attention." Dated this ninth day of February, 1891; whereupon it was moved by Mr. H. Gordon Strathy, seconded by Mr. Hartland S. Macdougall, and unanimously resolved: "That by-laws Nos. 61 and 62 now submitted be and the same are hereby approved."

On the motion of Mr. R. B. Angus, seconded by Mr. J. Henry Joseph, it was unanimously resolved:—"That this meeting approves and confirms the action of the directors in applying to Parliament for legislation authorizing the issue of additional consolidated debenture stock, for the purposes mentioned in the notice calling the special meeting of shareholders for this day, and authorizes them to proceed to obtain the said legislation."

It was further moved by Mr. Wm. C. Van Horne, seconded by Mr. E. B. Osler, and unanimously resolved:—"That the several acts and proceedings of the board of directors and of its executive committee since the last annual meeting, as recorded in their respective minute books, which are now laid on the table, be, and the same are, hereby approved, ratified, and confirmed."

The meeting then proceeded to the election of directors for the ensuing year; and on the motion of Mr. Donald Macmaster, seconded by Mr. Jesse Joseph, Mr. Hartland S. Macdougall and Mr. J. Alex. Strathy were appointed scrutineers. The ballot having been taken, the president read the report of the scrutineers, which declared that the under-mentioned gentlemen had been elected by the unanimous vote of the meeting, viz.: Sir George Stephen, Bart., Montreal; Sir Donald A. Smith, K.C.M.G., M.P., Montreal; Mr. William C. Van Horne, Montreal; Mr. Richard B. Angus, Montreal; Mr. Edmund B. Osler, Toronto; Mr. Sandford Fleming, C.E., C.M.G., Ottawa; Hon. J. J. C. Abbott, Senator, Montreal; Hon. George A. Kirkpatrick, M.P., Kingston; Gen. Samuel Thomas, New York; Mr. George R. Harris (of Messrs. Blake Bros. & Co.), Boston; Mr. Richard J. Cross (of Messrs. Morton, Bliss & Co.), New York; Mr. Wilmot D. Matthews, Toronto; Hon. Donald MacInnes, Senator, Hamilton; Mr. Thomas Skinner, London; Mr. John W. Mackay, New York.

The President made a further reference to the Calgary & Edmonton Railway Company, and stated that a favorable opportunity had occurred, whereby, through the even exchange of Canadian Pacific 4 per cent. consolidated debenture stock for the 6 per cent. bonds of the Calgary & Edmonton Company, the railway of that Company might become the property of the Canadian Pacific Company, free of interest charge, for something more than ten years, the Canadian Pacific Company getting also the benefit of the

annual subsidy of 80,000 dols. granted by the Government to the Calgary & Edmonton Company for the remainder of the stipulated period of twenty years, and becoming possessed of a portion of the Calgary and Edmonton land grant; and he stated that negotiations were still pending on this subject. He reported also that, in view of the expediency of acquiring the road of the Lake Temiscamingue Colonization Railway Company, as mentioned in the report, negotiations had been entered into with that object, that Company having applied to Parliament, and being likely to obtain power to sell or lease its railway to this Company, but that the negotiations were not sufficiently advanced to enable him to state fully the agreement which was likely to be reached in relation to both of these questions. Whereupon he moved, and the Hon. J. J. C. Abbott seconded, the following resolution:—"Whereas the negotiations in respect of the purchase of the Calgary & Edmonton Railway, at an earlier period than that named in the existing agreement, and in respect of the purchase or lease of the Temiscamingue Colonization Railway, had not yet resulted in a definite agreement in either case, it is resolved, that in order to give further time for the completion of such negotiations, this meeting do stand adjourned till Thursday, the 2nd day of July next, at 12 o'clock noon." And the resolution was unanimously adopted.

The meeting was thereupon made special for the consideration of the special business mentioned in the notice convening the same.

The president explained that the matters mentioned in the notice for this meeting were the subjects of pending legislation, and that, in consequence of the session of Parliament commencing so much later than usual, this legislation was not sufficiently advanced to enable such matters to be satisfactorily dealt with at present, and he recommended that their discussion be deferred. Whereupon it was moved by the Hon. J. J. C. Abbott, seconded by Mr. George R. Harris, and unanimously resolved:—"That this special meeting do stand adjourned until Thursday, the 2nd day of July next, then to meet on conclusion of the business of the adjourned annual general meeting."

At a meeting of the board, held immediately after the adjournment of the shareholders' meeting, Mr. William C. Van Horne was re-elected president of the Company, and the following were appointed the executive committee:—Sir George Stephen, Bart., Hon. Sir Donald A. Smith, K.C.M.G., M.P., Mr. William C. Van Horne (*ex-officio*), and Mr. Richard B. Angus.

REPORT.

Subjoined is the Annual Report of the Company.

A balance sheet of the affairs of the Company at 31st December last, together with the usual statements relating to the business of the past year, are submitted.

The gross earnings for the year were	\$16,552,528 98
The working expenses were	10,252,828 47

And the net earnings were.....	\$6,299,700 51
Deducting the fixed charges accruing during the year.....	4,246,618 00
<hr/>	
The surplus was.....	\$2,053,082 51
From this two supplementary dividends of one per cent. each were made and paid August 17th, 1890, and February 17th, 1891.....	1,300,000 00
<hr/>	
Leaving a surplus carried forward.....	\$753,082 51
Surplus of previous years.....	1,903,350 32

Total surplus carried forward..... \$2,656,432 83

The working expenses for the year amounted to 61.94 per cent. of the gross earnings, and the net earnings to 38.06 per cent. as compared with 60.04 and 39.96 per cent. respectively in 1889.

The earnings and working expenses of the New Brunswick Railway are included from September 1st. The earnings and working expenses of the South Eastern Railway, which is worked by the Company for the account of the Trustees, are not included.

CONDENSED BALANCE SHEET—December 31st, 1890.

Cost of Road—

Main Line.....	\$127,199,939 79
Lines acquired or held under perpetual lease.....	17,815,738 93
Branch Lines.....	8,859,118 39
<hr/>	
	\$153,874,797 11

Note—

Lines built by Government not included
—Estimated cost \$35,000,000.

15,245,963 acres of land unsold, which,
at an average of last two years' sales
(\$3.57 per acre), would realize \$54,428,-
087.91.

Equipment—

Rolling Stock.....	\$12,211,784 48
Lake Steamers.....	478,952 99
Shops and Machinery (Montreal, Hoche- laga, Perth, and Carleton Place).....	1,183,325 38
<hr/>	
	13,874,062 85

Construction Plant and Tools.....	151,991 87
Real Estate (at and near Montreal).....	285,490 63

Advances—

South-Eastern Railway.....	1,604,780 53
Station Balances, Accounts Receivable, Miscellaneous Secu- rities, and Advances.....	5,887,051 83
Atlantic and North-West Railway 5 per cent. Guaranteed Stock (acquired by issue of four per cent. Consolidated	

RAILWAY COMPANIES.

301

Debenture Stock).....		3,240,000 00
Advances on Lake and Ferry Steamers.....		527,817 92
China and Japan Steamships.....		2,375,679 41
Material and Supplies on hand.....		1,961,032 69
Dominion Government Guarantee Fund—		
Amount on deposit to guarantee 3 per cent. per annum on Capital Stock until August 17th, 1893.....		5,461,391 79
Advances on Land—		
Interest on Land Grant Bonds..	\$1,397,926 70	
Less—Surplus receipts from Town Sites.....	429,427 35	
	<hr/>	968,499 35
Balance due on Land Sold—(Deferred Payments)....		1,699,134 48
Balance due on Town Site Sales—(Deferred Payments)		190,885 01
Treasury Assets—		
Temporary advance to Columbia and Kootenay Railway, pending sale of bonds.....	\$512,239 71	
Temporary Loans on security, bearing interest.....	1,380,015 04	
Cash in Treasury.....	4,127,857 41	
	<hr/>	6,020,112 16
		<hr/>
		<u>\$198,122,727 63</u>
Capital Stock.....		\$65,000,000 00
Mortgage Bonds—		
1st mortgage bonds, 5 per cent. £7,191,500	\$34,998,633 33	
Canada Central 1st mortgage, amount of issue, £500,000... .	\$2,433,333	
Sinking Fund deposited with Government.....	1,500,000	
	<hr/>	
Balance at maturity.....	\$50,000 00	
Canada Central 2nd mortgage, 6 per cent..	973,333 33	
Due Province of Quebec on Q.M.O. & O. Railway, 5 per cent.....	3,500,000 00	
Due Province of Quebec on North Shore Railway, 5 per cent.....	3,500,000 00	
Algoma Branch, 1st mortgage, 5 per cent..	3,650,000 00	
North Shore Railway, 1st mortgage.....	484,719 67	
	<hr/>	47,956,686 33
Four per cent. Consolidated Debenture Stock.....		12,040,606 00
Land Grant Bonds, First Mortgage—		
Amount of issue.....	\$25,000,000 00	
Less—Amount redeemed and cancelled.....	20,561,500 00	
	<hr/>	\$4,438,500 00

Amount held in trust by Dominion Government, not bearing interest.....	1,000,000 00	
	<hr/>	
	\$3,438,500 00	
Land Bonds, 3½ per cent., interest guaranteed by Dominion Government	15,000,000 00	
	<hr/>	18,438,500 00
Current liabilities (including vouchers and pay rolls)		4,070,504 69
Interest on Funded Debt and Rental of Leased Lines.		
Coupons not presented, including amounts due January 1st, 1891	\$1,511,019 41	
Accrued to date not due	329,364 17	
	<hr/>	1,840,383 58
Supplementary Dividend, payable February 17th, 1891		650,000 00
Cash Subsidy from Dominion Government..	25,000,000 00	
Bonuses from municipalities	348,661 29	
	<hr/>	25,348,661 29
Land Grant—		
3,601,023 acres sold, amounting to.....	\$11,462,164 67	
6,793,014 acres taken by Dominion Government in reduction of Land Grant.....	10,189,521 00	
	<hr/>	
	21,651,685 67	
Less: Expenses, cultivation rebate, and 10 per cent. on Land Grant Bonds taken in payment.....	2,217,283 10	
	<hr/>	19,434,402 57
Town Sites--		
Amount received from sale of Town Sites not covered by Land Grant Mortgage... ..	\$2,056,291 29	
Less: Expenditure improvements, grading, clearing, &c.....	365,496 69	
	<hr/>	
	1,690,794 60	
Cost of hotel and other buildings at Vancouver, and Banff Springs Hotel	574,816 91	
	<hr/>	
	\$1,115,977 69	
Surplus receipts of 1889 and 1890 applied against advances on Land Bond interest.	429,427 35	
	<hr/>	686,550 34
Surplus earnings—		
Net earnings for years 1888, 1889 and 1890, after payment of all fixed charges and supplementary dividends.....	2,656,432 83	
	<hr/>	
		\$198,122,727 63

I. G. OGDEN, *Comptroller*.

The directors believe that the surplus earnings for the present year and hereafter will be at least sufficient to pay regular dividends at the rate of 5 per cent. per annum on the ordinary shares of the company, without regard to the guaranteed dividend which expires in August, 1893; but they recommend a continuance of the policy of supplementing the 3 per cent. guaranteed dividend with 2 per cent. from surplus earnings, making a total annual payment of 5 per cent., and allowing the remainder to accumulate as a reserve.

