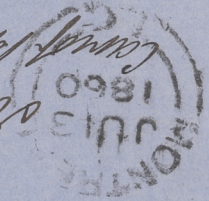


Statement
City Bank for
1889

Montreal

James Hume Esq
Comptroller General



CITY BANK, JUNE, 1860.

ANNUAL MEETING OF STOCKHOLDERS.

The Annual Meeting of the Stockholders of this institution took place at the Banking House, Place d'Armes, on Monday, the 4th June, at noon.

Mr. William Murray was called to the Chair, and Mr. J. M. Ross requested to act as Secretary, and the latter gentleman and Mr. B. Hutchins acted as scrutineers.

The Balance Sheet and usual Statements were submitted to the Meeting, and the President gave some explanations upon the various items in the same, and upon the general features of the business for the past year.

In reading the Report, the President also dwelt at considerable length on the causes which had occasioned the reduction of the dividend, and of the reserve Fund.

REPORT :

The period named in the Charter for holding Annual Meetings of Shareholders of this Institution has again returned, and it is the duty of the Directors to place before you statements of its affairs, with such information respecting its condition and management as the Charter directs.

In compliance with this requirement you will find the proper statements on the table. From these documents it will be seen that the business done during the year just closed has been of a limited but safe character. The last traces of the recent commercial panic may be said to have disappeared in Lower Canada, where a healthy business tone has again been established ; but in Upper Canada the commercial difficulties and money pressure, which for such a protracted period have afflicted that section of the Province, instead of disappearing or finding relief from the recent abundant harvest, appear to have increased and produced in some localities great prostration in many branches of trade.

The hopes of Upper Canada were last year largely staked on the chances of the then coming harvest, under the persuasion that a good crop would bring immediate relief from the difficulties under which she then laboured.

Although the crop more than equalled the most sanguine expectations, the looked for benefits were not realized. On the contrary, the depression seemed to increase, and to such an extent as to compel many parties, who had entered into stipulations with their creditors for the settlement of their affairs, to forego such arrangements through actual inability to fulfil their conditions.

Results so sad and so unprecedented in any previous commercial pressure have cast gloom and uncertainty over every monetary and commercial relation in that portion of the Province, and rendered ineffectual and inoperative the most careful calculations as to the value of assets. Estimates based upon such have consequently proved false, and a second suspension and a second settlement has in some cases been the final result.

These events which have chiefly been confined to the last six months of the year just closed, have been watched by the Board with deep anxiety, and their most earnest attention has been directed towards the adoption of all

the remedial measures in their power, to protect the interests of the Bank and ward off further loss.

A pressure, however, so general and severe upon a community already flagging and enfeebled by previous disaster, and but slowly struggling towards recovery, has affected every interest in the country, the banks in common with all others.

Personal securities with one, two or three parties, ostensibly solvent, on the same amount, became one by one rapidly impaired, and real estate securities, if saleable at all, could only find a market at ruinously reduced prices.

Under such a state of things, the Board seeing that assets which a year ago were considered reliable for 20s. in the pound had become materially reduced in value, considered it their duty to decide at once as to the best mode of dealing with the emergency. Whatever difference of opinion popular sentiment may advance as to meeting prospective losses of this kind in a bank, whether by spreading them over a given period of time or writing them all off at once, this Board deemed their true course to lie in dealing with the difficulty promptly and openly, meeting it by a corresponding reduction of the Reserve Fund and a reduction of the dividend. This course, however unpopular, the Board have pursued, believing it their duty at all hazards as to popular feeling, to keep the stock of the bank unburthened by overvalued assets, and unclogged by hidden troubles, in order that the reserve fund may always be what it purports to be, a clear item over and above the capital of the bank, and a healthy and a reliable surplus.

