

THE DISCUSSION.

The President—I do not think I have anything to add to the report, which I hope you will find satisfactory. I shall be very glad to answer any questions that the shareholders may wish to put with regard to the financial statement.

Mr. John Morrison expressed surprise at the absence of Mr. Fyshe, until recently general manager of the Bank, and asked if it were true that the Directors had given Mr. Fyshe a bonus of \$50,000?

The President—It is.

Mr. B. A. Boas remarked that there were various rumors on the street and in the public press to the effect that the Merchants Bank of Canada was to be merged with another bank, in a very short time. It was only once a year that the Shareholders had an opportunity of meeting the Directors and asking for an explanation of their stewardship, and he did not think he was asking too much when he desired information on this point.

Mr. John Morrison—The very best advice I can tender to the Bank is that it is best for the Bank of Montreal and this Bank to amalgamate as soon as possible. We are in the very best standing, by the report, upon which I cast no doubt, and for the benefit of banking interests the Bank of Montreal should amalgamate with this institution at once. We should save the expense of sixty branches.

The President—I am very sorry indeed that Mr. Fyshe is not here to answer for himself. You are, no doubt, aware that Mr. Fyshe has done a great deal for the Bank in the past. It is in a much sounder position today than I think, ever in its history, and this is largely due to Mr. Fyshe. Lately, he has been failing in health, and he thought, or we all thought, it better he should resign, and he did so a short time ago. I do not think the Shareholders would be interested very much, or that it would be wise to go into the whole details of why he resigned or what happened. It took a good while, but, however, that is an end of it, and I think you will agree with me that is all that need be said. We have to thank him very much for what he has done.

As regards the amalgamation rumors, it does not do to believe everything you see or hear, and I think the less said about the matter the better. If there was anything in it, it would be a great mistake to discuss it now; if there is nothing in it, there is no harm done. Therefore, I think we will leave it that way.

Mr. John Morrison noted that in the financial statement, bank premises and furniture were valued at \$873,000, and he enquired of the President who was responsible, at first, for the establishing of branch banks and continuing a source of expenditure that cost the banks 1 per cent. on their capital every year?

The President replied that the Board was entirely responsible, and none of the Shareholders desiring to ask further questions, he moved, seconded by the Vice-President, Mr. Jonathan Hodgson:

ADOPTION OF THE REPORT.

"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."

This was unanimously concurred in, after which it was moved by the President:—

"That Messrs. John Morrison and James Williamson be appointed scrutineers for the election of Directors, about to take place; that they proceed to take the vote immediately; that the ballot shall close at 3 o'clock p.m., but if an interval of ten minutes elapse without a vote being tendered, the ballot shall thereupon be closed immediately."

This was adopted.

A vote of thanks was tendered the President for his conduct of the business of the meeting; and shortly afterwards the scrutineers reported that the following gentlemen had been duly elected as directors:—

SIR H. MONTAGU ALLAN,
MR. JONATHAN HODGSON,
MR. J. P. DAWES,
MR. THOMAS LONG,
MR. C. R. HOSMER,

MR. C. F. SMITH,
MR. HUGH A. ALLAN,
MR. C. M. HAYS
MR. ALEX. BARNET,

The new Board of Directors met in the afternoon and Sir H. Montagu Allan was re-elected President, and Mr. Jonathan Hodgson Vice-President.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

LONDON LETTER.

FINANCE.

London, June 8, 1905.

A great many financial gentlemen believe very strongly that there is no better market in the world for shares made to sell than London. For shares made to keep, of course, any market is good. I am reminded that London has been pretty heavily loaded of late with companies, more or less new, of Canadian extraction, whose shares are apparently created for prompt unloading.

For example the San Paulo Tramway Light & Power Company—an enterprise operating in Brazil, but financed from Canada, attempted to issue long lines of its shares over here early in the year. The attempt was unsuccessful, as, in fact, were many of the others. But the fact remains that the good financial name of Canada is dragged considerably in the mire as a result of this kind of sharepushing. Feelers are now being put out to see if the time is ripe for selling these shares in some of the Canadian companies operating in Mexico, like the Mexican Light & Power Company. This company and others of the newcomers may be all that one could wish for in the way of investment, but as I have said, the "pitch" has been "queered" to a large extent, by some of their less worthy predecessors.

The whole tendency of the London market is towards increased strength, the only trouble at present, now that force seems assured, being the selling at London spe-

cialities from Paris. The Gallic investor appeared to think that he ought to sell something when the ally of his country was in such serious trouble in the Far East. Being unable by special Bourse regulations to sell a "bear" of Russian bonds, he sold Kaffirs. As an aid in this direction came some clever, but unduly alarming articles in "l'Economiste Français." In these it was alleged that the Rand mines are quite overvalued at current prices and that years must pass before any increase in value is justified by increased profit, making potentialities. This I do not agree with, but it produced a good deal of selling. This was soon absorbed by the "big houses." There is very little for the South African magnates to do nowadays beyond absorbing at low prices the shares they sold at much higher figures to the public years ago.

INSURANCE.

All the Canadian offices operating here are doing good business. Mr. Meikle at the seat of control in 'Change Alley leads the Western of Toronto into a wider publicity wherein I have no doubt lies great profits accrued and greater ones to come. What Mr. Meikle does not know about the marine and fire business is generally regarded up and down the City as not worth knowing.

The Canada Life reports increasing business, as also the Sun Life of Canada. These are now old stagers at the business, but the same good story can be told of the latest immigrant of them all, the Manufacturers' Life of Toronto.

All those concerns may be smaller than the colossal articles from the United States, but they are no whit behind them in enterprise and "go." Year by year they can be seen to expand and reach out to new circles of influence, and year by year they build up an army of friends.