wish to say that I think the shareholders are singularly fortunate in having the services of the gentlemen now occupying the positions of General Manager and Assistant General Manager. Their watchful solicitude, untiring energy and marked ability in the management of the bank is the explanation of the successful and prosperous position which it now occupies to-day. The loyal and efficient staff has also contributed in a wonderful degree to the success that we are now congratulating ourselves upon. I have very much pleasure in submitting this resolution, and I know that my colleagues on the board will endorse every word I say as to the efficiency of the executive and the loyalty of the staff generally. The resolution was then put to the meeting and carried unanimously.

Mr. Walker:—I have to thank the shareholders on behalf of myself and the staff, for this expression of confidence. The business of banking is as difficult to carry on successfully in Canada as any other branch of trade. Our officers, one and all, know that their advancement depends upon rigid performance of duty and untiring energy, and I think I can say that as fine a spirit of zeal for the bank exists as the shareholders could desire. We have to day a staff of 321 officers, and with 44 branches to overlook, the shareholders will readily understand that the cares of the executive do not grow less from year to year.

Mr. Plummer:—As one of those named in the resolution, I also desire to return my thanks therefor. The times, as Mr. Walker has said, are not propitious for making much money, but we are doing our best, and I hope the shareholders will always be able to feel that we are entitled to their cordial thanks. We very much appreciate, and I am sure the staff as a whole will also much appreciate, the President's remarks in putting the resolution. The Board are the best judges whether or not we deserve thanks, and his kind words therefore add to the value of the shareholders' vote.

Moved by Mr. Robt. Kilgour, seconded by Mr. M. Leggat, and carried, that the meeting do now proceed to elect directors for the coming year, and that for this purpose the ballot box be now opened and remain open until three o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered: the result of the election to be reported by the scrutineers to the General Manager.

The meeting then adjourned.

The scrutineers subsequently reported the following gentlemen to be elected as directors for the ensuing year: Messrs Geo. A. Cox, James Crathern, John I. Davidson, William B. Hamilton, John Hoskin, Q.C., LL D., Robert Kilgour, Matthew Leggat and George Taylor.

At a meeting of the newly elected Board of Directors held subsequently, George A. Cox, Esq., was re-elected President, and John I. Davidson, Esq., Vice-President.

MERCHANTS BANK OF CANADA.

The annual meeting of shareholders in the Merchants Bank of Canada was held on Wednesday, the 17th inst., in the head office of the bank in Montreal.

The proceedings were opened by the president, Mr. Andrew Allan, taking the chair.

The president asked Mr. John Gault to act as secretary, and the secretary having read the advertisement calling the meeting, the president submitted the annual report of the directors.

REPORT.

The directors of the Merchants Bank of Canada beg to place before the stockholders the result of the business of the year just closed:

The net profits of the year after payment of interest and charges, and deducting appropriations for bad and doubtful debts, have amounted to	$ 579,470 20
Balance from last year	5,903 91
	$ 585,374 11
This has been disposed of as follows:—	
Dividends Nos. 44 and 45, at 7 per cent	$ 405,944 00
Added to the "Rest"	175,000 00
Carried forward to Profit and Loss account of next year	4,430 11
	$ 585,374 11

The accompanying balance sheet, when compared with that of last year, shows that the business of the bank has been well maintained in every department, and that large available reserves are held against the bank's liabilities.

Deposits have increased considerably, notwithstanding severe competition. There has been a decrease in the total of loans and discounts, which is, however, accounted for by the repayment of large exceptional loans. The ordinary discounts and advances of the bank have increased.

The total earnings of the bank have been equal to the average of recent years, but it has been necessary to take from them a larger amount than usual to provide against losses and depreciations. Part of this deduction has been by way of writing off known losses, and part by transfer of sums to Contingent Fund, which under other circumstances might have been added to the Rest.

The exceptional condition of financial matters in London and New York last November, added much to the anxieties of the board, but they are happy to state that the business of the bank was so carefully watched that no loss whatever has been sustained.

As a final result of the business of the year, the sum of $175,000 has been added to the Rest. This important fund now amounts to $2,510,000, or 43¼ per cent. of the paid up capital.

The officers in the service of the bank have discharged the duties entrusted to them with fidelity and ability, and to the satisfaction of the directors.

The whole respectfully submitted.

ANDREW ALLAN,
President.

Montreal, June 9th, 1891.

Statement of assets and liabilities at 30th of May, 1891, as well as that of the former year:—

Liabilities.