The directors feel justified in pointing, with some degree of pride, to the fact that the first day of the present month was the time fixed by the original contract between the Government and the company for the completion of the main line of the railway. That date not only found the main line already more than five years in operation, but found the company with 5,500 miles of railway in full and profitable working, and with tributary lines embracing 1,600 miles more; with its lines reaching almost every important place in the Dominion of Canada, and with connections established to New York, Boston, Chicago, St. Paul, Minneapolis, and Duluth: and, as if to mark this date more strongly, the first of the company's fleet of Pacific steamships had just arrived at Vancouver from China and Japan with a full passenger list and a full cargo.

MINING COMPANIES.

Anglo-Canadian Phosphate Company (Ltd.).—At the annual meeting of this company, held on the 21st April, the director's report and balance sheet were adopted, and the retiring director was re-elected. Captain R. C. Adams, the managing director, was present, and explained the difficulties that had been experienced during the year. It was decided to continue working on the same lines as last year.

Anglo-Canadian Asbestos Company.—The *London Financial News*, under recent date, has the following: "It is pleasant to be able to note that there is one Canadian asbestos company other than Bell's, which is doing well. There was a meeting of the Anglo-Canadian Asbestos Company—which our readers may remember was reconstructed some 18 months ago—on Thursday, when the directors were able to recommend a dividend at the rate of 20 per cent. This very satisfactory result is due to careful and efficient management of a valuable property, and there is every reason to hope and believe that if prices remain at anything like their present standard, the earnings of the company for the current year will be even more substantial than for the year just closed."

The Leeds Copper Company (Ltd.).—This company has been formed to acquire the Leeds copper mines, originally the Harvey Hill mines, at West Broughton, Que. It is virtually the re-construction of the Excelsior Copper Company on a new basis. The capital stock is £150,000 in £1 shares, which are credited with 18s. 6d., the remaining 1s. 6d. being assessed. The old shareholders have taken up 250,000 shares in London, and of the 110,000 held in Canada, 60,000 have been subscribed for. The new board of directors is as follows: J. Armitage, J.P., Bradford, chairman; R. Brown, Leeds; R. P. Gould, London; Geo. Bathison, London. No Canadian directors have yet been appointed. The head office is at 19 Broad Street Avenue, London, E.C.

Till Cove Copper Co. (Ltd.).—The annual meeting of this Company was held in London on the 30th April. The accounts showed the value of the ores raised in the year ended March 31st to have been £21,764, and after including debenture interest, the debit balance brought forward was raised from £15,575 to £25,991. Smelting furnaces had been erected immediately upon the Cape Copper Company taking over the work, and three were put in operation late in the year, but were soon closed, owing to the weather. The experience of the past has shown that it is necessary to smelt their own ore and to mine it economically. These conditions are now being fulfilled. The chairman said that there was a great deal of ore in sight at the East mine, and he was certain that when they had driven Boden's level, situated about 350 feet below the upper workings, and which is progressing at the rate of over 54 feet a month, they would come across a good vein of ore, as the quality improved with the depth. At the West mine, he had no doubt but that they would strike some rich pockets of ore, such as were met with in former workings. They had very large deposits of low grade ore, also, previously untouched, which would be valuable for flux for smelting purposes, as would also the refuse dumps, which contained a fair percentage of copper. One of the directors stated that the company now saw its way to bringing home the regulus at 7s. 6d. per unit, which they would be able to sell at 9s. 6d. per unit. The continuation with the Cape Copper Company, which has leased the mine, seems likely to prove an excellent one. The report and accounts were adopted and the meeting adjourned.

LA BANQUE NATIONALE.

The Thirty-first Annual General Meeting of the Shareholders of this institution was held at the office of the bank, Quebec, on Thursday, the 21st May, 1891, at three o'clock p.m.

There were present: the Hon. I. Thibaudan, Messrs. A. Gaboury, F. Krouac, E. W. Methot, Ant. Painchaud, T. LeDroit, J. S. Bilodeau, Rev. Mr. F. C. Gagnon, and Messrs. Dr. O. Robitaille, L. J. Demers, F. Tessier, Jos. Chapleau, E. Lacroix, U. Tessier, A. Couet, N. S. Hardy, E. N. Clinic, E. Dupré, C. N. Hamel, C. Laveru, L. C. Marcoux, T. A. LeDroit, H. Mercier, N. Maheux, E. H. Taylor, etc.

A. Gaboury, Esq., was called to the chair, and P. Lafrance, Esq., was requested to act as secretary.

Before proceeding to the reading of the annual report, the following gentlemen were elected scrutineers, viz.: Messrs. Ed. Lacroix, Ed. Dupré and A. M. Robitaille.

Mr. Aug. Gaboury, president, read the following report and statement of the affairs of the bank.

REPORT.

In presenting to you the thirty-first report of the affairs of the bank for the year ended the 30th April last, your directors have to mention that they have been obliged to appropriate the Rest of \$100,000 to cover losses incurred through the sale of certain limits which were held as security for overdue loans. However, your directors have confidence that you will approve of this means of putting into activity a large amount which, instead of giving profits, was a cause of additional losses by the annual expenses incurred for ground rents and other charges, besides the risk of keeping a security which might be destroyed by fire at any moment.

At the time of the reduction of the capital in 1888, the \$100,000 of Rest had been put aside to cover the eventual losses on the sale of these limits.

The Profit and Loss account is resumed as follows:—

The balance at credit of that account on the 30th of April, 1890.	\$ 39,361 01
The net profits of the year, after providing for accrued interest on deposits and for bad and doubtful debts, amounted to ...	75,254 68
Rest Account	100,000 00
Forming the sum of.....	\$214,615 69
Which was appropriated as follows:—	
Dividend No. 54, payable 3rd November, 1890.....	\$36,000 00
Dividend No. 55, payable 1st May, 1891.....	36,000 00
Loss on sales of limits.....	100,000 00
	<hr/>
leaving at credit of Profit and Loss account a balance of.....	172,000 00
	\$42,615 69

During the year, the building of the bank at Sherbrooke, which had been destroyed by fire in January, 1890, has been rebuilt, and the bank now owns a fine building, which, by the revenue it gives, considerably reduces the expenses of the offices of the bank. At Montreal, the lease of the offices expired this spring, and as it was difficult to procure suitable ones without paying a heavy rent, your directors thought they were acting wisely in buying the property where the bank had its offices, and, after the proposed repairs will have been completed, the part occupied by the bank will cost less yearly than what was asked elsewhere. Here at the head office, as several of you will have noticed, your directors have put to profit a considerable part of the building which was heretofore occupied. The splendid offices that your directors have made are all rented, and the revenue obtained is over 25 per cent. on the cost of improvements. The Branches of the bank have been visited several times during the year by the directors and by the Inspector.

The whole respectfully submitted.

For the Board of Directors.

A. GABOURY.

President.

QUEBEC, 30th April, 1891.

GENERAL STATEMENT.

30TH APRIL, 1891.

Liabilities.

Notes in circulation.....		\$ 552,501 00
Deposits bearing interest.....	\$1,541,771 69	
Deposits not bearing interest.....	485,007 67	
		<hr/> 2,026,779 3 ⁿ
Unclaimed Dividends.....	1,372 21	
Dividend No. 55, payable 1st May, 1891.....	36,000 00	
		37,372 21
Due to other Banks in Canada.....	64,911 83	
Due to agencies of the Bank in foreign countries	253 16	
Due to agencies of the Bank in the United King- dom	5,909 62	
		<hr/> 71,074 61
Total liabilities to the public.....		\$2,687,817 15
Capital paid-up.....	\$1,200,000 00	
Rebate on discounts and exchange.....	29,387 62	
Profit and Loss account.....	42,615 69	
		<hr/> 1,272,003 31
		<hr/> <hr/> \$3,959,820 3 ⁿ

Assets.

Specie	\$ 89,100 80	
Dominion Notes.....	159,267 09	
	<hr/>	\$248,367 80
Notes of and cheques on other banks.....	161,721 87	
Balances due from other banks.....	61,437 79	
Balances due from agencies of the bank in foreign countries.....	72,528 82	
	<hr/>	295,688 48
Call loans on Stocks and Bonds.....	146,850 00	
Dominion Debentures and other Stocks.....	40,214 87	
	<hr/>	187,064 87
	<hr/>	<hr/>
Total assets immediately available.....		\$731,121 15
Current loans, discounts and advances to the public.....	2,939,748 48	
Notes and bills discounted, overdue and not specially secured (loss provided for).....	46,937 70	
Notes and bills discounted, overdue, and other debts secured.....	81,854 21	
Real estate, the property of the bank (other than the bank premises).....	14,862 64	
Mortgages on real estate sold by the bank.....	9,200 00	
	<hr/>	3,092,503 03
Bank premises.....	127,031 87	
Furniture.....	9,164 34	
	<hr/>	136,196 21
	<hr/>	<hr/>
		\$3,959,820 39

P. LAFRANCE,
Cashier.

M. A. LABRECQUE,
Inspector.

In moving the adoption of the report, the president said:—I deem it my duty to offer a few remarks explanatory of certain transactions of the bank during the past year. As you will have observed, the rest of \$100,000 is absorbed by the losses on the sale of limits which the bank held; this, however, is only an apparent loss, for in reality a considerable gain is effected. The bank for an asset long held unproductive realizes a sum of \$160,000, which will now yield revenue; moreover, the bank will no longer have to pay Government dues on 330 miles of limits, which, with other incidental expenses, amounted to over \$1,000 a year. This saving, added to the interest on \$160,000 at 7 per cent., will be equal to a revenue of \$12,200 a year.

During the past year heavy failures have been more numerous than for many years past, by which the bank has suffered considerable loss; nevertheless, after providing for all bad and doubtful debts, there remained suffi-

cient profit to warrant us in declaring to the shareholders a dividend of 6 per cent. for the year, and to leave at credit of profit and loss a balance of \$42,615.69, besides a reserve of \$29,387.82 for unaccrued interest on Bills of Exchange and notes under discount.

The Bank's circulation on the 30th April last, was \$552,591,—an increase on the preceding year of \$18,464,—which sum your directors hope to see considerably increased during the coming year. They would like to have the amount of circulation twice as large as it is now, for, as you are aware, the bank has power to issue bills to the amount of its capital, viz.: \$1,200,000. After the first of July next, the notes of the different banks of the Dominion will be secured by a deposit with the Government by all said banks, which moreover must make arrangements for the redemption of their notes at par in all the Provinces of the Dominion, to protect the holders of such notes from any expense of collection or exchange.

There is a considerable increase in deposits bearing interest of \$85,000, while the deposits not bearing interest have increased by \$137,000.

As prudence requires that the bank should hold a reserve of at least 20 per cent. to meet ordinary obligations, to meet the demands incidental to total liabilities amounting to \$2,687,017.18, we hold the sum of \$731,121.15 equal to a reserve of 27½ per cent.