From estimates recently made of several estates in liquidation, the Board have reason to believe that the assets of the Bank in the western portion of the Province have within the past year, from causes above referred to, been depreciated from twenty to twenty-five thousand pounds. It has been decided to adopt the larger amount, and to add to it five thousand pounds more for possible loss, consequent upon inactivity of capital, and delay in winding up estates—making in all £30,000 to be taken from the Reserve Fund, as per the following statement:—

The Balance at the credit of the Reserve Fund, at our last annual meeting, was	£36,117	19	0
The profits of the year just closed, after deducting working expenses and government tax on our circulation, have been.....	28,130	12	11
	£64,248	11	11
From which deduct two dividends paid during the year	20,992	3	2
	£43,256	8	9
Deduct for depreciation of Assets in Upper Canada.....	25,000	0	0
	£18,256	8	9
Deduct also for possible loss from inactivity of capital and winding up Estates there.....	5,000	0	0
Final Balance at credit of Reserve Fund. - - -	£13,256	8	9

The experience of the past, the heavy losses and frequent drawbacks, and trials seemingly inseparable from any extended business in Upper Canada, and the comparative exemption from these troubles in Lower Canada, have convinced the Board that the capital of the Bank can, for the present, be worked more safely and to better advantage for the Stockholders, at the Head Office in Montreal than at any Western point.

For the last two years, therefore, the settled policy of the Board has been to contract as much as safely practicable, our Upper Canada business ; and this policy, so far as the interest of the Bank with regard to matters in liquidation will permit, the Board recommend their successors in office to continue.

The business of the Sherbrook Agency will not be injuriously affected by the recent stoppage of a well known extensive trading firm there. This event however important or calamitous to that locality, will it is believed hasten rather than retard our collections there, as the endorsers have come forward, except in a few cases, in a most respectable manner, and made the liabilities directly their own, paying a part or the whole, or giving undoubted security on time. No loss will be suffered here beyond what was estimated and written off years ago.

The large number of traders, in Upper Canada, whose affairs are in difficulty from over speculation in landed property, and from other causes,—the impaired condition of Mercantile credit, with the impoverishment of every interest consequent thereon, have given rise to wide spread discontent and impatience for relief, through a general Bankrupt Law in that section of the Province.

The destruction of assets and the ruin of the interests of creditors which past Bankrupt Laws produced while in operation in this Province, sufficiently demonstrate to any unbiassed mind the inexpediency of applying such a remedy for any of our commercial difficulties. Under any circumstances, or with any modification, its adoption would be most dangerous, but in the present condition of some parts of the country it would operate as the lighting of a torch of destruction to the hard earned savings of the honest and industrious trader, struggling to meet his engagements, by enabling hundreds of others, actuated by less worthy principles, to avail themselves of this mode of getting rid of their engagements without redeeming them, when, by ordinary patient industry and economy, they would have little difficulty in doing so. Like causes produce like effects, and it is needless in future to hope for other than the same class of results which have followed in the wake of past measures of this kind. Common sense as well as experience clearly points out the absurdity and the injustice of a compulsory withdrawal of the management or control of property from its rightful owners, the creditors, and the placing of Estates in the hands of Bailiffs, Commissioners, or other legal functionaries, often totally unacquainted with business, and unconcerned as to how they may turn out, or what amount of dividend they may ultimately realise.

No unfortunate, honest, industrious trader will ever be denied a discharge from a certain majority of his creditors, none should be, on giving up his estate and aiding his creditors to make

the most of it. Estates managed by creditors themselves, aided by the debtor, will in many cases pay two shillings for one that they would pay under any Bankrupt Court proceedings.—But, unfortunately, under our existing Commercial Law, any one factious or cunning creditor, however small his claim may be, can upset the united action of all the others. And under the hope that the other creditors will yield, rather than suffer the entire proceedings in the premises to be upset, a course of this kind is often adopted by parties who, although secretly approving of the proposed arrangements, will stubbornly stand out under the hope of being bought off by the payment of their claims in full. What, therefore, is wanted to obviate the difficulty and to render justice and every protection to the honest debtor, is simply a short act empowering, under prescribed conditions, as simple as possible, a certain majority of creditors to manage and control estates of insolvent debtors. The decision of such majority always to be binding on all the creditors, and to protect the debtor from annoyance or opposition on the part of the minority, thus leaving debtor and creditors in their own Court to settle and arrange their business in their own way. A law of this character would save immense litigation, years of delay and millions of money in the winding up of Bankrupt Estates.

