Bank of Montreal

101st ANNUAL MEETING.

STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE YEAR ENDED 31ST OCTOBER, 1918.

Balance of Profit and Loss Account, 31st October, 1917		$1,664,893.08
Profits for the year ended 31st October, 1918, after deducting charges of management, and making full provision for all bad and doubtful debts		2,562,720.14
		$4,227,613.22
Quarterly Dividend 2½ per cent. paid 1st March, 1918	$400,000.00	
Quarterly Dividend 2½ per cent. paid 1st June, 1918	400,000.00	
Bonus 1 per cent. paid 1st June, 1918	160,000.00	
Quarterly Dividend 2½ per cent. paid 1st Sept., 1918	400,000.00	
Quarterly Dividend 2½ per cent. payable 1st Dec., 1918	400,000.00	
Bonus – 1 per cent. payable 1st Dec., 1918	160,000.00	
	$1,920,000.00	
War Tax on Bank Note Circulation to 31st Oct., 1918	160,000.00	
Subscriptions to Patriotic Funds	46,000.00	
Reservation for Bank Premises	200,000.00	
		2,326,000.00
Balance of Profit and Loss carried forward		$1,901,613.22

NOTE—Market price of Bank of Montreal Stock, 31st October, 1918 210 per cent. ex div.

GENERAL STATEMENT 31ST OCTOBER, 1918.

LIABILITIES.

Capital Stock			$ 16,000,000.00
Rest		$16,000,000.00	
Balance of Profits carried forward		1,901,613.22	
		$17,901,613.22	
Unclaimed Dividends		6,670.50	
Quarterly Dividend, payable 1st Dec., 1918	$400,000.00		
Bonus of 1 p.c. payable 1st Dec., 1918	160,000.00		
		560,000.00	
			18,468,283.72
			$ 34,468,283.72
Notes of the Bank in circulation		$42,082,209.08	
Deposits not bearing interest		124,175,047.41	
Deposits bearing interest, including interest accrued to date of statement		345,552,764.55	
Deposits made by and Balances due to other Banks in Canada		4,315,348.92	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		3,086,740.51	
Bills Payable		311,894.45	
			519,524,004.92
Acceptances under Letters of Credit			3,674,865.17
Liabilities not included in the foregoing			746,392.31
			$558,413,546.12

ASSETS.

Gold and Silver coin current		$25,492,841.03	
Dominion notes		68,531,256.00	
Deposit in the Central Gold Reserves		27,700,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	$14,703,461.29		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	97,029,549.19		
Call and Short (not exceeding thirty days) Loans in Canada	2,371,387.74		
		114,104,398.22	
Dominion and Provincial Government Securities not exceeding market value		46,870,586.00	
Railway and other Bonds, Debentures and Stocks not exceeding market value		11,375,199.29	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		52,085,835.19	
Notes of other Banks		2,767,397.00	
Cheques on other Banks		21,424,138.77	
			$370,351,651.50
Current Loans and Discounts in Canada (less rebate of interest)		146,028,861.28	
Loans to Cities, Towns, Municipalities and School Districts		15,598,069.21	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		14,649,836.95	
Overdue debts, estimated loss provided for		855,445.15	
			177,132,212.59
Bank Premises at not more than cost (less amounts written off)			6,000,000.00
Liabilities of Customers under Letters of Credit (as per contra)			3,674,865.17
Deposits with the Minister for the purposes of the Circulation Fund			1,038,166.60
Other Assets not included in the foregoing			216,650.26
			$558,413,546.12

VINCENT MEREDITH, President.

FREDERICK WILLIAMS-TAYLOR, General Manager.

To the Shareholders of the Bank of Montreal.

We have checked the Cash and verified the Securities of the Bank at the Chief Office on the 31st October, 1918, and also at another time as required by the Bank Act, and we have found them to be in accord with the books of the Bank. We have also checked the Cash and verified the Securities at several of the Principal Branches of the Bank at various times during the year. We have obtained all information and explantions required, and all transactions that have come under our notice have been, in our opinion, within the powers of the Bank. We have compared the above Balance Sheet with the Books and Accounts at the Chief Office of the Bank, and with the certified Returns received from its Branches, and we certify that in our opinion it exhibits a true and correct view of the state of the Bank's affairs according to the best of our information, the explanations given to us, and as shown by the books of the Bank.

