believed he had answered all the questions proposed.

Mr. Murray said there had been a general expression of opinion that the capital of the Bank should be increased. The Bank had always held the position of the largest and most important banking institution in the country, and he for one would desire to see it maintain that position. It was for the directors to say whether the capital could be employed. But there was a difficulty: if the new stock were issued, and it were not made compulsory to pay it up, it would be impossible to say what the rate of premium that stock would bear. For his part, he was not disposed to recommend the issue of new stock unless the Directors saw fit to capitalize part of the large rest. (Cheers.) He had thought that if the Directors could give the shareholders a bonus of 50 per cent. on the old stock, there would be only $3,000,000 to call in; but he saw that by the the last banking measure there must be a rest of a fifth before more than an 8 per cent. dividend could be paid. He thought, however, that 25 per cent. might be allowed old shareholders who might not have the means to pay up the calls, and for some of the large shareholders also. He could hadly see the propriety of having a rest of 50 per cent. He thought the fifth, which the wisdom of the Legislature thought sufficient, was enough to keep as a rest, but he would make it a quarter if necessary. If the Directors could meet the views of the shareholders in this respect, he believed it would be gratifying to a great many. A great many stockholders of the Bank had gone to their rest, and others might not derive any advantage unless something were done. (Laughter.)

The Chairman—I think, Mr. Murray, if you could find out their feelings now, they would say they didn't care much about it. (Laughter.)

Mr. Murray then moved, seconded by Mr. Alex. Clerk—That, under the authority of the 5th Section of the Act respecting Banks and Banking, 34 Victoria, chap. 5, it is expedient that the capital of the Bank be increased to an amount not exceeding $12,000,000.

Mr. Murray stated that he desired to follow this up by another resolution.

Mr. Crawford, before voting on the resolution, would certainly have felt great relief to have had an expression of opinion from the Chairman.

After some further remarks, the Chairman said he had endeavored in his first remarks to convey the wish of the Directors not to express any opinion at present. They fully admitted that it was right to throw the responsibility on them. The Directors, until the declaration of the 8 per cent. dividend had no intention of proposing an increase of capital at the present time. But after the declaration of the dividend there had been a very general expression of opinion in favor of increase, and after giving due weight to all the arguments used, the Directors thought it quite right to increase the stock, without making it imperative to call it in, unless the Directors found that they could profitably employ it. He did not know that he need say anything more than that. If he were to go into the matter fully, it might lead him into a discussion on the prospects of banking, which was not called for. He thought if the shareholders were satisfied with the way in which the Directors had managed their affairs for some time back they might rest satisfied with the assurance that the Directors were willing to take the responsibility of increasing the capital, but that it was for them, the Directors, to say when the capital should be called up. If this discretion was taken away from them they would not be blamed for declining any further responsibility in the matter. (Cheers).

Mr. Crawford would beg leave to ask the President whether there had been new channels of investment found for the large amount of unemployed capital of which he complained at the last general meeting. He had been led to understand that the position of the Bank was not materially changed; but on looking over the statement recently published, he was impressed with the strength of the Bank's position. He thought that new offices might be profitably opened. He could not realize the probability of any commercial depression that would prevent any immediate response to the invitation of the Board for an increase of capital, so long as the shares of the Bank remained not at 300 per cent., but even at a premium of 10 or 20 per cent. If the Board had unanimously come before the meeting with a proposal to increase the capital, he would have had no hesitation in voting for it. But as there seemed to be a want unanimity on the part of the Board, he was inclined to think that an increase was hardly called for at present, and the Bank had funds enough for opening new offices, &c.

The Chairman—I think you are making statements not warranted by what I said. There was nothing said about the Board not being in accord.

Mr. Murray then read his second resolution. He moved, seconded by Mr. Alex. Clerk—That the increase be effected at such times, in such proportions, and in such a manner as to the Directors should appear consistent with the interest of the Bank.

Mr. Prentice wished to move an amendment to the last resolution. It seemed to him that a time more favorable for obtaining new stock could not be expected. Many gentlemen had bought stock thinking there would be an increase of capital. It did not follow, if the Directors issued $6,000,000 of new stock, that they would be compelled to call up $6,000,000. He believed it was only necessary to call up 10 per cent. The President had not held out very encouraging prospects of the money-making power of the bank; but he (Mr. Prentice) thought that there was no bank in the world that could do so well. He was not at all afraid of the business of the bank falling off. The falling off of the Government account was a mere trifle—(hear, hear.) He held that the advantage of an increase of capital should belong to the present shareholders.