Current loans are now \$2,939,743.48, as compared with last year's statement \$2,636,334.80. Owing to the many failures already alluded to, overdue unsecured notes have been increased from \$26,090.56 to \$40,937.70 after deducting losses incurred thereon. Per contra, overdue secured notes, which last year amounted to \$303,284.70, have been reduced to \$81,754.21.

The account of "Bank Premises" has been increased by the sum of \$79,031.87 by the purchase at Montreal for its own use of the premises occupied there by the bank for a number of years, by the erection at Sherbrooke of a building to replace the one destroyed by fire last year, and finally by improvements which you may readily see in the building in which you are now assembled; this outlay, or investment, rather, will produce a revenue of at least 8 per cent.

It is only just to say that these improvements have been made under the able direction of one of the directors of this bank, Mr. Bilodeau, who has a long experience in the construction of buildings. This gentleman has given much of his valuable time to the supervision of these works.

It remains for us still to dispose of three timber limits in the valley of Ottawa, and one on the Marguerite River. The directors hope to be able to dispose of these during the coming year, and if at a loss, it can only be an inconsiderable one.

During the past year, the bank has succeeded in closing several old claims in a satisfactory manner, and the directors venture to say that to-day La Banque Nationale is in a better position than it has occupied for many years; and that with work and energy, together with the co-operation of the shareholders, it will ere long, your directors trust, occupy a good position among the financial institutions of the Dominion of Canada.

The report was then adopted.

The election being proceeded with, the following gentlemen obtained the largest number of votes, and were duly elected directors for the ensuing year, viz. : The Hon. I. Thibaudeau, Messrs. F. Kirouac, Ls. Bilodeau, A. Gaboury, T. LeDroit, E. W. Methot and A. Painchaud.

At a subsequent meeting of the directors, Mr. A. Gaboury was re-elected president, and Mr. F. Kirouac vice-president.

DOMINION BANK.

The Annual General Meeting of the Shareholders of this Bank was held at the banking house Toronto, on Wednesday, May 27th, 1891.

Among those present were : Messrs. James Austin, Hon. Frank Smith, Major Mason, Wm. Ince, James Scott, R. S. Cassels, Anson Janes, Wilmot D. Matthews, R. H. Bethune, E. Leadlay, Aaron Ross, E. B. Osler, W. J. Baines, John Scott, John Stewart, W. T. Keiley, S. Risley, W. S. Lee, G. Robertson, etc.

The president, Mr. James Austin, occupied the chair, and Mr. R. H. Bethune acted as secretary.

The Secretary read the Report of the directors to the shareholders, and submitted the Annual Statement of the affairs of the bank as follows :—

REPORT.

Balance of Profit and Loss Account, 30th April, 1890.....	\$	6,253 02
Profits for the year ending 30th April, 1891, after deducting charges of management, etc., and making full provision for all bad and doubtful debts.....		220,423 96
		<hr/>
		\$236,676 98
Dividend 5 per cent., paid 1st November, 1890..	\$75,000 00	
Dividend 5 per cent., payable 1st May, 1891....	75,000 00	
Bonus 1 per cent., payable 1st May, 1891.....	15,000 00	
Amount voted to Pension and Guarantee Fund.....	5,000 00	
	<hr/>	170,000 00
		<hr/>
		\$ 56,676 98
Carried to Reserve Fund		50,000 00
		<hr/>
Balance of Profit and Loss carried forward.....		\$ 6,676 98

JAMES AUSTIN,
President.

GENERAL STATEMENT.

Liabilities.

Capital stock paid-up	\$1,500,000 00
Reserve fund	\$1,350,000 00
Balance of profit carried forward.....	6,676 98
Dividend No. 40, payable 1st May.....	75,000 00

Bonus 1 per cent., payable 1st May.....	15,000 00	
Reserved for interest and exchange.....	\$6,188 36	
Rebate on bills discounted.	27,054 25	
	<hr/>	\$1,559,919 59
		<hr/>
		\$3,059,919 59
Notes in circulation.....	\$ 998,734 90	
Deposits not bearing interest.....	1,509,010 30	
Deposits bearing interest	7,067,945 21	
Balances due to other Banks in Great Britain..	95,232 82	
	<hr/>	9,671,922 33
		<hr/>
		\$12,731,841 92

Assets.

Specie.....	\$ 203,926 17	
Dominion Government Demand Notes.....	772,774 00	
Notes and Cheques of other Banks.....	232,840 24	
Balances due from other Banks in Canada....	200,436 29	
Balances due from other Banks in U.S.....	977,726 34	
Provincial Government Securities.....	254,658 12	
Municipal and other Debentures.....	1,224,106 98	
	<hr/>	\$3,866,468 14
Bills Discounted and Current (including advances on call).....	\$8,544,720 19	
Overdue debts secured.....	33,794 49	
Overdue debts not specially secured (estimated loss provided for).....	90,183 64	
Bank Premises.....	191,875 87	
Other assets not included under foregoing heads	4,799 59	
	<hr/>	8,865,373 78
		<hr/>
		\$12,731,841 92
		<hr/>

R. H. BETHUNE,
Cashier.

TORONTO, 30th April, 1891.

The usual resolutions were passed.

The scrutineers declared the following gentlemen duly elected directors for the ensuing year: Messrs. James Austin, William Ince, E. Leaday, Wilmot D. Matthews, E. B. Osler, James Scott and Hon. Frank Smith.

At a subsequent meeting of the directors, Mr. James Austin was elected president and the Hon. Frank Smith vice-president, for the ensuing term.

BANK OF MONTREAL.

The Seventy-third Annual Meeting of the Shareholders of the Bank of Montreal was held on Monday, 1st June, 1891, at the offices of the Bank, Montreal, Sir Donald A. Smith, K.C.M.G., presiding.

Mr. J. H. R. Molson moved, seconded by Mr. Hector McKenzie:—That the following gentlemen be appointed to act as scrutineers: Messrs. W. H. Meredith and F. S. Lyman, and that Mr. A. Brock Buchanan be the secretary of this meeting.

The annual report was then read as follows:—

REPORT.

The directors beg to present the 73rd Annual Report, showing the result of the bank's business of the year ended 30th April, 1891:—

Balance of Profit and Loss account, 30th April, 1890.....	\$ 794,728 85
Profits for the year ended 30th April, 1891, after deducting charges of management, and making full provision for all bad and doubtful debts.....	\$44,999 45
	<hr/>
	\$1,639,728 30
Dividend 5 per cent, paid 1st December, 1890.....	\$600,000
Dividend 5 per cent, payable 1st June, 1891.....	600,000
	<hr/>
	\$1,200,000 00

Balance of Profit and Loss account carried forward..... \$ 439,728 30

In respect to the reduction in the balance of Profit and Loss account, the directors desire to say that in the re-valuation of the assets, taking into consideration the unsettled state of affairs abroad and the uncertain outlook for the future in this country, they have thought it prudent to make such full appropriations as to give reasonable assurance that the Profit and Loss account need not again be encroached upon.

As the losses and appropriations this year were to a considerable extent of an exceptional character, having been caused partly by the late crisis in England, which depreciated the value of some of our securities (notwithstanding all we hold are of a high class), and partly by the shrinkage in the value of assets of old debts now being liquidated, the directors considered themselves justified in paying the usual dividend of 10 per cent.

The deposits show a decrease in the amount not bearing interest and a considerable increase in the interest bearing portion, the latter, owing in some measure to the fact that in order to retain our deposits we were obliged to meet competition, and also that Savings departments have during the year been opened in connection with all the Bank's branches in the Dominion. From these Savings departments your directors anticipate very great and material advantages in the future as the country grows in wealth, and in addition so that it is thought they will be of service to and benefit a class of the community which the bank would not otherwise reach.

Keeping in view the growing importance of British Columbia as a future profitable field for banking operations, the directors have during the past year opened a branch in the City of Victoria, the capital of that province, which, it is hoped, will, in time, prove to be a source of profit, while it will, in any case, be of value to the bank in connection with its other business.

Owing to the difficulty of securing suitable accommodation for the bank's business at Regina and Vancouver, the directors have decided to put up buildings specially adapted for its occupation, and such premises are now in course of erection at Regina, while the plans for those at Vancouver are at present under consideration.

As shareholders are aware, the present bank charters expire, and the new Banking Act will come into operation on the 1st July next.

The directors think it is not out of place in this report to state their opinion, that there is great need of a uniform and comprehensive Act for the better distribution of the assets of insolvent estates in the Dominion, and they hope the matter will be taken up and receive the attention of the Boards of Trade of the different cities of the Dominion, with a view to legislation at an early day on the subject.

The Head Office and all the branches have passed through the usual inspection during the year.

The directors have recently had to regret the resignation of one of their number, in the person of Mr. Charles S. Watson, and the vacancy thereby caused has been filled by the election of Mr. R. B. Angus.

During the past year a change has taken place in the management of the bank by the resignation, owing to impaired health, of Mr. W. J. Buchanan, who had held the office of general manager for a period of upwards of nine years, and the appointment of Mr. E. S. Clouston to the vacant office.

DONALD A. SMITH,

President.

GENERAL STATEMENT.

30TH APRIL, 1891.

Liabilities.

Capital Stock.....	\$12,000,000 00
Rest	\$ 6,000,000 00
Balance of profits carried forward.....	439,728 30
	<hr/>
	\$ 6,439,728 30
Unclaimed dividends.....	10,959 52
Half-yearly dividend, payable 1st June, 1891...	600,000 00
	<hr/>
	\$ 7,050,687 82
	<hr/>
	\$19,050,687 82

Notes of the bank in circulation.....	\$ 4,964,640 00	
Deposits not bearing interest.....	5,277,564 55	
Deposits bearing interest +.....	18,279,884 90	
Balances due to other banks in Canada.....	80,213 45	
	<hr/>	\$28,602,302 90
		<hr/>
		\$47,652,990 72

Assets.

Gold and silver coin current.....	\$2,178,677 16	
Government demand notes.....	2,103,801 50	
Balances due by other banks in Canada.....	\$ 238,011 08	
Due by agencies of this bank and other banks in foreign countries	\$,918,032 21	
Due by agencies of this bank and other banks in Great Britain... ..	457,761 93	
	<hr/>	\$9,613,808 22
Government bonds, India stock, etc.....	1,308,000 00	
Notes and cheques of other banks.....	1,082,891 92	
	<hr/>	\$16,287,178 80
Bank premises at Montreal and branches.....	600,000 00	
Current loans and discounts (rebate interest reserved) and other securities and assets.....	\$30,173,430 07	
Debts secured by mortgage or otherwise.....	352,102 55	
Overdue debts not specially secured (loss provided for).....	240,279 30	
	<hr/>	\$30,765,811 92
		<hr/>
		\$47,652,990 72

E. S. CLOUSTON.

General Manager.

MONTREAL, 30th April, 1891.

THE PRESIDENT'S ADDRESS.

