

The President's Remarks.

The president, Mr. George Hay, then said:

At the time of our last annual meeting the general outlook was clouded by the disastrous war between Russia and Japan. The treaty of peace which was concluded at the close of that war was regarded as an omen of universal national concord, and an assurance of general financial prosperity. This "consummation, so devoutly to be wished," has, unhappily, not been realized; on the contrary, a condition of unrest and insecurity has prevailed in the great financial world centres, and the captains of finance are confronted with a situation manifesting the wisdom of continued care in maintaining the security of their position.

Notwithstanding this condition of general financial affairs, Canada has enjoyed a year of remarkable prosperity.

The tide of immigration, so important to our new country, has continued to flow in increasing volume, and with improved character as regards its suitability for absorption into our population.

The enterprise and industry of our people in all great departments have been followed by success.

Anticipated railway construction has proceeded with a satisfactory celerity.

The lumber trade, of so much local importance, has been carried on with successful results.

Our farmers in the older provinces have enjoyed a goodly share in the general prosperity of the year. But as a contribution to the exceptionally good position in which the business of the Dominion now stands, we regard as first in importance, the unprecedented wheat crop, grown and secured in the Prairie Provinces of the West.

Such share in the general prosperity as has been secured by the Bank of Ottawa may be ascertained by reference to the report which is now submitted for your approval.

At this time, when Russia, yet reeling from the stunning blows dealt by her despised rival, is still menacing the peace and prosperity of her neighbors; at this time, when, in another important quarter, transactions of a character subversive of all confidence in commercial integrity, have been unveiled; when money market quotations, indicating a stringency, calling for a rate of interest up to 27 per cent., have been noted, we, here in Ottawa, Canada, have been enabled "to pursue the even tenor of our ways," supplying the requirements of our clients with a liberal accommodation at a normal rate of interest.

We have maintained our rest at an amount equal to our paid-up capital of two and one-half millions of dollars.

During the year we have responded to the demands for greater banking facilities, by opening nine new branches at widely different points.

We have paid two semi-annual dividends, the former one at nine and the latter at the rate of ten per cent. per annum.

We have carried forward at the credit of profit and loss account \$144,020.97, and in order to meet the increased demands for circulation, we have decided to call up the last \$500,000 of the capital still authorized, this call being responded to with gratifying promptness.

These are some of the factors which enable us to submit with confidence the report of the 31st year's management of the Bank of Ottawa for your approval, conscious that we may well "thank God and take courage," looking into a future bright with promise of continued business prosperity for the Dominion, and all our own immediate interest in this institution.

Before putting the motion for the adoption of the report, the president asked the general manager to give some statistics regarding the position of the bank.

The General Manager.

The general manager said: In reviewing the work of the bank for the year, it is usual to turn first to the showing of profits. The percentage of earnings to capital is 14.40, being slightly over the percentage of last year.

While the loans of the bank have been well maintained, on the whole, during the year, there was a period when loose money was somewhat plentiful, and could not be as profitably employed as it has been lately.

Turning to the balance sheet before you, the circulation of the bank is at the moment \$50,738 less than it was a year ago. Since the last annual meeting it has, however, frequently occurred, that we have been so close to the limit of circulation allowed by the Bank Act, that we have been compelled to pay out the bills of other banks. (Total, \$2,000,000.)

It will be satisfactory to the shareholders, I am sure, to observe, that the deposits of the bank show an increase during the year of \$2,763,037, being the largest in any one year in the history of the bank. This growth is not confined to any particular locality, but is well distributed throughout the branches.

Among the items known as liabilities to the shareholders, there will be noted an increase in the dividend already alluded to by the chairman, increases in the necessary reser-

ventions amounting to \$7,378, and in the balance at credit of profit and loss account of \$70,688. Turning to the assets side of the balance sheet, we have increased our holdings of specie and legal tenders by \$436,779; our balances due from other banks by \$211,102; and call loans, \$61,802, while our securities are less by \$154,234, and notes and cheques of other banks held are less by \$62,667, making a net increase in what are technically known as "quick assets" of \$492,783.