J. MAXTONE GRAHAM,
JAMES HUTCHINSON,
GEORGE CREAK,
} Auditors
Chartered Accountants.

The 101st Annual General Meeting of the shareholders of the Bank of Montreal was held yesterday in the Board Room at the Bank's Headquarters.

Amongst those present were:—D. Forbes Angus, R. B. Angus, H. W. Beauclerk D. R. Clarke, F. J. Cockburn, Lieut.- Colonel Henry Cockshutt, A. J. Dawes, H. R. Drummond, C. J. Fleet, K.C.; G. B. Fraser, Dr. W. Gardner, Sir Charles Gordon, G.B.E.; C. R. Hosmer, Lieut.-Colonel G. R. Hooper, Harold Kennedy, H. B. McKenzie, Wm. McMaster, Sir Vincent Meredith, Bart.; W. R. Miller, John Patterson, Rt. Hon. Lord Shaughnessy, K.C.V.O.; Dr. F. J. Shepherd, L. J. Skaife, A. E. Warren, R. Campbell Nelles.

On motion of Mr. R. B. Angus Sir Vincent Meredith was requested to take the chair.

Mr. C. J. Fleet, K.C., moved, seconded by Mr. H. W. Beuclerk, that Lieut.-Col. George R. Hooper and Mr. W. R. Miller be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the meeting. This was carried unanimously.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the Annual Report of the Directors to the Shareholders at their 101st Annual General Meeting held Monday, December 2nd, 1918.

THE PRESIDENT'S ADDRESS.

Sir Vincent Meredith, in moving the adoption of the report of the Directors to the Shareholders, said in part:

At a special Meeting of the Shareholders of this Bank, held on 10th September your permission was obtained to purchase the assets and assume the liabilities of the Bank of British North America. At that time the naure of the transaction and the terms of purchase were explained; these, I believe, are equitable as well as advantageous to both Banks.

The amalgamation was completed on 12th October, 1918, but the combined balance sheet showing the new capital and rest and undivided profits cannot be prepared until after the expiration of four months from the date of taking over, as the agreement stipulated the shareholders of the Bank of British North America should have that period in which to elect whether they would accept cash or our shares in exchange for their holdings.

Another matter that has engaged the attention of your Directors has been the distribution of profits. It was thought the term "bonus" was out of harmony with existing conditions. After giving the matter careful consideration and having in view the fact that the earnings of the Bank for some years past have warranted the payment of the usual 10 per cent. dividend with an additional 2 per cent., it has been decided that the stock should be placed on a 12 per cent. basis, effective at the next dividend period.

A sum of $46,000 was donated to Patriotic and Red Cross Funds, and I know the action of your Directors in this connection has your approval.

The business of the Bank has been well maintained during the year. In view of possible Government financing and the somewhat uncertain outlook at home and abroad, we have consistently set our faces against over-expansion, which is to be deprecated under existing conditions. While giving our customers all reasonable accommodation required and taking up many new desirable accounts, we have maintained a strong liquid position, continuing a well-considered policy of the Bank; a policy which, in the past as now, has added materially to the stability as well as the credit of the Bank at home and abroad, and of Canadian finance generally.

During the year under review the foreign trade of Canada has been on a descending scale. That trade amounted to $2,082,494,000 in the ten calendar months of last year to October 31st, while this year the value is, for the same period, $1,762,785,000. The decrease has occurred principally in the value of agricultural products and manufactures exported: in the case of the former, because of a less bountiful harvest, and of the latter, because of the completion of munition orders. The figures, however, reflect a trade immensely greater in value than in the pre-war period and indicate the source of the commercial properity the country has had.

POLICY OF TAXATION.

Taxation cannot easily be lessend and may be increased. A levy on capital, advocated in some quarters, must only result in the stifling of individual incentive and enterprise, and the penalizing of industry self-denial and thrift. Taxing capital to the point of unemployment in industrial enterprise would involve unemployment of labor and produce serious consequences. If placed principally on consumption, the burden of taxation is distributed. In this connection, it may be pointed out that comparison, frequently made of our taxation with that of Great Britain ignores the incidence of customs duties, restricted in Great Britain but supply a large part of the public revenue of Canada.

