

The reports were received with applause.

The Chairman then said—In view of the termination of the Bank Charters at no very distant period, and pending the deliberations of the Committee appointed by the Legislature to consider the laws relating to Banks, it is evident that the banking system of the country is at present in what may be termed a transition state, and may be subjected to various and important changes in the laws by which it is governed. What the precise nature and extent of these changes may be, and what their effect upon existing institutions, it would be idle now to discuss; our wiser course would seem to be, instead of groping blindfold into the future, to confine our attention to the present state of affairs, than which none could be more satisfactory or encouraging. On that head the information detailed in the report would seem to be sufficiently explicit, and not doubting that the report is considered by you satisfactory, I shall, without further remarks, ask you to be good enough to move its adoption.

It was then moved by Wm. Murray, Esq., seconded by R. W. Shepherd, Esq. "That the Report of the Directors now read, be adopted and printed for distribution among the shareholders."

Mr. Murray said the report was certainly a most satisfactory one, both to the shareholders and to the Institution. It is now fifty years since this bank had come into existence, and it was a question whether there was a single one of the original shareholders now on the books. He observed that the "Rest" amounted to \$1,500,000, equal to 25 per cent. on the capital. This was a very handsome "Rest," and there he thought it might remain, and the idea of fifty years ago be carried out, and a division of profits be made. They might then be getting seven and a half per cent. instead of five. (Hear.) They really required some good dividends to make up for the bad ones, and for some they did not get at all. (Hear and laughter.) He had much pleasure in moving the adoption of the report. The resolution was carried unanimously.

Dr. Campbell moved, seconded by H. O. Andrews, Esq., "That the thanks of the meeting be presented to the President, Vice-President and Directors for their attention to the interests of the bank."

Dr. Campbell said this was the golden wedding of the bank, and they had certainly had a golden statement. He believed with Mr. Murray that the "Rest" was sufficient. The report was exceedingly satisfactory, and a great deal is due to the care and cautious good management of the Board of Directors and Manager. This was particularly so since the transfer of the Government account. The previous year had been considered an exceptional one in the history of the Bank, but it was even exceeded by the one just passed. (Hear, hear.)

The President said, on behalf of the late Board of Directors—I thank you for the recognition of our services as manifested in the vote you have been pleased to pass. I can myself bear testimony to the fidelity and zeal with which these services have been rendered; at the same time I deem it proper to acknowledge on this, as I did on a former occasion, that our duties have continued to be greatly lightened, by the care, judgment, and ability which, since the incumbency of the present managers, have never failed to characterize the administration of the two most important trusts in the bank. I refer especially to that of the General Manager—and I shall also add that of the Manager—of the Montreal Branch, to the highly successful administration of both which trusts you are mainly indebted for the very satisfactory character of the reports submitted to you, but I cannot help thinking that during the last two years, in addition to good management, we have been singularly fortunate in escaping heavy losses, with which good fortune, in the common course of events, we cannot expect to be always favoured. Such, however, has been the improved system of management, established now for a number of years, and such the independent position acquired by rigid adherence to that system, that I do not hesitate to express my conviction that even under adverse circumstances that position will be maintained.

Mr. Henry Lyman moved, seconded by Mr.

A. Cross,—"That the thanks of the meeting be given to the General Manager, the Managers and Agents, and other officers of the bank, for their services during the past year."

Mr. Lyman made one or two remarks, expressing his satisfaction at the statement of affairs they had heard, and

Mr. Cross, concurring in these sentiments, added his opinion that, what appeared most in favor of the policy of the bank was the results it brought about. A gentleman who was called upon to perform duties of a very high character, could not be expected to carry the whole world with him. (Hear.) They knew very well that there had been of late great inducements to sacrifice the interests of this bank, and that this might have been done, but for the firmness of the Manager in adhering to the legitimate business of the bank. (Hear, hear.) Resolution carried unanimously.

Mr. E. H. King said that though it was not usual for the General Manager to make any remarks in reply to this customary vote of thanks, he should depart from that practice on this occasion, which, he thought, called for one or two observations. He did feel that some reply was due to the handsome manner in which several large shareholders present had alluded, not only to the management but to the events of the past year. He took this as a compliment, and it was the more satisfactory to him as it showed they appreciated his care of the interests committed to his charge. Though he was not called upon to give it there, he might state that so far as his opinion went, he was strongly in favor of a very large reserve fund. (Hear.) He thought the shareholders derived as much benefit from the confidence in the bank which it imparted, and the increase value which it gave to the stock, as they would from a division of the surplus. (Hear.) The permanent interests of the bank should be considered above those of a mere transitory nature. The Committee of the Legislature might introduce a different banking system, and he thought it of very great consequence that their Rest should be increased so that they might be able to meet any phase of the question. (Hear, hear.)

Mr. R. Esdaile moved, seconded by Mr. Thomas Cramp,—"That the ballot now open for the election of Directors be kept open until three o'clock, and no longer, and that until that hour, and for that purpose only, this meeting be continued." Carried.