The commercial loans of the bank are greater by \$1,922,375 than they were a year ago; the real estate other than bank premises, \$19,751; the overdue debts and mortgages are less by \$7,761, and the bank premises greater by \$60,000. This increase has been occasioned by the completion of the offices in Carleton Place and Montreal, the procuring of safes and office fittings for the new branches, and the acquiring of premises where it has been thought by the directors more advantageous to the bank to own its buildings. The properties so acquired since last meeting are at Kemptville, Kenora and Renfrew; lots have been bought at Prince Albert, Sask., and on the corner of Gloucester and Bank Streets, in Ottawa, on both of which we hope to be able to build at an early date, as our present accommodation in both places is limited. In order to meet the growth of business in the main Ottawa office and at Winnipeg, it has been found necessary to increase the floor space in both these buildings at a very material cost.

To turn for a few moments from our own condition to that of business generally, some years ago the present Minister of Finance, in his budget speech, asked whether Canada had not about "reached the top of the wave" in prosperity. If one may judge by the increases in the bank clearings and in the deposits of the country, an answer in the negative may very well be given to this query.

I called attention last year to the fact that the deposits of the banks generally had grown at the average rate of a million dollars a week. I find that this year the growth is even greater, the total public deposits in the chartered banks being \$69,000,000 higher than a year ago, of which \$14,000,000 is from other countries, held by Canadian banks having agencies outside of Canada. Comparing the 31st October, 1895, ten years ago, with the same date of this year, the growth is \$361,102,000, or an average increase per annum of \$36,000,000, no small sum, considering our population.

A careful review of the increases as far as can be judged from the Government returns indicates that the growth in deposits is general throughout the Dominion.

The current loans in Canada of the chartered banks have increased during the year \$34,000,000, or about \$20,000,000 less than the increase of Canadian deposits.

The question many people are asking is, how long is this growth in material wealth to continue? It seems to me so long as we have good crops throughout the country, and prices maintain a fair average, we may expect good times. At the same time we realize that there must be no relaxing of vigilance. The temptations to over-trade, to lay in too heavy stocks of goods, and to speculate in lands, etc., are serious, and not every merchant can resist them. Those of us who have passed through some of what are known as "hard times", know full well that the foundation of many a loss has been laid in times of prosperity.

It was then moved by the president, seconded by the vice-president, and resolved: "That the report of the directors and statements now read be adopted, and printed for the information of the shareholders."

Moved by Sheriff Sweetland, seconded by Mr. J. G. Whyte, "That the thanks of the shareholders are due, and are hereby tendered to the president, vice-president and directors for their careful attention to the interests of the bank during the past year." Carried.

The vice-president in returning thanks, said:

On the part of the directors, I thank you for your resolution of confidence. It is the aim of all, that the Bank of Ottawa should be governed on conservative lines, and we know it is.

I have seen it inscribed as the motto and heading of a great daily newspaper, "Eternal vigilance is the price of liberty," but, as bankers, and in banking, we might read it, "Eternal vigilance is the price of sound administration."

Let me add, as between the directors, the general management and the staff, there is an "esprit de corps," and a united loyalty to the interests of the bank, which speaks well for its future.

The good will of our shareholders is welcome and helpful and will encourage us to maintain the standard.

Moved by Mr. Thomas Garrett, seconded by Mr. John L. Murphy, "That the thanks of the shareholders be tendered to the general manager and other officers of the bank for the efficient manner in which they have performed their respective duties." Carried.

The general manager replied on behalf of himself and the other members of the staff of the bank.

Moved by Mr. Newell Bate, seconded by Mr. J. Roberts Allan, "That a ballot-box be now opened and remain open until five o'clock for the election of nine directors for

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Hon. Sir Geo.
A. T. Paterson
R. R. Angus

A. Mac
H. V. M.

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Ontario

Almonte
Belleville
Brantford
Brookville
Chatham
Collingwood
Cornwall
Deseronto
Fort William
Goderich
Georgian
Hamilton
"Shern
Kingston
Lindsay
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Ottawa
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