

The increase of over 2 millions in circulation, 24¼ millions in deposits, and 27 millions in current loans and discounts are very striking evidences of the expansion of business in Canada in the past year, of the confidence felt in this strong bank, and the popularity of the management. The additions made to the business of the Bank of Montreal between October, 1904, and October, 1905, were large enough for equipping a bank of ordinary size. Indeed, there are 15 of our banks whose discounts are less than the increase made in those of the Bank of Montreal last year.

The increase of \$24,368,800 in deposits is remarkable. The time is not distant since such an increase in one year by all the banks was regarded as a great advance. This bank has now \$94,794,412 of deposits, which is close upon the total amount of deposits held by all the banks 20 years ago.

The Bank of Montreal is, indeed, a great institution.

#### MR. E. S. CLOUSTON'S ADDRESS.

The General Manager in his address alluded to the large amount of immediately available assets held, \$68,633,030, which, though larger than necessary, it was desirable to have at command owing to the uncertain future of Continental finance, the conditions in Russia, and "the somewhat boom conditions on this continent." "It is well to be strong," said the General Manager.

He thought that with the addition of new banking capital and the increase of branches, it seems as if, for some time to come, the circulation provided will be sufficient for the needs of the country. The advantage of the Canadian system has been amply demonstrated during the late pressure for money. Notwithstanding the heavy demands to move the largest crop in our history, the interest rate to our people has remained normal. We have only to glance at the condition of affairs across the line to see what fluctuations in rates for money the public are subjected to under the system there in vogue.

Reference was made to the failure of the Yarmouth Bank from which no loss has occurred to the depositors and other creditors.

"The one word," said Mr. Clouston, "written large in the records of Canada this year is, 'Prosperity.'" "Never before have we had a twelvemonth of such universal prosperity, and it is during a year like this that every one should set his house in order. Collections should be pressed, and manufacturers should husband their resources and strengthen themselves in every way; for they are to a great extent prosperous by the grace of their neighbours, and when adversity comes to other countries, the American bargain counter will be opened in Canada, and our manufacturers and their employees will surely suffer."

#### ADDRESS OF THE VICE-PRESIDENT.

Sir George A. Drummond opened his address by referring to the decreasing value of money owing to the increasing accumulation of wealth in the country, the consequent increase of the number of banking companies and of their capital, and the resulting keenness of competition.

Proof of these conditions were offered as follows:

1st. As to the accumulation of wealth. The deposits in all the chartered banks in the Dominion, in 1870, were 49 millions of dollars, in round figures, omitting fractions of a million; in 1880, were 85 millions; in 1890, were 136 millions; in 1900, were 305 millions; in 1904, were 470 millions.

The Dominion Government Savings Bank held in the same year (1904), nearly 62 millions, making bank and Government deposits 532 millions.

2nd. As regards banking facilities. Five new banks have gone into operation since 1900, with an authorized capital of \$9,000,000. Five have been absorbed into other banks, but their capital presumably remains, under other control, and one bank, referred to by the general manager, with a capital of \$300,000, has failed. It may also be mentioned that charters have been obtained from Parliament during the last three years of eleven new banks, with a capital of \$19,000,000.

As regards our own bank, it has been the care of the directors to advance with the times, and I give you a few figures to show the progress which it has made.

In 1863 the capital was \$6,000,000; assets, \$15,252,000.

In 1905, the capital was \$14,400,000; assets, \$158,470,000.

Our branches, which in 1863 numbered 29, are now 100.

Sir George condemned the reckless fashion in which Canada's lumber resources are being used up. He referred to the increase of Manufacturies as creating a home market for produce that was most marked. In this city and neighborhood a great number of large factories are springing up, and whatever may be said of our tariff, it unquestionably has had the effect of inducing the manufacture in this country of goods previously imported, with all the advantages of increased employment and circulation of money in this country.

"A number of these manufactories are branches or offshoots off industrial organizations in the United States."

The sum of \$75,000,000 be estimated as distributable among the small population in the Northwest as proceeds of this year's crop, and gave the area from which this wealth was drawn as under 10 per cent. of the agricultural land available for settlement.

The meeting passed a resolution complimentary to the staff.