The president, Sir Donald Smith, in moving the adoption of the annual report, said: This report which you have just heard read comprises everything, or almost everything, that need be said on this occasion, so that my remarks will be very brief. Although we do not show so large a net profit as in some former years, yet we feel assured from our experience of the present year, as well as of past years, that the earning powers of the bank are such as we need not have any apprehension about. The working of the bank, so far as its earnings have been concerned, has been entirely satisfactory, and were it not that there were some exceptional losses—losses which it was impossible for your directors or your general manager to control—we would have been able to show a very excellent exhibit to you on this occasion. In 1885 the balance of profit and loss was \$579,569; ever since then the bank

has paid a dividend of 10 per cent. On one occasion, it gave besides one per cent. of a bonus, and on another two per cent. It has, in addition to this, appropriated for a rebate on bills discounted, \$200,000. It has also built the West end branch on St. Catherine street, which, I am sure, you will be glad to know, is a benefit to the bank, and is also, I have no doubt, a great accommodation to the friends of the bank doing business in that part of the city. It has, in addition, built premises of an excellent character at Calgary, a very rising place, as most of you know, and it has appropriated an adequate sum for a bank building at Regina. With all this it now shows a balance of \$439,728 at credit of profit and loss, so that we feel there is really nothing to apologize for on the part of your directors at this moment. Their object has been, as you have been told on several occasions, if possible, so to conduct the affairs of the bank that it will give a steady income to its shareholders, with the view of ensuring, as far as possible, that there shall be a regular dividend of 10 per cent. We have confidence that there is no reasonable cause for fear, but that the bank will be able to continue that rate of distribution. There have been some disturbing influences within the past year, notably that McKinley bill, of which we have all heard so much. The outcome of business throughout the country has not been good; the harvest of last year was not equal to what was looked for, although it promised to be very abundant in the first instance. In Manitoba and the Northwest, owing to early frost and then to a period of exceptionally wet weather before it could be gathered in, there was a very great shrinkage, and yet with all that they are now in a better condition there than they have been at any time, and with the promise, happily a good promise just now, of an excellent harvest, we may look forward to an improvement in the general trade of the country with a remunerative business for the bank. It would be out of place for us to predict with regard to that; much depends on what the harvest is to be, but, as I say, if it is ordinary good, then we may look forward to having a prosperous time: for, notwithstanding the disturbance we speak of in respect to tariffs, we have no doubt that Canada will find other markets and that she will go on progressing. Just about this time last year I had occasion to allude to illustrious visitors, then amongst us, who had come to Canada, and to Montreal by way of India, China, Japan, and into close communication with Vancouver, and we rejoiced to find it so. This year we have heard within a short time of the arrival in Vancouver of the first of a line of steamers which will bring us the East and its vast business resources. When we can find that leaving London to-day, in twenty-one days after we are at Yokohama, in Japan, I think a very great deal indeed has been accomplished for the future of Canada, seeing that the journey is made so very much through the Dominion. Added to this we shall, no doubt, also have an accelerated mail service of our own across the Atlantic. We look eagerly for this, and I believe the time is not far distant when we shall have it, and when to it will be added a direct line also from our Pacific coast to the vast continent of Australasia and to the growing business of that great country. I think we may take to ourselves the hope and the assurance that we are to grow throughout every part of the Dominion, and that Montreal and, I trust, your institution of the Bank

of Montreal will not be behind in the race. You are aware that the new Banking Act comes into effect on the 1st July of this year. The principal alteration this makes is that there is a guarantee of 5 per cent. on the part of all the banks, to secure the circulation of the whole. The Bank of Montreal did not consider that it required this, but with a view to advancing the interests of the country it was prepared to go into the arrangement, although certainly we should have preferred to have been left alone. Another provision is that calling for a list or exhibit of unclaimed balances. That is of very little consequence, except in that it will add to the work of our staff very considerably, and to some little extent to the cost, while really the benefit to be derived from it will absolutely be nil to the community. We look forward with much hope to the future of the bank. The late general manager who had conducted affairs under the direction of the Board, Mr. Buchanan, owing to ill-health, was obliged to retire, much to our regret. The present general manager, who was joint manager, and who has a thorough and complete knowledge of all the affairs of the bank will, I am sure, so conduct its business that you will have cause in the future, as I hope you have had in the past, to be satisfied with the result of the administration. One word, and only one more. We need hardly say to you that the Bank of Montreal knows nothing of party politics; its only desire and effort throughout has been so to conduct the affairs of the bank as to give the greatest possible support to the industries of the country, commercial and other, and while doing so to make the best possible profits for its share holders, keeping in consideration always the absolute security of its capital, and, may I say, of its rest, which we look upon really as a portion of its capital, and which we trust and believe it will never be necessary to encroach on. One chief object of the directorate has ever been to provide that there shall be a uniform dividend, so that the stock of the bank will approach as nearly as may be in the estimation of the public to that of a debenture stock yielding a regular income year by year. And in stating that we know nothing of politics, I desire to make just one remark on a subject which is at present in the minds and the thoughts of all of us, that is in respect of that great statesman, for we all admit that he is a statesman, who has done so much for the advancement of the Dominion. (Hear, hear, and applause.) I am sure our earnest prayer is on all sides irrespective of party, that he may overcome the serious illness from which he is now suffering, and be spared to us for years to come. Now, gentlemen, I really don't think it necessary that I should say anything further. I shall be ready to answer any questions that may be put in regard to affairs of the bank in the best way I can. I move the adoption of the report, seconded by Hon. G. A. Drummond. Before sitting down I will call upon the general manager to address you:—

THE GENERAL MANAGER'S REMARKS.

Mr. E. S. Clouston, the general manager, said:—It is not a pleasant task to appear before the shareholders in my first six months of office, to give explanations with respect to a statement somewhat less favorable than those of previous years. The last six months, however, have been pregnant with

events of so grave a character in the financial world, that, looking back upon them, I cannot help feeling thankful that I am not called on to explain an even much worse result than the present. We have been on the verge of a crisis, the outcome of which no man could foretell:—it would probably have been the most serious in the history of the world had it been allowed to run its course, but happily it was checked in time through the tact and determination of the Governor of the Bank of England, aided by the combination of the most powerful Banks and Bankers of London. There had been an uneasy feeling for some time, the air had been thick with rumors, and on the 6th November the Barings notified the Bank of England they were unable to meet their engagements. It was not, however, until the 15th that it was announced to the public. The interval, meantime, had been employed in making arrangements to avert the panic, which it was feared might break out, the particulars of which are now matters of history.

This crisis was followed in December by a financial stringency in New York, caused not so much by a shortage of the supply of funds in the country as by the locking up of large quantities of gold, either through fear of the operations of the silver bill, or some say, designedly, with a view of affecting the stock market. But whether it was hoarding caused by the natural timidity of capitalists, or whether it was through the machinations of speculators, or the natural export to pay debts due foreign countries, the gold disappeared, and the result was an acutely sensitive condition of the market. Credit was suspended, some classes of long exchange were entirely unsaleable, and discounts were so difficult to procure, that merchants were put to unusual straits for want of customary banking facilities. At one time it looked very serious and it was only when some importations of gold were ordered that apprehension was removed from the public mind, and business resumed its normal condition.

As you are aware, both in the United States and in England, we have very large interests, and though we lost nothing directly, during either of the two periods, but came through with added strength to our already well established credit, yet we have suffered indirectly. The downfall of the Barings was brought about by their inability to market the large quantity of Bonds, chiefly of the South American States, which they either owned, or against which they had advanced, and though the aid afforded by the Bank of England has enabled them to take time to liquidate, there remains, hanging over the London Market, large masses of securities still undigested. Until these are absorbed by the public, or written off by the holders, a fate which must befall a great portion of them, prices of securities, even the best class, must be depressed. We always hold, or are interested in, a considerable amount of Bonds and other securities, and in better times have made large profits out of that class of business, and though what we hold are all undoubtedly good and of a high class, as we have carefully avoided any of a speculative character, and have not held a Foreign Bond for the last three years, the market value has declined, and we have been obliged to make provision to bring them down to the price of the day. Returning to Canada, it was found necessary, during the last year, to place in liquidation several accounts which

were not in a satisfactory position, with the result that we discovered that previous appropriations, considered ample at the time, were totally inadequate to meet the shrinkage in values, caused by the last three years of agricultural and commercial depression. It will always be my desire to take the Shareholders into my confidence with regard to the business of the Bank, to the greatest possible extent compatible with the interests of the institution; but you will readily understand how impolitic it would be for me to give any details, where the bulk of the appropriations are on debts not actually liquidated, but only in process. We have gone through the assets of the Bank very carefully, and believe that very ample appropriations have been made. There has been no desire to make things appear either better or worse than they really are; but a revaluation has been made with the desire to arrive at a true result without exaggeration. As a general rule, when one bad year succeeds another, it is our experience that the appropriations are usually insufficient, and you have only to look at some of the recent failures to see how difficult it is for a banker to arrive at a true estimate of the value of his assets, when an account, estimated as quite good last year, shows now a loss of \$50,000 to \$75,000.

The lesson to be learnt from our past experience is that in good years it is a mistake to distribute all that is earned. It is much more prudent, in order to equalize dividends, to set aside a considerable percentage of our surplus earnings in good years to meet unexpected contingencies in bad ones, which are sure to come. It is becoming more and more difficult, owing to competition, to earn our dividends, and unless we can increase our loaning power by adding to our Rest, or by increasing our Deposits, I do not think we would be safe, even if we made them, in distributing a larger percentage of our profits than we have done for the last few years.

If we were only satisfied that the commercial community were fully alive to the necessity of greater economy and curtailment of credit we could look forward with more confidence to the future. I cannot help feeling, however, that they are in no position to stand a succession of bad seasons arising from indifferent harvests, or other causes—there are too many in business with insufficient capital, and their stability is honeycombed by too much and too long credit.

If I am right in my interpretation of the present condition of the financial market in London, it is hardly necessary to point out to those controlling the finances of municipalities, cities, corporations, and even Governments, the absolute necessity of the greatest prudence and economy. Of late there seems to have been a fever of borrowing, extending even to the smallest village. The local market can only absorb a certain quantity of securities, and if these borrowers are obliged to appeal to a market already overloaded, it means that they must negotiate their securities with difficulty, and at a much lower rate than they have hitherto obtained.

There is one reassuring feature to the shareholders, which perhaps I may be allowed to refer to. The credit of the Bank never stood higher than it does at present, and its earning power is unimpaired. Notwithstanding the fact that during the periods before referred to we were obliged to keep sev-

eral millions of cash unemployed to meet any possible panic that might arise, our gross profits were the largest, with one exception, since 1878—our commercial losses for this year were not abnormal, and had it not been for the special appropriations I mentioned, we could have shown a very favorable statement. We were able to make unusually handsome profits out of our Exchange operations, owing to the fact that during the troubled times, when the community were inclined to scrutinize bills very closely our credit stood so high that our Exchange was in active demand, at remunerative rates, when others were taken only at lower rates, or avoided altogether. During a considerable portion of the year also, rates for money ruled high in the United States; but we cannot, in the future, count on so active and profitable a demand, or on such remunerative Exchange transactions.