The President then informed the meeting that a vacancy in the Board of Directors was caused by the resignation of the Honorable John Rose. The subject of his successor was recently considered by the late Board, who were unanimous in recommending Mr. Peter Redpath for the votes of the stockholders. And further, that this meeting is now dissolved, except for the purpose of the ballot, for which purpose only, it will continue open as usual, until 3 o'clock.

The ballot resulted in the election of the following new Directors of the Bank of Montreal: T. B. Anderson, Esq., John Redpath, Esq., Peter Redpath, Esq., David Torrance, Esq., Thomas E. Campbell, Esq., Hon. Thos. Ryan, Esq., J. G. Mackenzie, Esq., E. M. Hopkins, Esq., Henry Thomas, Esq.

## Insurance.

MASSACHUSETTS INSURANCE DEPARTMENT.—The Report of the Insurance Commissioners of this State shows a very favorable result of the operation of the fire insurance companies for the year 1867, by which it seems that in that year the ratio of losses to premiums were 43.6 per cent., whilst the average of the previous ten years was 63.1 per cent., or 20 per cent. more, making the past year the most flourishing of the last decade. The report states that the rate of fire losses in the Massachusetts joint stock companies during 1867 was \$4.03 on each \$1,000 at risk against \$7.86 in 1866, and an average of \$6.03 for the last ten years. Only two out of the last ten years (1858 and 1863) have shown a lower rate. The ratio of losses paid to premiums received indicates the same favorable result, being 43.6 per cent. in 1867 against 85.4 per cent. in 1866, and 63.1 per cent. average for ten years. The marine business of the same companies, on the

contrary, was disastrous beyond all precedent. The loss on each \$1,000 at risk was \$48.46, against \$32.40 in 1866, and \$36 average for ten years. The ratio of losses paid to premiums received in 1866 was 78.4 per cent., and the average for ten years is 72.8 per cent. The ratio for 1867 is 105.2 per cent. In other words, the marine business of the joint stock companies cost them a net loss of \$150,000, leaving expenses out of the question. In the mutual companies the rate of fire loss was also remarkably low, being only \$1.23 on each \$1,000 at risk against \$1.92 in 1866 and an average of \$1.74 for the last ten years. The rate of marine loss has changed only slightly, it being 46.16 in 1867 against \$46 in 1866, and \$45.03 average for 10 years.—*N.Y. Ins. Jour.*

REDUCTION OF PREMIUM.—Another form in which the share of the profits of a company, accruing to a life assurer, may be applied is the reduction of the premiums he has engaged to pay for the assurance. In the event of his selecting this method, his policy, of course, is not added to, but remains of the original amount throughout. It is not as well understood as it should be, that there is always a definite cash sum to which an assurer is entitled on the declaration of a bonus, which represents the precise share of the profits of the institution immediately accruing to him, and that if he has his bonus applied to reduce his premium, it is this cash spread over the anticipated payments, with allowance for the altered mode and for possible contingencies which affect the reduction. If this were borne in mind, the unreasonable expectations of some assurers would not exist.

Premiums are reduced by the application of bonuses in two ways. First, the entire bonus is exhausted in diminishing the payments of the ensuing divisional period—three years, five years, seven years, as the case may be—according to the system adopted by the office. Second, the reducing process is spread over the whole of life, so that the premiums stand permanently diminished. In the first instance, the premium is lowered, say for example, for five years, at the close of which a new bonus comes into operation in place of the old ones, not in addition thereto. In the second instance, each succeeding bonus is applied to reduce still further the diminished amount of premium payable by the assurers. Now it is perfectly manifest that if the bonus is thus spread over a limited period, but the unreasonableness of some assurers goes to the extent of expecting that the very handsome return which they get for five years should be continued until they die, and that successively they will receive other bonuses as large or larger, which will also continue during life. A little reflection would show such assurers that in a very few years not only would a large number of the policy-holders pay nothing at all, but would be in receipt of increasing annuities! It is simply necessary to work out the calculation to an extreme, to show its absurdity. If the operation of such bonuses was cumulative, and the amount of the successive reductions continued as large as at first, the entire premium must necessarily be extinguished in a short time. In isolated cases, where the assurers are of long standing and of great age, the mode of allocation is such that a premium is occasionally extinguished; but this can never be an every day occurrence. As a general rule, this does not, of course cannot, occur. Some offices do not apply bonuses to reduce the entire future premium, but simply for the ensuing divisional period. In a few instances the bonuses are annual, the profits of one year being applied to reduce the premiums of next year.—*Insurance Agent.*

FIRE RECORD.—St. Catharines, June 4th.—Sword's carpenter shop, and O'Donnell's paint shop; total loss about \$1,500; Sword had no insurance, O'Donnell had \$400 on his stock; fire believed to be the work of an incendiary.

Montreal, June 5.—A fire broke out in a stable owned and occupied by Messrs. Peel, Upper St. Elizabeth street. There were fifteen horses in the stable, which were removed. The whole building was destroyed.

Also, in the premises occupied by Messrs. Tate & Co., Canal Basin. It broke out in a building used for the grinding of charcoal for foundry purposes; damage slight.