Moved by Mr. Edward Martin:

"That the thanks of the meeting are due and are hereby tendered to the president, vice-president and other directors for their careful attention to the interests of the bank during the past year."

Mr Martin, in moving the resolution, said: I think it only due to the president, vice-president and other directors that the shareholders should acknowledge to them their thanks for the great labor which they have had in managing the affairs of the bank during the past year. The figures given by the president and general manager show that the year has been one, beyond almost all others in the history of the bank, of unprecedented difficulties, and it is greatly to their credit that the bank holds so firm and strong a position, and maintains that position in the face of all these difficulties. We have, however, the future to look to, and "every cloud has a silver lining" It is awkward to forecast the future, because it does not always turn out what we would hope it to be, but in the natural order of events the shareholders may fairly look for a more profitable year, and expect that this bank, in common with the other financial institutions of the country, will enjoy its fair share of prosperity.

The resolution was seconded by Mr. Hugh Ryan.

The president expressed his thanks on behalf of his colleagues and himself for the kind remarks that had been made in the moving of the resolution, and for the cordial response of the shareholders.

Moved by Mr. A. V. Delaporte: "That the thanks of the meeting be tendered to the general manager, assistant general manager, and other officers of the bank, for the satisfactory discharge of their respective duties during the past year."

Mr. Flavelle, in seconding the motion, said: I think there is a special fitness in such a vote as this at this time. Whatever may be the results of the year's work in contrast to previous years, the very fact that it has been a trying year made the duties of the various officers so much the more difficult to perform.

Mr. Walker: I have to thank the shareholders very much for this resolution, particularly on my own behalf. It goes without saying that to come before the shareholders without as handsome results as have been shown during the last seven or eight years is as great a disappointment to me as to any one. We have to take satisfaction in knowing that we have done the best that we could under the circumstances, and probably the best that could have been done This has been Ontario's bad year, and a large part of the bank's business is done in this province. We have followed a very conservative course, because we have thought that wise, and if we have allowed the mercantile business of the bank to fall off it was because we thought that the best policy to adopt for the time being. No bank is in better credit or in a better position to take advantage of any improvement in business. As to the bank's earning capacity, it can do whatever any other bank can do, but all we can hope for is our fair share of the general prosperity. That we will get a fair share I have no doubt whatever.

If the shareholders will accept our frank statements and not seek to draw inferences which are not clearly implied, it will be easier for us to be frank with them. We have always given, and now once more give, the assurance that we have examined with great care all our assets, not simply those in default, but also the current assets, and have made all needful provision.

Mr. Plummer, following, said: I also desire to return thanks for the vote that the shareholders have passed. What Mr. Flavelle has said is probably true, that our staff is more entitled to a vote of thanks after such a year as this than after a prosperous year. It is a great satisfaction to the officers of the bank to come before the shareholders with a handsome statement and a large addition to the rest, but in a year like this the work done is a great deal heavier, not only in actual detail, but in anxiety and care. We have not a handsome return to make, and we have to be content with the appreciation of the shareholders as manifested by this resolution.

Moved by Mr. Matthew Leggat, seconded by Mr. James Crathern, and carried, that the meeting do now proceed to elect directors for the coming year, and that for this purpose the ballot-box be 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 directors for the ensuing year: Messrs. George A. Cox, James Crathern, William B. Hamilton, John Hoskin, Q.C., LL.D., Robert Kilgour, Matthew Leggat, and Joseph W. Flavelle.

At a meeting of the newly-elected board of directors held subsequently, George A. Cox, Esq., was re-elected president, and Robert Kilgour, Esq., vice-president.

MERCHANTS BANK OF CANADA.

The annual general meeting of the shareholders of the Merchants Bank of Canada was held in the board room of that institution in Montreal, at noon on June 17th, when there were present Messrs. Andrew Allan, Hector Mackenzie, Jonathan Hodgson, John Cassils, T. M. Dunn (Quebec), Robert Mackay, John Morrison, John Crawford, Senator O'Brien, Captain W. H. Benyon, J. H. R. Molson, John Dunlop, Q.C., F. S. Lyman, Q.C., T. D. Hood, James Moore, M. S. Foley, C. A. Briggs, Michael Burke, J. Y. Gilmour, William Reid, J. S. Murray, James Croil, Alex. McDougall and Murdoch McKenzie.

The proceedings were opened by Mr. Andrew Allan, president, taking the chair and requesting Mr. John Gault to act as secretary.

Mr. Gault having read the notice convening the meeting, the president submitted the following report of the directors:—

REPORT.

The directors of the Merchants Bank of Canada beg to report to the stockholders that the result of the year's business has been as follows:

The net profits of the year, after payment of interest and charges, and deducting appropriations for bad and doubtful debts, have amounted to		$501,999 51
Balance from last year		57,277 79
		$559,277 30
This has been disposed of as follows:		
Dividend No. 54, at the rate of 8 per cent. per annum	$240,000 00	
Dividend No. 55, at the rate of 8 per cent. per annum	240,000 00	
		$480,000 00
Carried forward to Profit and Loss account of next year		79,277 30
		$559,277 30

The business of the bank has been well maintained during the year, both deposits and discounts having shown a steady increase in volume.