There is only one other subject to which I wish to refer, one alluded to in the Directors' Report, the necessity of arranging some scheme by which Insolvent Estates can be equitably divided among the Creditors, as speedily, and with as little expense as possible. I do not advocate a return to the old Act of 1874, though even that would be better than the present state of affairs; but I should like to see a Court of Bankruptcy appointed for that purpose, employing only salaried officials, and with the expenses of winding up limited to a certain percentage of the net amount available for distribution. It would be premature to go into details, but I think it a subject worthy of the most serious consideration by the different Boards of Trade through the country, and I have no doubt that when they have decided on some well matured Insolvent Law, and it is in a shape to be placed before Parliament, they will receive any assistance and influence which can be brought to bear by the different Banks in Canada.

Business men know better than I can tell them the state of trade in their own particular line. Generally speaking, as a result of three bad harvests, it cannot be questioned that business has been conducted with little profit, and losses have been above the average. Naturally Banks must suffer in sympathy, sooner or later, unless a decided change for the better takes place.

With regard to the future, I prefer to follow the advice of a famous American classic, who said "not to prophesy before you know." You have only to look back over the numerous oracular utterances of bankers for past years to discover that as prophets we are not a success. It is best to be silent, and while preparing for the worst, hope for the best.

In conclusion I may say that I have unbounded confidence in the future of the institution. It may have its days of adversity, but I have no hesitation in saying that it will emerge from them triumphantly, with increased strength, to assist in the development of the country's resources and to continue its career of steady and solid progress.

The motion to adopt the report was then unanimously carried.

Mr. John Crawford moved:—That the thanks of the meeting be presented to the President, Vice-President and the Directors for their attention to the interests of the bank. He said:—I do not believe there is a man in the assembly who will propose a resolution of this character with greater pleas-

ure than I do this." Mr. James O'Brien seconded the resolution, which was carried unanimously.

The President—For my colleagues and myself I thank you most warmly and sincerely for the motion which has just been carried. In the past your directors have tried to do their best in your interest, and I have no doubt those you may be pleased to elect to-day will continue to promote the best interests of the Bank.

Mr. A. T. Paterson moved :—That the thanks of the meeting be given to the General Manager, the Inspector, the Managers and other officers of the Bank for their services during the past year. Mr. R. B. Angus seconded, and in doing so said they were to be congratulated on having a General Manager of such unquestionable ability, and who had associated with him a number of gentlemen who were so thoroughly acquainted with their various duties that the best results might be expected in the future. The motion was unanimously adopted.

The General Manager—I have to thank you for your kind expressions on behalf of myself and the executive. I know quite well that no efforts of my own can make the Bank a success unless I am ably seconded by my staff. I am glad to say that not only have I a staff very well trained, but very ambitious for the success of the institution. There is a thorough *esprit du corps* throughout the Bank, and I hope it will produce good results.

Mr. R. W. Shepherd moved :—That the ballot now open for the election of directors be kept open until 3 o'clock, unless fifteen minutes elapse without a vote being cast, when it shall be closed, and until that time, and for that purpose only, this meeting be continued. Mr. John Dunlop seconded the motion, which was unanimously adopted.

On the motion of Mr. John Morrison, Mr. Robt. Anderson took the chair when Mr. Morrison moved :—That the thanks of this meeting be given to our esteemed President for his conduct of the business of this meeting. The motion having been carried, Sir Donald Smith briefly acknowledged the compliment paid him.

The scrutineers reported the election of the following gentlemen as directors for the ensuing year :—Messrs. Hon. J. J. C. Abbott, R. B. Angus, Hon. G. A. Drummond, E. B. Greenshields, W. C. McDonald, Hugh McLennan, A. T. Patterson, Gilbert Scott and the Hon. Sir Donald A. Smith.

QUEBEC BANK.

The Seventy-third Annual General Meeting of the Shareholders of the Quebec Bank was held at the Banking House in Quebec, on Monday, 1st June, 1891.

Present :—Sir N. F. Belleau, K.C.M.G., Messrs. R. H. Smith, Wm. Withall, G. R. Rensfrew, Wm. Tosfield, J. W. Henry, T. H. Norris, S. J. Shaw, John T. Ross, J. H. Simmons, E. H. Taylor, J. R. Young, Jas. Morgan, Joseph Louis, Capt. W. H. Carter, John Laird, T. H. Dunn and others.

The chair was taken by R. H. Smith, Esq., president, and W. R. Dean, inspector, acted as secretary of the meeting.

The president read the report of the directors, and James Stevenson, Esq., general manager, read the statement of the affairs of the Bank as on the 15th May, 1891.

GENERAL STATEMENT.

15TH MAY, 1891.

Liabilities.

Capital stock		\$2,500,000 00
Res.	\$ 500,000 00	
Reserved for interest due depositors, etc.	80,427 42	
Balance of profits carried forward.....	112,352 61	
	<hr/>	
	\$ 692,810 03	
Unclaimed dividends.....	3,460 40	
Half-yearly dividend No. 138, payable 1st June, 1891.....	87,500 00	
	<hr/>	783,770 43
Notes in circulation.....	\$ 566,814 30	
Deposits not bearing interest.....	679,496 24	
Deposits bearing interest... ..	4,434,528 47	
Balances due to other banks in Canada.	45,075 78	
Balances due to agents in the United Kingdom.	366,738 14	
	<hr/>	6,092,653 13
		<hr/>
		\$9,376,423 56

Assets.

Gold and silver coin current.....	\$ 85,270 07	
Government demand notes	580,372 00	
Balances due from other banks in Canada.....	10,816 11	
Balances due from agents in foreign countries.	133,386 49	
Notes of and cheques on other banks	149,067 84	
	<hr/>	\$ 958,912 51
Loans and bills discounted, securities and other assets.	\$8,095,789 04	
Debts secured by mortgage or otherwise.....	66,776 85	
Overdue debts not specially secured (estimated loss provided for).....	44,252 48	
Real estate (not bank premises) and mortgages on real estate.....	40,783 69	
	<hr/>	\$,247,602 06
Bank premises and furniture in Provinces of Quebec and Ontario.....		169,908 99
		<hr/>
		\$9,376,423 56

JAMES STEVENSON,
General Manager.

REPORT.

The directors beg to present the Seventy-third Annual Report, showing the result of the Bank's business of the year ending 15th May, 1891.

Balance at Profit and Loss Account, 14th May, 1890.....	\$	96,589	96
Profits for the year ending 15th May, 1891, after deducting charges of management and making provision for bad and doubtful debts.....		190,792	65
		<hr/>	
		\$287,382	61
Dividend $3\frac{1}{2}$ per cent. paid 1st Dec., 1890.....	\$87,500		
Dividend $3\frac{1}{2}$ per cent. payable 1st June, 1891.....	87,500	175,000	00
		<hr/>	
Balance of Profit and Loss Account carried forward.....		\$112,382	61

REST ACCOUNT.

Amount at Credit..... \$500,000

Owing to some losses which have been sustained here, and at other points, and to the exceptional depression in the Timber trade, the amount carried to credit of Profit and Loss Account as the net profits of the year is less than last year.

When it became known in November last that the great financial firm of Baring Bros. & Co. was unable to meet its engagements, considerable apprehension as to the consequences prevailed on this side of the Atlantic.

Under the circumstances the directors deemed it their duty to guard against contingencies by the adoption of a conservative policy, which prevented for the time being any extension of business.

The directors have, nevertheless, pleasure in stating that after making provision for the losses referred to, they have been enabled to make some addition to the amount at credit of Profit and Loss Account, while the Reserve, or Rest, remains unimpaired at half a million of dollars.

It had long been felt that the premises in Notre Dame street, occupied until recently by the important Branch of this Bank in Montreal, were unsuitable. The directors having been offered accommodation in the new building of the New York Life Insurance Company in Montreal at a reasonable rental, a lease of a portion of their premises was acquired, and arrangements have been made in the Banking room by that wealthy and prosperous company for the convenience of the business of Banking, which are all that can be desired. The vaults are fire and burglar proof. The building is a conspicuous one, and its situation in Place d'Armes is central. The new office has been occupied by the Bank since the first of May.

The shareholders are no doubt aware that the Bank Act passed during the last session of Parliament will go into operation on the first of next month. This Act is in many respects an improvement upon the existing Bank Act—especially in its provisions affecting goods held as collateral security under warehouse and cove receipts.

It would be premature to offer any remarks touching the condition of the

crops in the Western provinces and Northwest Territory ; so far, as regards the winter wheat in Ontario, accounts are favorable, and the prospects upon the whole are rather assured.

Considerable transactions have lately been had in Square, Wancy Pine Timber, and Deals ; and it is reasonable to suppose that, inasmuch as the cut of last season was limited, fair prices for stocks in first hands will be obtained.

The Head Office and all the Branches have passed through the usual inspection during the year.

The officers of the Bank have discharged their duties with fidelity and to the satisfaction of the Board of Directors.

All which is respectfully submitted.

R. H. SMITH,
President.

QUEBEC, 1st June, 1891.

The general manager, Mr. Stevenson, gave further information concerning the affairs and business of the Bank, and said :—

There is much matter of importance to communicate to the shareholders at this meeting. The financial year, which now closes, has been an eventful one, one which has been trying to the judgment and fortitude of bankers. Who could have supposed last year at this time, that before we should meet again the world-wide known house of Baring Brothers & Co. would find itself unable to meet its engagements? That a financial crisis of the gravest nature would threaten the oldest monetary institutions of Great Britain? That the Bank of England would deem it expedient to fortify its position by soliciting a loan from the Bank of France? Verily, the unexpected often happens.

But it is not my intention to attempt to deal with any of the great fiscal questions which occupy the minds of economists and financial experts at present. My task is an easier one, but an important one : it is to deal with questions immediately affecting the interests of the shareholders of this Bank, and to explain to them as well as I can the condition of the institution in which we are all so deeply interested.

During the year there have been a certain number of failures ; in many cases the Bank loses, but less perhaps than was anticipated ; we have been enabled to provide for bad and doubtful debts out of the profits which have been made during the year ; and, as has been stated in the report of the Directors to the shareholders, we have added something to the credit of profit and loss account, instead of trenching upon it in order to pay our dividend.

That losses in the management of a bank are inevitable must be potent to the understanding of every one connected with the business of banking in Canada ; but I venture to say that the losses would not be so large, nor so frequent, if a sounder policy were pursued in the business of banking generally. Great competition and an eager desire to make profits often lead to undue extension of business and consequent loss.

With these few remarks by way of preface, I proceed to explain, as I have been in the habit of doing, the several items in the balance sheet. First: we have capital \$2,500,000, which remains stationary; next, "The Rest," \$500,000, "which stands as a sort of redoubt to defend the capital and to preserve your property." The Directors entertained the hope last year that some addition might be made this year to the Rest account; but they have let it remain at its present figure. The item which should follow the Rest is Balance carried to Profit and Loss account \$112,382.61, which protects the Rest, and serves also to guarantee the equalization of Dividends. The intermediate item, Reserved for interest due Depositors, etc., \$80,427.42, speaks for itself. The items "Unclaimed Dividends," \$3,460.40, and "Half-yearly Dividend," \$87,500, need no explanation. "Notes in circulation," \$366,814.50, are less in amount than last year. Deposits not bearing interest, \$679,496.24, are in excess of last year; while those bearing interest, \$4,434,528.47, are about the same amount. Balance due to other Banks in Canada, \$45,075.75, are reduced by a set-off in the List of Assets, viz.: "Due from other Banks in Canada," \$10,816.11, and "Notes and Cheques on other Banks," \$149,067.84, which if sent in for payment would turn the tables in our favor. Balances due to agents in the United Kingdom, \$366,738.14, represents our indebtedness to our correspondents in London, the Bank of Scotland, which is amply covered by Dominion Government and other Sterling Bonds and Bills of Exchange in their hands.