With the cessation of hostilities, the cancellation of munitions contracts has begun and the adaptation of war industries to peace conditions will doubtless bring about a check, with possible dislocation of business and displacement of labor, but these adverse factors, I believe, will prove transitory.

Manufacturers who have conserved their resources during war time prosperity and have taken advantage of this prosperity to become efficiently equipped. should be in a position promptly to adapt their organizations to peace requirements and to take advantage of an onrush of business during the reconstruction period.

Already much preparatory work of practical value to meet post-bellum requirements has been undertaken by other countries, and with wise foresight the organization of strong central bodies, equipped with large powers, has been encouraged, to link up the great manufacturing industries, the promotion of scientific and industrial research and the employment of a competent Intelligence Staff to seek out new markets abroad.

We shall undoubtedly for some years have to pay in relatively high taxation the price of our devotion and patriotism, but I am confident this will be done uncomplainingly, in the belief that all present and prospective difficulties can and will be overcome.

THE GENERAL MANAGER'S ADDRESS.

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address, as follows:

Mr. Chairman and Gentlemen:—The annual balance sheet presented to-day for your approval is the fifth issued during war conditions and the first in the second century of this Bank's history.

The increase in our resources, and also our responsibilities, through the purchase of the Bank of British North America, referred to by the President, is reflected in our statement. The number of our branches has been increased by seventy-nine. Also we have taken over excellent material in a staff that will serve us as loyally and efficiently as they did the fine old instiution, whose honorable career for more than eighty years is now ended.

CANADA'S ADEQUATE BANKING SYSTEM.

The ease with which financial Canada has met the strees of war conditions has been favourably commented upon abroad. At home one hears no expression of surprise at the stable financial conditions in the Dominion.

The real basis of that stability is a banking system that has proved most efficient in peace times and, with the facilities accorded by the Minister of Finance, has withstood the severe test of war times. The system as it stands is, without doubt, adequate to meet any possible demands arising during the reconstruction period and for years thereafter.

The public, long accustomed to banking stability, now accept it as a matter of course. The strong liquid position of your own bank has been an important factor in the situation.

It is quite possible that the economic and financial problems of the next few years will be more difficult to surmount than those we have faced of late.

The anticipated disturbance in bank deposits resulting from domestic Government war loans has subsided, as was to be expected. Seeing that the proceeds of such loans remain in the country, the money, of necessity, finds its ultimate way back to the banks through one channel or another; and, therefore, the loanable capital of the banks is, in the long run, undiminished. On the other hand, the strength of a banker's position lies largely in his command of numerous small deposits. The volume of deposits has increased by many millions, but the number has not grown proportionately. Our own deposits are now $469,727,811.96, as compared with $330,795,390.72 a year ago. This sum includes $58,950,000 Bank of British North America money. As usual we have certain large deposits of special character. The increase in our savings deposits is reasonably satisfactory.

Now that the war is won, the foremost thought in every serious Canadian mind to-day is directed toward the future. Every business in the country, large and small, from our great railways to the small shops, is concerned and involved. As the business of our banks is with the whole community, we are specially and vitally interested. War prices have brought great prosperity to land and water transportation companies, to merchants, to manufacturers, to farmers, and to the laboring class. Only the salaried class and those whose incomes are fixed have suffered. Not only are the prices of all commodities unprecedently high, with a liberal margin of profit, but the demand for the staples of life and many luxuries is unlimited.

Provision for Period of Readjustment.

Two contingencies in which we are vitally concerned are the respective rates of speed with which prices and demand will decline. It is not for me to assume the role of a prophet, but I can at least go the length of stating that the policy of this bank has been and is to conduct its business on the probability that both may decline rapidly that values are certain to fall away presently, and that there may at the same time be a diminution in demand. Either of these conditions would be serious. A combination of the two would be disastrous to unprepared merchants and manufacturers carrying heavy stocks. Our great industrial companies are practically all in an immensely stronger financial position than before the war. In some cases the improvement seems almost magical. In general terms, my belief is that the trading and manufacturing community of Canada is prepared for the slump as it comes. Meanwhile, public pronouncements are made by those who have given the subject special study that food prices, particularly for meat, will remain extremely high for many months to come.

