

the Bank are somewhat smaller in amount than last year—more especially the deposits bearing interest, which have fallen off considerably. The deposits not bearing interest, I am glad to say, have increased to the extent of more than \$890,000. But taking the deposits of both kinds, and the amount of notes of the Bank in circulation, we have really more available funds to work with than we had last year. At this time last year, as you are aware, we had not yet commenced the re-issue of our own notes, but although we have ceased to receive compensation in respect of our former issues of notes, by the rapid increase of circulation we have really had the use of as much money as we were paid interest on before the change of arrangement. I have no intention to-day to make any prophecies as to the future. The current year will have been the first year of working under the increased capital, and we shall now be able to find out what success we can attain in keeping up the present dividends on our augmented capital. As the report states, we think we may fairly hope to be able to maintain them, because we have really a large stand-by in the balance of profits which has not been distributed. I do not know that there is anything else I need enlarge upon at present. You will observe that the discounts and advances of the Bank are considerably greater than last year. That great increase, however, has taken place principally within the last two or three months. There has been a much more active demand for money, and as we had increased our capital, it was necessary to find employment for our additional funds, and we have therefore taken advantage of the active money market. In conclusion, I would say, that if there are any matters that you wish to ask me questions upon, I shall be happy to give any information required; but I do not think there is anything more I need say with reference to the report.

Mr. JOHN CRAWFORD—Has there been any expenditure in London, England, on account of the Bank. I mean with regard to new buildings?

The CHAIRMAN—Not at all.

Mr. JOHN CRAWFORD—Do you receive deposits and discount notes in London? May I ask you to report in general terms upon the business of the establishment in London?

The CHAIRMAN—The establishment in London has quite answered our expectations. We find it very useful, and the advantage of it, I have no doubt, will continue to increase. We are quite satisfied with the result of the agency there, and feel that the establishment of it could not have been postponed much longer.

Mr. CRAWFORD—There was a promise that shareholders would have the privilege of transferring shares there. Are the shares now transferred there in accordance with that promise? Have any transfers been made?

The CHAIRMAN—There have been very few transfers made yet, but it is open to any stockholder who chooses to have his stock transferred to the London Register.

Mr. WILLIAM MURRAY—I have been requested to move the adoption of the report. I will only say that after you have heard the report read, and the satisfactory explanation given by the President, little remains to be added.

I will therefore move that "The report of the Directors now read be adopted and printed for distribution among the shareholders." Our President with his usual caution does not lead us to expect that there will be any great increase in the profits. But I think now that we have two and a half additional millions to work upon the banks will have such an increase of profit as will enable it to pay nine per cent., semi-annually (laughter). You know you intimated, Mr. Chairman, at a previous meeting, that a rest of 50 per cent. would be ample; and now that you have got 50 per cent on the whole eight millions, I think you should divide all the profits, unless it be to make a small addition to the profit and loss account (applause).

Mr. JOHN CRAWFORD—I have been asked to second the resolution which I have much pleasure in doing, though I have been able to make only a very cursory examination of the report. But the effect has been very agreeable and I think it is every thing that could be desired, and I have therefore much pleasure in seconding the motion, as well as that part at which Mr. Murray has hinted, and which I suppose is included in it, of having a semi-annual dividend of 9 per cent. (Laughter)

The motion was then carried by acclamation.

Mr. R. J. REEKIE—I beg leave to move "That the thanks of this meeting be given to the President, Vice-President and Directors for their attention to the interests of the Bank."

Mr. JOSEPH MACKAY—I have much pleasure in seconding the resolution.

The motion was adopted unanimously. The CHAIRMAN called upon the Hon. Thomas Ryan to acknowledge the resolution.

Hon. THOMAS RYAN—I rise with great pleasure to acknowledge the resolution of thanks which has just been adopted. The President, I presume, thinks our best thanks are contained in the statement submitted to you to-day, and under that impression I will not detain you except to thank you very sincerely on behalf of the President, Vice-President and Directors for the expression of thanks by this meeting.