Having passed in review all the items constituting the "Liabilities" of the Bank, I turn to the statement of Assets, commencing with the items "Gold and Silver coin Current," \$85,270.07, and "Government legal tender notes," \$580,372, which, taken together, constitute an ample reserve to meet all demands that may be made upon the Bank here or at its Branches. The item "Balances due from other Banks in Canada," \$10,816.11, has already been dealt with in connection with that in the Statement of Liabilities "Due to other Banks," \$45,075.78. "Balances due from Agents in Foreign Countries," \$133,386.49, needs no explanation, being balance in the hands of Bank's agents in New York and other amounts on call. "Notes and Cheques on other Banks," \$149,067.84, has already been considered in connection with the item in Liabilities, "Balances due to other Banks in Canada."

We have now to consider by far the largest and most important item, viz.: "Loans and Bills Discounted. Securities and other Assets," \$8,095,789.04. An old friend of this bank, for many years a director, Mr. Henry Fry, after a careful analysis of the statements of the several banks in 1890, winds up his remarks thus: The true test of a bank's position, however, is not the *Profits*, is not the *Circulation*, nor the *Deposits*, but the *Character of its Loans*. It is with these I have now to deal. Our loans may be classified as follows:—

To firms connected with the timber trade and lumber business..	\$2,177,760 30
To firms connected with general business, dry goods, hardware, groceries, etc.....	1,458,481 30
To firms connected with manufacturing interests.....	1,04

To firms connected with produce business.....	585,070 35
To firms connected with contracts for the construction of canals and railways.....	219,660 00

\$5,482,861 95

Call loans, secured by bonds, stocks of undoubted character, with ample margin.....	\$1,118,586 04
Time loans, secured by bonds, etc., safe beyond all question...	260,810 00
Loans to municipal corporations considered quite undoubted...	401,755 31
Loans to other corporations equally good.....	307,723 00
Dominion of Canada sterling bonds and other high class muni- cipal sterling bonds.....	524,052 74

\$8,095,789 04

The next item, "Debts secured by mortgages or otherwise," \$66,776.83, consists of undoubted securities held at head office and branches. Then "Overdue notes not specially secured (estimated loss provided for)," \$44,252.48, needs no explanation. "Real Estate (not Bank premises) and mortgages on real estate," \$40,783.69, is an altogether undoubted asset. The last item to be considered is "Bank premises and furniture in provinces of Quebec and Ontario," \$169,908.99, is well represented by the banking houses in Quebec, Ottawa, Toronto and Three Rivers, all held in fee simple.

I am, as you are aware, gentlemen, in constant contact with the staff at Head Office. It would be difficult to find men more devoted to duty or more accurate in their work. I may say that I keep in touch with the whole staff throughout the Bank. By desire of the Directors, I visit the branches, from time to time, and make the acquaintance of every member of the staff, and endeavour to form an estimate of his ability and fitness for promotion.

Moved by R. H. Smith, Esq., president; seconded by W. Withall, Esq., vice-president; and resolved—That the report and statements now read be adopted.

Moved by J. W. Henry, Esq., seconded by John Laird, Esq., and resolved—That the thanks of this meeting be given to the president, vice-president and directors for their valuable services during the past year.

Mr. Smith and Mr. Withall each acknowledged the resolution in suitable terms.

Mr. Withall, in doing so, said: Mr. Chairman and gentlemen—In the directors' report it is mentioned that this bank, obtained its charter seventy-three years ago. It must be gratifying to us all, that notwithstanding the financial storms that have occurred during the interval, this bank has continued to pay regular dividends to its shareholders, with the exception of three years, viz., 1834, 1835 and 1836, when the country was in comparative infancy. The general manager having fully explained to this meeting the financial position of the bank, I need not say any more on this point; but I do say that it must be a matter of gratification to the shareholders to know that after passing through such an eventful financial year, this bank, after providing for all bad and doubtful debts, and paying its customary dividends,

retains its Rest intact, and carries a fair amount to credit of profit and loss account. I consider this bank as solid as the old rock city; and I trust that in the future, as in the past, it will continue to prosper, and hold its position among the leading monetary institutions of the Dominion. With these remarks I beg to thank the mover and seconder and this meeting for the gratifying expressions contained in this resolution.

Moved by J. H. Simmons, Esq., seconded by Joseph Louis, Esq., and resolved—That the thanks of this meeting be given to the general manager, inspector, managers and other officers of the bank, for the efficient manner in which they have discharged their duties.

Moved by Captain Carter, seconded by E. H. Taylor, Esq., and resolved—That the ballot box be now opened and remain open until 4 o'clock this day, for the election of directors; and that if five minutes elapse without a vote being cast, the scrutineers be empowered to close the ballot box.

At the request of the chairman, Mr. T. H. Norris and Mr. Tofield consented to act as scrutineers.

The president having vacated the chair, and Mr. Stevenson having been called thereto, it was moved by James Morgan, Esq., seconded by T. H. Norris, Esq., and resolved—That the thanks of this meeting be given to Mr. R. H. Smith for his services in the chair.

The scrutineers subsequently reported as the result of the ballot the following gentlemen elected as directors for the ensuing year, viz.: Sir N. F. Belleau, K.C.M.G.; William Withall, Esq., R. H. Smith, Esq., John R. Young, Esq., G. R. Renfrew, Esq., S. J. Shaw, Esq., and John T. Ross, Esq.

EASTERN TOWNSHIPS BANK.

The Annual General Meeting of the shareholders of the Eastern Townships Bank was held at their banking-house in the city of Sherbrooke, on Wednesday, June 3rd, 1891.

R. W. Hencker, Esq., the president, took the chair; Wm. Farwell, Esq., the general manager, was elected secretary; and Lt.-Col. Kippen and H. D. Lawrence, Esq., scrutineers of votes.

Minutes of last annual meeting having been read and confirmed, the president, on behalf of the board, submitted their annual report.

REPORT.

The directors have much pleasure at the close of another financial year in laying before the shareholders the balance sheet and profit and loss statement for the past year, showing a successful result, the gross profit being \$174,211, or \$2,300.21 in excess of the preceding year. At the board meeting yesterday, a half-yearly dividend was declared of 3½ per cent., making seven per cent. for the year, and the sum of \$50,000 was transferred to the credit of the Reserve Fund. This fund now amounts to \$600,000, or over 41 per cent. of the paid-up capital.

The new Bank Act, which will go into operation next month, preserves

intact all the old privileges conferred on Canadian banks, and at the same time provides remedies for the only blots—two in number—which the critics of our banking system could reasonably discover, viz.: the non-convertibility of the note issue in places remote from head-quarters, and the want of some provision for maintaining the value as well as for the prompt redemption of the notes of suspended banks.

Under the new Act, in order to remedy the first of the above defects, it is incumbent on all the chartered banks to make definite arrangements for the redemption of their circulation at par throughout the Dominion. The cities of Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, and Victoria—the business centres of each province—have been selected as redemption cities for this purpose. The directors have already made arrangements with the Bank of Montreal at all the places above mentioned, with the exception of Charlottetown, P.E. Island, where the Bank of Montreal has no branch or agency. It will be necessary to make arrangements with a local bank in that city.

The second defect has been met by an ingenious and satisfactory plan suggested by the delegation of bankers which assembled in Ottawa last year, and, which after long and careful discussion, was accepted by the Government. This plan may be briefly explained as follows: In the first place, in addition to the security afforded under the old Banking Act of making the circulation a first charge on all the assets of the bank—which was a valid security for ultimate redemption—it is provided that the notes of a suspended bank shall carry interest at 6 per cent. from the date of suspension until the liquidator shall give public notice that he is prepared to redeem the circulation. This will maintain the value of the note, and enable poor men—and men engaged as lumbermen, sailors or others employed away from business centres—to feel quite secure from loss on any notes they may hold, and obviate the necessity of their sacrificing them to speculators. The plan adopted to make this system effective is that the banks themselves unitedly provide a Redemption Fund in the hands of the Dominion Treasurer. Each bank pays into the Treasury 5 per cent. of its average circulation for the previous year by two instalments, the first of 2½ per cent. within 15 days of July 1st next, and the second within 15 days of July 1st, 1892. Thus, at the expiration of one year from the date when the Bank Act goes into operation, a sum of over \$1,500,000 will be on hand to meet any emergency. The liquidator can, should he feel it necessary, apply any portion of this sum towards the redemption of the circulation of a suspended bank, to be repaid from the assets as they are realized. The liquidator will press the realization of the assets, as the circulation outstanding carries 6 per cent. interest. And the effect will be to afford ample security for maintaining the value of the note, and will even increase the security of ultimate redemption at par. The Government, in consideration of the large fund placed in its safe-keeping, pays to the banks interest at the rate of 3 per cent. on the amount deposited.

By these two measures the Canadian Banking System is rendered still more perfect than in the past. It has already been proved to be effectual in providing adequate means to meet the fluctuations of trade, and by these new

provisions it will be at least on a par with that of any system of banking in the world, giving to the circulation a security equal to a gold currency without its inconveniences.

The shareholders must be aware that the business of the past year has been extremely dull. In addition to the results of a succession of bad harvests in the most populous Province in the Dominion, which reduced wholesale trade to the smallest dimensions, and curtailed the operations of the importer and the manufacturer, this section of country has felt the effects of the disastrous state of affairs in South America, where gold has been at a premium of 390, and the rates of exchange have fluctuated violently. Many of our largest saw mills have had to carry over large stocks of lumber, and the operations of last winter have of necessity been circumscribed. The mining industries have been active, and had it not been for the doubt thrown on these industries by the unfortunate legislation of the last session in levying taxes on them, the development of the latent mineral resources of the country would have been hopeful and satisfactory. The directors, while eschewing politics, cannot but grieve over any measures which they, as business men, feel to be doubtful expedients for the raising of revenue. They trust that the Legislature may see ere long that the taxing of commercial corporations, of mining industries, in fact, of singling out any special class of men or business operations to be the bearers of public burdens, is a mistake in political economy, and detrimental to the true interests of the country.

The harvest prospects are brighter than for some years past; and though it is early to prognosticate, yet there is room to hope that the Dominion may reap the blessing of a good return to the labors of the husbandman.

The directors in conclusion have pleasure in bearing testimony to the zeal and assiduity of all the executive staff, including the managers and officers of the branches, as well as the head office. The result of the usual careful inspection of the branches has been to satisfy the directors that intelligence and integrity are the governing principles of the bank officers.

Respectfully submitted on behalf of the Board.

R. W. HENEKER,

President.

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDING MAY 15TH, 1891.