But the net profits have been much smaller than the average for many years back, owing to lower rates and larger appropriations, both of which are the result, directly or indirectly, of the severe competition now prevailing in business and banking.

Two new offices have been opened during the year, one in the West End of Montreal and the other at St. Jerome.

Your directors, during this year, have had to deplore the decease of their old and esteemed colleague, Mr. Robert Anderson, for twenty years a director, and for thirteen years vice-president.

Until the closing years of an unusually prolonged life, Mr. Anderson devoted much time to the affairs of the bank, and by his prudent habits of mind and wise counsels, materially aided it in attaining the position it now enjoys.

The directors not thinking it desirable to fill the vacancy, have left a new election to the whole body of stockholders.

The customary inspection of all the offices of the bank has been made, and the directors have pleasure in testifying to the zeal and faithfulness with which they have been served by the officers of the staff.

All respectfully submitted,

(Signed) Andrew Allan,
President.

Montreal, 9th June, 1896.

LIABILITIES AND ASSETS.

Liabilities.

			Last Year.
1.—To the public.			
Notes in circulation		$ 2,315,031 00	$ 2,352,684 00
Deposits not bearing interest	$2,091,933 33		2,135,188 40
Deposits bearing interest	8,664,944 01		8,157,448 09
Interest due thereon to date	73,085 95		71,668 29
		10,829,963 29	....
Balances due to Canadian banks keeping deposit accounts with this bank		531,832 78	654,827 40
Balances due to Canadian banks in daily exchanges		1,579 84	816 87
Balances due to banks and agents in United States		20,288 87	....
Balances due to agents in Great Britain		481,219 50	182,107 47
Dividend No. 55		240,000 00	240,000 00
Dividends unclaimed		1,102 00	2,015 00
		$14,421,317 28	$13,796,755 52
2.—To the stockholders.			
Capital paid up	$6,000,000 00		$6,000,000 00
Rest	3,000,000 00		3,000,000 00
Surplus profits	79,277 30		57,277 79
		$ 9,079,277 30	....
Contingent account		95,095 00	74,215 00
		$23,595,689 58	$22,928,248 31

Assets

Gold and siver coin on hand	$ 370,200 22	$ 389,759 28
Dominion notes on hand	842,101 00	897,093 00
Notes and cheques of other Canadian banks	530,904 64	649,901 20
Balances due by other Canadian banks in account and daily exchanges	85,379 97	98,336 92
Balances due by banks and agents in the United States	....	346,308 06
Dominion Government bonds	938,178 32	1,089,820 15
Railway and municipal debentures	403,069 31	321,510 85
Call and short loans on bonds and stocks	911,490 25	1,125,446 85
Total available assets	$ 4,081,323 71	$ 4,918,176 31
Time loans on bonds and stocks	$ 230,353 50	194,528 63
Other loans and discounts (less reserved for rebate)	18,022,604 91	16,643,438 81
Loans and discounts overdue (loss provided for)	210,117 16	142,875 04
	$18,463,075 57	....
Deposit with Dominion Government for security of note circulation	159,312 70	159,312 70
Mortgages, bonds and other securities, the property of the bank	281,392 88	263,675 02
Real estate	37,745 70	55,162 21
Bank premises and furniture	556,712 33	536,868 20
Other assets	16,126 69	14,211 39
	$23,595,689 58	$22,928,248 31

(Signed) George Hague,
General Manager.

The president then moved, seconded by Mr. Hector Mackenzie, "That the report of the directors, as submitted, be and the same is hereby adopted, and ordered to be printed for distribution among the stockholders"

The president called upon the general manager, Mr. George Hague, for a few remarks on the financial outlook.

GENERAL MANAGER'S ADDRESS.

The statement of the result of the year's business will, no doubt, be disappointing to you; certainly it has been disappointing to ourselves. I have seldom known a winter in which so many untoward events happened.

The first half of this banking year, matters looked prosperous enough; profits were fair, losses in sight were moderate; but during the winter a number of failures occurred by which, after realizing all our securities, the loss will be considerable.

Still, after providing for all these losses, the directors were enabled to pay the usual dividend, and add over $20,000 to our surplus profits.

We expected up to last Christmas to add a much larger sum, for we now have in view, over and above a rest of half the capital, the accumulation of a fund of surplus profits of a few hundred thousand dollars.

Upon this fund the directors might draw in time of exceptional losses, and thus keep the dividend steady.

I venture to think, and I hope you will agree with me, that this is of great importance to the stability of the bank.

LOSSES.

With regard to the losses, I may say that nearly all of any moment were made in large centres of business.