Mr. T. M. THOMPSON moved that the thanks of the meeting be given to the General Manager, Managers, Agents and other officers of the Bank for their services during the past year.

Mr. G. A. DRYMOND—I beg to second the resolution. It requires no words from me to support the motion, for the report before us quite justifies the thanks conveyed by it.

The CHAIRMAN—I do not wish this resolution to be put before the meeting without expressing as I do in the most cordial and strongest terms the opinion of the Board that these thanks are well merited (loud applause).

The resolution was carried by acclamation.

Mr. ANOUS, the General Manager, in acknowledging the vote of thanks, said: "On my own behalf, and as representing the managers and other officials of the Bank, I thank you for this recognition of our services. The interests of the executive officers of the Bank are, of course, bound up with those of the shareholders; we are as glad to observe the prosperity of the Bank as you can be, and you may rely upon our most strenuous efforts being put forth to maintain it in the future. [Applause.]

Mr. Wm. MURRAY moved "That Mr. King

do now leave the chair, and that the same be taken by the Hon. Thos. Ryan."

Mr. R. J. REEKIE seconded the motion, which was carried.

The Hon. Thomas Ryan having taken the chair,

Mr. Wm. MURRAY addressed the meeting. He said: "I shall take the liberty to glance at the past position of the Bank and compare it with that which it occupies at the present time. I may at the outset just allude to the time when I came to this country, now nearly 40 years ago. At that time the capital of the Bank was £250,000 or one million dollars, it is now with the Rest upwards of twelve-million dollars. For a number of consecutive years the Bank paid a dividend and bonus equal to 14 per cent, and I had always looked upon that period as the most successful period of the Bank's history, but it has since Mr. King took office been completely eclipsed. When I came here the first President we had was Hon. Mr. Guter, who was succeeded in 1834 by Mr. McGill. He resigned in 1850 and we then had a very worthy man, Mr. T. B. Anderson, and he was succeeded by our present worthy President. The first cashier after I came here was Mr. Holmes, a very able and active officer. Mr. Simpson followed him in that post, and he in turn was succeeded by that very able and worthy man, Mr. Davidson. You will remember that it is nine and a half years since Mr. Davidson, finding that he did not agree with his health and having the offer of the management of a large banking institution in Scotland, was induced to accept it. The result we all know. Mr. King was appointed to the position, and both the stockholders and Mr. King himself have reason to be thankful that he (Mr. King) did accept the position. At the time Mr. Davidson left the Bank the Rest amounted to \$700,000. For one or two years after Mr. King acted as General Manager the profits realised were very little more than sufficient to provide for bad and doubtful debts and the dividend of eight per cent. In 1865, \$300,000 were added to the Rest, and in 1866 and 1867 it amounted to \$1,300,000. I took the liberty of suggesting at that time that the Bank should pay dividends of 5 per cent and allow any surplus to be added to the Rest until it reached 25 per cent of the capital; equal to one and a half million dollars. Under Mr. King's management the Rest in 1870 reached three millions, equal to fifty per cent on the capital; now it amounts to four million dollars. Of course I cannot say that all this four millions has been made through the exertions and ability of Mr. King. There was \$700,000 at the credit of the Rest account when he took office, and there was \$500,000 besides, of profit on shares; so if we deduct \$1,200,000 from \$4,223,000, the present Rest and profits and loss account, it shows \$3,023,000 profits accumulated since Mr. King took office as General Manager and President, and principally within the last five or six years, (applause.) Now I think you will all agree with me that this is unprecedented success in the way of banking, and I know nothing equal to or approaching it unless it be the case of the Bank of Toronto, which is really making wonderful progress; a few years ago its shares were at a discount and now they are worth 220. When Mr. King took office in the Bank of Montreal its stock was selling at an average of from about