Balance at credit profit and loss carried forward from May 15th, 1890.....	\$17,854 43
Profit of head offices and branches, after deducting charges of management, appropriation towards pension fund, interest due depositors, and ample provision for bad and doubtful debts....	156,356 63
	\$174,211 06

DEDUCT :

Dividend of 3½ per cent., paid 2nd Jan., 1891.....	\$52,048 57	
Dividend of 3½ per cent., payable 2nd July, 1891..	52,048 64	
Transferred to Reserve Fund.....	50,000 00	
		<hr/> 154,097 21
Balance carried forward.....		\$20,113 85

GENERAL BALANCE SHEET, MAY 15TH, 1891.

Liabilities.

Capital paid in.....		\$1,487,582 50
Reserve Fund.....	\$600,000 00	
Profit and Loss balance..	20,113 85	
Dividend No. 63 of 3½ per cent., payable on 2nd July next.....	52,048 64	
Dividends unclaimed.....	3,307 81	
		<hr/> 675,470 50
E. T. Bank bills in circulation.....	796,204 00	
Dominion deposits on demand.....	26,885 44	
Provincial deposits on demand.....	13,084 25	
Other deposits on demand.....	531,920 08	
Other deposits after notice.....	1,922,961 40	
Due other banks in Canada.....	3,327 45	
Due banks in the United Kingdom.....	2,052 32	
		<hr/> 3,296,434 94
		\$5,459,487 74

Assets.

Specie.....	\$114,308 99	
Dominion Notes.....	94,791 00	
Bills and cheques on other banks.....	24,767 27	
Due from other banks in Canada.....	372,347 17	
Due from other banks not in Canada.....	93,191 14	
Due from other banks secured.....	15,834 18	
Dominion Government debentures.....	13,000 00	
		<hr/> \$728,239 75
Bank premises and bank furniture.....	100,000 00	
Current loans, discounts and advances to the public.....	4,459,562 51	
Real estate, other than bank premises.....	15,877 54	
Mortgages on real estate sold by the bank.....	73,074 97	
Loans overdue, secured.....	39,316 23	
Loans overdue, unsecured.....	36,782 50	
Other assets and items in transitu between offices..	6,674 24	
		<hr/> \$4,731,247 99
		\$5,459,487 74

WM. FARWELL,
General Manager.

The report was unanimously adopted. A vote of thanks to the president and directors and to the general manager and other officers of the bank was passed. The annual appropriation for payment of directors was increased \$2,000.

The election of directors was then proceeded with, resulting in the election of the old board. The meeting then adjourned.

At the board meeting same day, R. W. Heneker, Esq., and Hon. G. G. Stevens, were re-elected president and vice-president, respectively.

MANUFACTURERS' LIFE INSURANCE COMPANY.

The fourth annual meeting of the Manufacturers' Life Insurance Company was held at the company's offices in the Traders' Bank building, Toronto, on Wednesday, 28th February.

The president, the Right Hon. Sir. John A. Macdonald, occupied the chair, and Mr. John F. Ellis acted as secretary.

The secretary read the annual report, which shows that the accepted new business for the year amounted to \$2,239,350, and that the company now had 4,007 policyholders insured for the sum of \$6,830,525; also that there had been a large saving in the expenses of management, and a large reduction in death claims compared with the year 1889.

The financial statement of the company is as follows:—

CASH ACCOUNT.

1890.	<i>Dr.</i>	
Cash on hand and in bank 1st Jan., 1890.....		\$ 6,209 25
Cash for premiums.....		160,486 67
“ for interest and rents.....		10,241 61
“ for premiums in advance.....		680 15
Investments repaid.....		31,547 92
		<u>\$209,165 58</u>

1890.	<i>Cr.</i>	
By salaries, commissions, rents, taxes, medical fees and other expenses of management.....		\$ 70,605 14
Death claims.....		44,646 18
Surrendered policies.....		1,148 00
Annuity payments.....		420 00
Re-insurance premiums.....		11,600 56
Investments.....		51,540 16
Cash on hand and in bank.....		28,907 54
		<u>\$209,165 58</u>

BALANCE SHEET.

1890.	<i>Cr.</i>	
By Dominion Government bonds (market value).....		\$ 53,000 00
Mortgages on real estate.....		159,242 84

Stocks and debentures.....	24,150 00
Life interests.....	1,290 00
Reversions.....	3,210 00
Bills receivable.....	10,235 01
Office furniture.....	4,500 00
Advances to agents, etc.....	5,874 60
Outstanding premiums.....	42,662 25
Deferred premiums.....	15,012 89
Interest due and accrued.....	3,651 82
Cash on hand and in bank.....	28,907 54
	<hr/>
	\$351,739 95

1890.

Dr.

To assurance fund.....	\$215,231 00
Contingent fund, providing for medical fees, etc.....	2,606 02
Ten per cent. held to cover cost of collecting outstanding and deferred premiums.....	5,767 51
	<hr/>
	\$223,604 53
Surplus on policyholders' account.....	128,135 42
	<hr/>
	\$351,739 95
Capital stock paid up.....	\$127,320 00

NOTE:—

Surplus as above on policyholders' account.....	\$128,135 42
Add uncalled capital stock.....	493,684 00
	<hr/>
Total surplus on policyholders' account.....	\$621,819 42

The old board of directors were again re-elected, and at a subsequent meeting of the directorate the Right Hon. Sir John A. Macdonald was elected president.

Sir John, in reply to the announcement of his re-election, said:—"I am sure, gentlemen, I am exceedingly obliged for the renewal of your confidence. I do not know that I have a right to claim this laudation so kindly given me by the mover and seconder of the resolution. All I can say is that I entered into the company seeing the names that were before me, and knowing that I would be quite safe and happy in such companionship. Since that time, as the mover and seconder have said, the company has had some troubles in its initiation, and if I have been in any way of use to the company, or if my name has been of use, I am sincerely glad.

When there was a rumor of trouble, I took occasion to say that I would stick to the ship to the last. It is no boast or ground of praise to me now that I should stick to the ship, because it is a prosperous ship with a favoring wind and under good management. And therefore I like my position very much."

Messrs. George Gooderham, Wm. Bell and S. F. McKinnon were re-elected vice-presidents.

STOCK QUOTATIONS.

331

MONTREAL AND TORONTO STOCK EXCHANGE QUOTATIONS.

Revised according to the official lists up to the first day of the month. The following tables include all securities listed on the Montreal and Toronto Stock Exchanges: these are designated by the letters "M" and "T."

The Quotations indicate the last bid or asked price. Quotations marked * are the ruling prices, ex-dividend. The highest and lowest price for the year 1890, actual sales are given for comparison.

BANKS.

NAME.	Share Value.	Last Divid'd per cent.	Year 1890.		Montreal.		Toronto.		
			High.	Low.	Per cent May 30, 1891.				
					Bid.	Ask.	Bid.	Ask.	
Toronto	M & T	100	5	225	207	209 ²	217 [*]	212 ²	214 ²
Commerce	M & T	50	3½	131	122½	126 ²	127 ²	125 ²	126½ [*]
Dominion	M & T	50	5 & 1	234½	234	.....	.....	225½	226½
Ontario	M & T	100	3½	133½	109 [*]	113 ²	116 [*]	113½ ²	115 ²
Standard	M & T	50	4	148	139½	.....	.....	150	154
Imperial	M & T	100	4	159½	150	.....	.....	158	161½
Traders		100	3	.....	.....	.....	.....	.....	.....
Hamilton	M & T	100	4	162	151½	.....	.....	154	157½
Ottawa		100	4	.....	.....	.....	.....	.....	.....
Western		100	3½	.....	.....	.....	.....	.....	.....
Montreal	M & T	200	5	234½	214½	217 [*]	219 ²	218 ²	219½ [*]
British North Am.	M	243	4	.....	.....	London	154	158	.....
Du Peuple	M	50	3	.....	.....	97	99½	.....	.....
Jacques Cartier	M	25	3½	.....	.....	93	99	.....	.....
Ville-Marie	M	100	3½	.....	.....	91	97½	.....	.....
Hochelaga	M	100	3	.....	.....	107 [*]	112½ [*]
Molsons	M & T	50	4	166	156	155	157	.....	.....
Merchants of Can.	M & T	100	3½	147	140	144½ [*]	145½ [*]	144 [*]	145½ [*]
Nationale	M	50	3	.....	.....	.....	.....	.....	.....
Quebec	M	100	3½	.....	.....	118	.....	.....	.....
Union of Canada	M	60	3	.....	.....	.....	98	.....	.....
St. Jean . . . . .		.....	3	.....	.....	.....	.....	.....	.....
St. Hyacinthe . . . . .		.....	3	.....	.....	.....	.....	.....	.....
Eastern Townships	M	100	3½	.....	.....	139½	145	.....	.....
Nova Scotia		100	3½	.....	.....	Halifax.	.....	.....	.....
Merchants of Halifax		100	3	.....	.....	151½	153½	.....	.....
Peoples of Halifax		20	3	.....	.....	129½	131½	.....	.....
Union of Halifax		100	3	.....	.....	111½	112½	.....	.....
Halifax Banking Co.		20	3	.....	.....	115½	117	.....	.....
Yarmouth		75	3	.....	.....	114½	116	.....	.....
Exchange of Yarmouth . . . . .		.....	.....	.....	.....	.....	.....	.....	.....
Commercial of Windsor		40	3	.....	.....	.....	.....	.....	.....
New Brunswick		100	6	.....	.....	.....	.....	.....	.....
Peoples of N.B.		50	4	.....	.....	.....	.....	.....	.....
St. Stephens		100	3	.....	.....	.....	.....	.....	.....
Summerside . . . . .		.....	.....	.....	.....	.....	.....	.....	.....
British Columbia		20	5	.....	.....	London	150	185	.....
Commercial of Manitoba	M.	\$100	3½	.....	.....	do	85	90	.....

STOCK EXCHANGE QUOTATIONS.

Revised according to the official lists up to the first day of the month. The following tables include all securities listed on the Montreal and Toronto Stock Exchanges: these are designated by the letters "M" and "T."

The Quotations indicate the last bid or asked price. Quotations marked * are the ruling prices, ex-dividend. The highest and lowest price for the year 1890, actual sales, are given for comparison.

LOAN COMPANIES.