In view of the large interest which this Institution has at stake, the Board have considered it not inappropriate in their Report to refer at some length to this most important question.

The Charter provides for the election to-day of a new Board of Directors, and the scrutineers will now receive your votes for that purpose.

On behalf of the Board it will afford me pleasure to give any information to stockholders present, that the Charter permits, on matters pertinent to the business of this meeting.

The whole, nevertheless, most respectfully submitted,

WILLIAM WORKMAN,
President.

It was then moved by Mr. C. A. LOW, and seconded by Mr. J. CAVERHILL:

“That the Report now read be adopted and printed for the information of the Stockholders.”

The CHAIRMAN on putting this motion to the meeting observed that he would take this opportunity of remarking, that at first he con-

fessed he had entertained some prejudice against the Board in consequence of out-door exaggerated Reports, but on listening to the explanations given by the President he had entirely changed his views, and now considered that instead of the Directors meeting any censure, they were entitled to sympathy.

The resolution was then passed unanimously.

It was then moved by Mr. J. J. DAY, seconded by Mr. R. WOOD;

“That while this meeting cannot but regret the causes which have forced upon the Board the necessity of writing off from the Reserve Fund so large an amount to meet losses in Upper Canada, it is nevertheless felt that the Directors are entitled to the thanks of the Stockholders for their continued attention to the interests of the Bank, and that the President should be requested to accept the sum of Five Hundred Pounds for his services.”—Passed unanimously.

The PRESIDENT returned thanks for the vote of five hundred pounds.

A conversation then took place on the subject of paying the Directors,—when, there appearing no other business before the meeting, Mr. N. S. WHITNEY moved, seconded by Mr. William McDONALD:

“That the Chairman do now leave the Chair, and Mr. Charles A. Low be requested to take the same, when thanks were voted to Mr. Murray for his conduct in the Chair.”

The Scrutineers afterwards presented the following Report:—

CITY BANK,
Montreal, June 4th, 1860. }

SIR,—The undersigned, appointed Scrutineers at the Annual Meeting of the Shareholders of the City Bank, held this day, beg to report that the following gentlemen are duly elected as Directors for the ensuing year:—

WILLIAM WORKMAN,
JOHN CARTER,
JOHN DODS,
WM. McDONALD,
CHARLES PHILLIPS,

J. M. ROSS,
B. HUTCHINS,
Scrutineers.

F. MACCULLOCH, Esq.,
Cashier,
City Bank, Montreal. }

The newly elected Board met at noon on Tuesday, the 7th of June, 1860, and elected William Workman, Esq., President, and John Carter, Vice-President.

ABSTRACT FROM THE BOOKS OF THE CITY BANK EXHIBITING A GENERAL STATEMENT OF THE AFFAIRS OF THE INSTITUTION ON THURSDAY THE 10TH MAY, 1860:

Capital Stock, all paid up.....	\$1,200,000.00
Bills in circulation.....	420,414.00
Dividends unpaid.....	6,012.71
Dividend No. 19, payable 1st June, 1860.....	36,000.00
Deposits not bearing interest.....	\$400,087.66
Deposits bearing interest.....	243,541.27
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	643,628.93
Balances due other Banks and Bankers.....	113,890.58
Interest reserved.....	5,000.00
Exchange reserved.....	2,000.00
Contingent Fund.....	53,025.73
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	\$2,479,971.95

Cash on hand—	
Gold and Silver	
Coin.....	\$252,066.65
Cheques and Bills on other Banks..	60,246.85
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	\$312,313.50

Real Estate.....	34,000.00
Government Securities.....	212,158.35
Balances due by other Banks... ..	82,469.11
Balances due by Foreign Agencies.....	52,873.20
Notes discounted and other debts not otherwise included.....	1,786,157.79
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	\$2,479,971.95

F. MACCULLOCH,
Cashier.