Mr. Crawford begged permission to ask, before the motion was put, what the amount of the reserve was at present. Had the reserve of $6,000,000 been diminished? If so he would be prepared to vote against the increase. He would also enquire whether there was any necessity for more money at present.

Mr. Murray—The whole difficulty would have been removed if the Directors had agreed to give us a bonus. (Laughter.)

The Chairman—The question asked by Mr. Crawford would be a very important one, if we were going to increase the capital immediately.

Mr. Crawford—Will you have to call another meeting before you increase the capital?

The Chairman—No. Power will be given the Directors at this meeting.

The first resolution of Mr. Murray was then put. The show of hands was largely in favor of it, and no one demanding a vote, it was declared carried.

Mr. Murray then moved his second resolution as follows:—That the increase of capital be effected by the Directors at such times, for such proportions, and in such manner as shall be deemed advisable.

The following amendment to Mr. Murray's motion was then moved by Mr. R. Prentice, seconded by Mr. Saunders:—That the increased stock be at once allotted to the existing shareholders at par, ten per cent being called up by the 1st July, and that the future calls be made at such times as the Directors think necessary.

The Chairman here read the 6th clause of the Banking Act as follows: "Any of the original "unsubscribed stock of the Bank, shall, when the "Directors so determine, be allotted to the then "shareholders of the Bank *pro rata*, &c."

Mr. Griffin, Q. C., said he had called the attention of the President to the fact that by the law, the subject refered to in the amendment was prescribed as the business of the directors and not of the shareholders.

Mr Prentice begged to withdraw his amendment; but he trusted that he was not discortuous in asking the Directors when the shareholders might expect a new issue of stock. He merely asked them to give the shareholders an idea of the time when it might be expected. He and others had been buying the stock, believing in the money making power of the Bank, and had done something to raise the stock to its present price.

Mr. Crawford perceived that some of the shareholders were desirous of forcing the hands of the Directors. He would again urge that it was incumbent on the meeting to leave the matter to the Directors.

Mr. Prentice had simply asked a question,—When might they expect an increase of stock?

The Chairman said Mr. Prentice was in order in putting the question. In the first place, they did not know yet who the Board would be. But presuming that the Directors who had hitherto enjoyed their confidence would retain it, the question would be whether they could employ the capital. If the shareholders had power to compel the issue of new stock, and the money was not wanted, it would throw upon their hands so much useless capital. He thought the Directors of the Bank of Montreal had always acted in good faith hitherto. If it had been left to them it would not have been necessary to have brought this matter up. Now, the shareholders had given them the power to increase the capital as soon as the money could be profitably employed. He could not foretell the course of the money market. Possibly money might become very active. There need not be any apprehension as to any extra amount of capital being called for, because if the Act were examined it would be found that the Directors were limited. Even if they were disposed to call it up hastily, they could only do it at the rate of 10 per cent. every 30 days. He did not think, judging from present appearances, that they could employ the money so rapidly. He could not give a more definite answer than this.

Mr. Prentice—It is very indefinite. I am sure a great many shareholders share with me a feeling of disappointment.

Mr. Crawford inquired as to the rate at which the new stock would be issued.

The Chairman said the responsibility of fixing the rate lay with the Directors.

Mr. Crawford thought if the stock were to be called in, 10 per cent. at a time, it might be issued at par.

Mr. Esdaile wished to impress well upon the meeting the importance of what Mr. Prentice had said. Ten per cent. on six millions was only $600,000. Even if the Directors had to keep it idle, it would be no loss. The effect of leaving the matter open would be that persons who were compelled to sell their stock would do so at a serious loss.

The Chairman said that all the suggestions that came from the shareholders would receive due consideration from the Board, but he might observe that all the stock represented by the petitioners did not equal that represented by himself that day. He thought, therefore, the matter was being forced a little too far.

Mr. Prentice said he would press his question in spite of the little threat of the Chairman.

Mr. T. M. Thomson thought an important principle was involved here, which Mr. Prentice wished to bring out, namely, that all the advantages of the bank belonged to the present shareholders. This was the most important feature of the whole matter.

Mr. Barnston believed that gentlemen who had held stock for ten or twelve years had just as much right to be consulted as those who were making a profit by the fluctuations of the stock market.

Mr. G. W. Simpson thought that the time when money would be scarce would be the most inconvenient time for shareholders to pay up the new