NAME.	Share Value.	Last Dividend per cent.	Year 1890.		Montreal.	Toronto.
			Per cent. High-Low.		Per cent. May 30, 1891.	
			Bid.	Ask.	Bid.	Ask.
Agricultural Sav. and Ln.	50	3½	.....	.....	.....	.....
Brit. Can. Ln. and Inv. T	100	3½	115	110½	.....	112½
Brit. Mortgage Loan.	100	3½	.....	.....	.....	.....
Building and Ln. Ass. T	25	3	108½	105	.....	111
Can. Landed and Nat. Inv. T	100	3½	.....	.....	.....	.....
do Permanent Ln. and Sav. T	50	6	207	198½	.....	199
Ditto 20 per cent. T	50	.....	200	184½*	.....	188
Canadian Sav. and Loan. T	50	3½	.....	.....	.....	119
Cent. Canada Ln. and Sav. T	100	3	124	124	.....	122½
Ditto New Stock. T	100	.....	.....	.....	.....	.....
Dom'n. Sav. and Inv. Soc. T	50	3	39½	30½	.....	96
Farmers' Ln. and Sav. T	50	3½	123½	119½	.....	121
Ditto 20 per cent. T	50	.....	115	110	.....	110
Freehold Ln. and Sav. T	100	4	159½	132½	.....	142
Ditto 20 per cent. f	100	.....	146	121½	.....	128
Hamilton Prov. and Ln. Soc. f	100	3½	126	125	.....	125½
Home Sav. and Ln.	100	3½	.....	.....	.....	.....
Huron and Erie Ln. and Sav. f	50	4½	160	159	.....	158
Ditto 20 per cent. f	50	.....	148½	145*	.....	148
Huron and Lambton Ln.	50	4	.....	.....	.....	.....
Imperial Ln. and Inv. f	100	3½	124½	119½	.....	122
Landed Banking and Ln.	100	3	.....	.....	.....	.....
Land Security. T	25	5	250	225	.....	230
London & Canada Ln. & Agry T	50	4	134½	122½	.....	125
London and Ontario Inv. T	100	3½	114½	113	.....	117½
London Loan. T	50	3½	.....	.....	.....	107
Manitoba Investment.	100	4	.....	.....	.....	.....
Do and Northwest Ln. T	25	3½	112	110	.....	109
Montreal Building Assn.	50	.....	.....	.....	.....	.....
Do Ln. and Mortgage. M	100	5	.....	.....	127	.....
Montreal Inv. and Building.	25	5	.....	.....	.....	.....
Nor. of Scot. Canada Mortg. T	50	5	.....	.....	.....	150
Ontario Ind. Ln. and Inv. T	50	3½	118	115	.....	115
Do Inv Ass.	50	4	.....	.....	.....	.....
Do Ln. and Deb. T	50	3½	125½	125	.....	127½
Do Ln. and Sav.	50	.....	.....	.....	.....	130
Peoples Ln. and Dep. T	50	3½	118½	113½	.....	115
Real Estate Ln. and Deb. T	50	.....	41	36	.....	50
Royal Ln. and Sav.	50	4	.....	.....	.....	.....
Toronto Land and Inv. Cor. T	50	3	115	110	.....	110

STOCK EXCHANGE QUOTATIONS.

Revised according to the official lists up to the first day of the month. The following tables include all securities listed on the Montreal and Toronto Stock Exchanges: these are designated by the letters "M" and "T."

The Quotations indicate the last bid or asked price. Quotations marked * are the ruling prices, ex-dividend. The highest and lowest price for the year 1890, actual sales, are given for comparison.

TELEGRAPH, TELEPHONE AND ELECTRIC LIGHT COMPANIES.

NAME.	Share Value.	Last Dividend per cent.	Year 1890.		Montreal. Toronto.				
			Per cent.		Per cent.				
			High.	Low.	May 30, 1891.		Bid.	Ask.	Bid.	Ask.
Bell Telephone..... M	4	.....	.....	.....	.....	107½	.....	.....	.....
Commercial Cable..... M	100	1¼	.....	.....	105*	106½*	.....	.....	.....
Dominion Telegraph..... T	50	1½	89	83½	.....	.....	.....	88½	.....
Montreal do ..M & T	40	2	101½	93	104*	105*	.....	.....	.....
Royal Electric	M 10	.....	.....	.....	113*	.....	.....	.....	.....

COTTON COMPANIES.

Canada Cotton	M 100	.....	.....	.....	37½	50	.....	.....
Coaticooke Cotton.....	100	.....	.....	.....	.....	.....	.....	.....
Dominion do	M 100	5	.....	.....	120	134	.....	.....
Dundas do	M 100	.....	.....	.....	.....	.....	.....	.....
Hochelaga do	M 100	5	.....	.....	.....	.....	.....	.....
Kingston do	100	.....	.....	.....	.....	.....	.....	.....
Montreal do	M 100	3	.....	.....	70	80	.....	.....
Stromont do	M 100	3	.....	.....	.....	.....	.....	.....
Merchants' Manf.....	M 100	3	.....	.....	.....	50	.....	.....

MINING AND MANUFACTURING COMPANIES.

Canada Paper	M 100	5	.....	.....	.....	.....	.....	.....
New England Paper.....	100	.....	.....	.....	.....	.....	.....	.....
Starr Manf.....	100	.....	.....	.....	.....	.....	.....	.....
Intercolonial Coal.....	M 100	.....	.....	.....	20	35½	.....	.....
Londonderry Iron.....	M	.....	.....	.....	.....	.....	.....	.....
Ditto Preferred.....	M	.....	.....	.....	.....	.....	.....	.....

MISCELLANEOUS STOCKS.

	£	s	d					
Canada Nor.W. Land.. M & T	4	17	6	.....	.....	72	75	.....
Dominion Cattle Co.....	.....	3	½	.....	.....	.....	72	74
Globe Printing Co..... T	\$500	.....	.....	.....	.....	.....	.....	.....
Ont. and Qu'Appelle Land.....	100	.....	.....	.....	.....	.....	.....	.....
Montreal City 4 % Stock.....	M	.....	.....	.....	.....	104	.....	.....
Ditto 5 % do	M	.....	.....	.....	.....	.....	.....	.....
Ditto 7 % do	M	.....	.....	.....	.....	.....	.....	.....
Victoria Rolling Stock..... T	5000	5	.....	.....	.....	.....	150	.....

STOCK QUOTATIONS.

335

STOCK EXCHANGE QUOTATIONS.
BONDS.

NAME.	Value.	Interest per cent.	Year 1890.		Montreal.		Toronto.	
			Per cent. High.	Per cent. Low.	Per cent. May 30, 1891.			
					Bid.	Ask.	Bid.	Ask.
Bell Telephone	M							
Canada Central Ry	M				117			
Canadian Pac. Ld. Grant. M & T	M	2½			109½			
Canada Cotton	M					100		
Champ. and St. Law. Ry	M				99	100		
Dominion Cotton	M				99½			
Montreal Harbour 5 ½	M							
Intercolonial Coal	M							
Kingston Cotton	M							
Merchants' Manuf	M							
Montreal Cotton	M				100			

CANADIAN SECURITIES IN ENGLAND.

NAME.	LONDON.			
	May 7.	May 14.	May 21.	May 28.
Canada, 3 per cents	94	94	93	93
Ditto 3½ per cents	103	103	103	101*
Ditto 4 per cents., 1885	109	109	109	109
Ditto 4 per cents., 1860			108	108
British Columbia 4½ per cents	110	110	110	110
Ditto 5 per cents., 1865				104
Manitoba 5 per cents., 1888				114
Quebec Prov. 4 per cents	96	96	96	96
Ditto 4½ per cents			111½	110½
Ditto 5 per cents., 1883				
Montreal 3 per cents	81½	80	80	79
Ditto 5 per cents., 1873				104
Ditto 5 per cents., 1874				104
Quebec City 4½ per cents, 1884-87	102	103	103	103
Ditto 6 per cents., 1873				102
Ditto 6 per cents., 1875				112
Ditto 6 per cents., 1878	102	102	102	102
Toronto 3½ per cents	94	94	93	93
Ditto 4 per cents				101
Winnipeg 5 per cents	107	107	107	107
Ditto 6 per cents., 1883				114
Canadian Pacific Shares	81	78½	78½	78½
Ditto 1st Mortgage Bonds	115	115	115	115
Ditto 3½ per cent. Ld. Grant Bonds	97	97	97	97
Ditto 4 per cent. Debenture Stock	101	100	100½	100
Ditto Columbia and Kootenay Bonds	99½	99	98	98½
Ditto Souris Branch Bonds	99½	99	98	98
Grand Trunk Ordinary Stock	9½	9	8½	8½
Ditto 1st Preference	61½	59½	58½	57½

CANADIAN SECURITIES IN ENGLAND—Continued.

NAME.	LONDON.			
	May 7.	May 14.	May 21.	May 28.
Grand Trunk 2nd Preference.....	41 $\frac{5}{8}$	39 $\frac{5}{8}$	38 $\frac{1}{2}$	37 $\frac{1}{2}$
Ditto 3rd do	23	22	21 $\frac{3}{4}$	20 $\frac{1}{2}$
Ditto 4 per cent. Guaranteed.....	72 $\frac{3}{4}$	71 $\frac{3}{4}$	71 $\frac{1}{4}$	68 $\frac{3}{4}$
Ditto 4 per cent. Debenture Stock...	97	96	96	95 $\frac{1}{2}$
Ditto 5 per cent. do	124	124	123	122
Ditto Great West. 5 % do				118
Ontario and Quebec Shares.....	145	145	142*	142*
Ditto Debenture Stock.....	127	127	123*	123*
Qu'Appelle & Long Lake 1st Mrtg. Bds.				101
Quebec & Lake St. John 1st Mrtg. Bonds				88
St. Lawrence and Ottawa do				98
Temiscouata 1st Mortgage Bonds.....				93
Ditto St. Francis Branch.....				90
St. John and Maine shares.....				26 $\frac{1}{2}$
Canada Settlers' Loan				1 $\frac{1}{2}$
Manitoba Mortgage.....	$\frac{3}{4}$	$\frac{1}{2}$	$\frac{3}{8}$	$\frac{1}{2}$
Trust and Loan. £5 paid	5	5	5	5
Ditto £3 paid.....	3	3	3	3
Canada Company.....	50 $\frac{1}{2}$	50 $\frac{1}{2}$	50 $\frac{1}{2}$	45 $\frac{1}{2}$
Canada Northwest Land	3 $\frac{3}{4}$	3 $\frac{3}{4}$	3 $\frac{3}{4}$	3 $\frac{3}{4}$
British America Land.....	29	29	29	29
Land Corporation of Canada.....				$\frac{1}{2}$
Hudson Bay.....	18 $\frac{1}{2}$	18 $\frac{1}{2}$	17 $\frac{1}{2}$	17 $\frac{1}{8}$

MINING COMPANIES.

NAME.	Value of Share.	Paid-up Capital.	LONDON.	
			May 28, 1891.	
			Bid.	Asked.
Excelsior Copper (L'd).....	£ 1	£410,738		
Nicola (L'd).....	1	35,000		
Shuniah Weachu (L'd)	1	99,888		
Silver Wolverine	1	68,465		
Tilt Cove Copper.....	2	160,000		
Ditto £80,000 5 $\frac{1}{2}$ % Deb				
General Mining L'd).....	8	219,752	3 $\frac{1}{2}$	3 $\frac{1}{2}$
Low Point, Barrasois and Lingan.....	100	509,100		
New Vancouver, Coal Mining and Land (L'd).....	1	185,000	$\frac{3}{4}$	1
North Western Coal and Nav. (L'd).....	10	149,500		
Ditto Preferred Stock	100	900		
Ditto £160,000 6 % Deb. coupons..				
Sidney and Louisburg Coal and Ry. Ord-inary Shares	10	250,000	$\frac{1}{2}$	$\frac{1}{2}$
1st Preference to % cumulative.....	10	50,000	7 $\frac{1}{2}$	8 $\frac{1}{2}$
2nd Pref. 6 % non-cumulative	10	14,560	3	5
Anglo-Canadian Asbestos (L'd).....	2	11,500		