		Last year.
1—To the public.		
Notes in circulation..	$ 2,591,414	$ 2,563,897
Deposits not bearing interest, $2,615,177,		2,469,184
deposits bearing interest, $6,743,737,		6,212,098
interest due thereon to date, $83,478	9,442,393	64,558
Balances due Canadian banks keeping deposits with the Merchants' Bank of Canada	611,702	563,888
Balances due Canadian banks in daily exchanges	18,254	13,330
Balances due to agents in Great Britain....	123,436	391,777
Dividend No. 45	202,972	202,972
Dividends unclaimed..	2,945	3,271
	$12,993,117	$12,484,973
2.—To the stockholders.		
Capital paid up	5,799,200	5,799,200
Rest	2,510,000	2,335,000
Contingent account ..	143,360	92,660
Balances of Profit and Loss account carried to next year	4,430	5,903
	$21,450,107	$20,717,737

Assets.

Gold and silver coin on hand	$ 342,156	$ 238,438
Dominion notes	628,039	731,750
Notes and cheques of other Canadian banks	540,836	468,654
Balances due by other Canadian banks in daily exchanges	99,533	88,840
Balances due by banks and agents in the United States	1,164,391	780,825
Dominion Government bonds	668,967	668,967
Railway and municipal debentures	112,650	104,650
Call and short loans on bonds and stocks ..	1,299,403	424,581
	$ 4,855,977	$ 3,506,708
Time loans on bonds and stocks, $80,708..		90,730
Other loans and discounts, $15,500,622..		16,114,369
Loans and discounts, overdue and not specially secured (loss provided for), $157,607..		119,223
Loans and discounts, overdue, secured, $26,692	15,765,630	24,676
Mortgages, bonds and other securities, the property of the bank.	122,371	150,469
Real estate	181,754	203,532
Bank premises and furniture	494,873	480,273
Other assets	29,501	27,754
	$21,450,107	$20,717,737

PROFIT AND LOSS ACCOUNT 30TH MAY, 1891.

The net profits of the year, after payment of interest and charges, and deducting appropriations for bad and doubtful debts, have amounted to	$579,470
Balance from last year	5,903
	$585,374
This has been disposed of as follows:—	
Dividends Nos. 44 and 45, at 7 per cent.	$405,944
Added to the Rest	175,000
Carried forward to Profit and Loss Account of next year	4,430
	$585,374

The president then moved, seconded by the vice-president, Mr. Robt. Anderson:—

"That the report of the directors, as submitted be, and the same is hereby adopted and ordered to be printed for distribution amongst the stockholders."

Before putting the motion to the meeting, the president called on the general manager, Mr. Geo. Hague, to make a few remarks.

THE GENERAL MANAGER'S ADDRESS.

The general manager said:—I desire, as has been customary, to supplement the report of the directors by a few remarks. The year just closed has been disappointing in some respects and satisfactory in others. The volume of the business of the bank has been as large as usual. The greater part of those who were customers of the bank a year ago are customers still, and, I think, they are well satisfied with the treatment they have received. We have endeavored to render our customers good service in the various departments of their business. Some of them we have supplied with money as they needed it, and I think none have reason to complain, even if we did at times restrict them. In the case of others we have taken care of the money they entrusted to us. We have paid the cheques of our customers to the amount of nearly two hundred millions at the thirty points where cheques were presented. We have discounted their bills and passed through their loans to the extent of over one hundred millions. This amount was not, of course, all current at one time; but bills to that amount have passed through our books during the year. We have received on deposit over the counter over one hundred and sixty millions, and we have collected and transmitted from one point to another in Canada, the United States, and England about a hundred millions more. We have done the business apparently to the satisfaction of our customers, and in so far as they have been satisfied, we have been satisfied too. There are, however, some things upon which we cannot look with as much satisfaction as the foregoing. I cannot but express the opinion that the bank has not been reasonably remunerated for much of the business it has done. In the United States, in England, Scotland, or Australia, for transacting the same volume of business, far more would have been earned by the bank. I refer now to what the bank earns, irrespective of deductions for expenses, and if I mention the fact, I must also mention the reason of it, namely,

SEVERE COMPETITION.

The stress of competition affects every line of business, banking included. I do not intend, at present, to discuss the matter at length, but merely put on record my judgment that the banks at present are not paid a reasonable remuneration for what they do for their customers. I will however say, and I say it emphatically, that such competition as leads banks to make larger loans to customers than they otherwise would, and to be less careful about security, is not less dangerous to their customers than to the banks. Many mercan-