Election of Directors.

The ballot for the appointment of Auditors and the election of Directors for the ensuing year was then proceeded with. The Scrutineers appointed for the purpose reported that Messrs. James Hutchison, C.A.; J. Maxtone Graham, C.A., and George Creak C.A., were duly appointed Auditors, and the following gentlemen duly elected Directors:—D. Forbes Angus, R. B. Angus, J. H. Ashdown, H. W. Beauclerk, Colonel Henry Cockshutt, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E.; C. R. Hosmer Harold Kennedy, Wm. McMaster, Sir Vincent Meredith, Bart.; Major Herbert Molson, M.C.; Lord Shaughnessy, K.C.V.O.

The meeting then terminated.

At a subsequent meeting of the Directors, Sir Vincent Meredith, Bart., was re-elected President, and Sir Charles Gordon C.B.E., was re-elected Vice-President.

Lungs Repaired and Cleaned

By Delicate Operation.

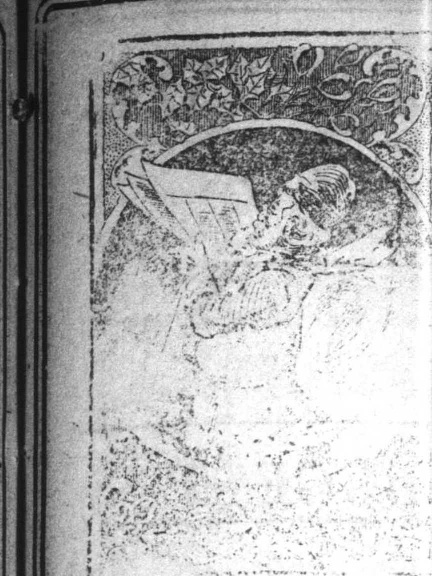
Remarkable lung operations have recently been performed by Col. Pierre Duval of the French Reserve Medical Corps, according to the January Papular Mechanics Magazine. In describing some of his work to American army medical officers at one of the southern camps a short time ago, he explained that he enters the chest cavity by making a six-inch opening through the ribs. With the aid of forceps he then lifts the lung through the aperature and lays it on the chest wall. The bleeding blood vessels are tied, the outer surface of the organ cleaned, and the tracts swabbed out with gauze. Torn pices of the organ have been excised and the wound sutured. After this the lung has been replaced in its normal position and the aperature closed. Two-thirds of the pateents who have been subjected to operations of this kind have fully recovered.

Lewisporte the Port.

Editor Evening Telegram.

Dear Sir,—Considering the delay and expense of shipping from the port of Botwood, during the months of November and December, one is at a loss to know why the port of Lewisporte with its natural conditions so much different, is not availed of. Botwood or the Exploits River is the outlet of all the fresh water coming down from Red Indian Lake, and it is only reasonable that this chilled water when it gets down on the flat waters should congeal and freeze up early. Lewisporte is different. There is no fresh water coming in at the head water which is deep and salt, making it harder to freeze. Lewisporte is one of the best points for shipping on this side of Newfoundland. The writer, after 34 years of experience has only seen it frozen up twice until New Year, and sometimes not till the middle of January.

Thanking you for space, I remain
Yours truly,
EXPERIENCE.
Lewisporte, Dec. 19, 1918.



Unkindness t

By RUTH CA

RUTH CAMERON

"Well, anyway, I've learned a lesson these last few weeks" a woman said to me yesterday.

She had been laid by the heels at the outset of what was to have been a very busy winter by an attack of rebellious nerves, and was just getting back into the harness again after three months enforced rest.

"What is it?" I asked.

"I've Got To Be Kinder To Me."

"I've learned that I've got to be kinder to me," she said with a smile half whimscial, half wry. "I've got to be as sympathetic with me as I am with other people and not drive myself any more than I drive others."

I suppose the idea that it is hard to be as kind to oneself as one is to others, or that anyone would be apt to sympathize less with herself than with others, will strike oddly on some ears. And then there are other people who will recognize this type only too well.

There is a familiar saying,—if you want a thing done well do it yourself. A companion piece might be—if you want a thing done quickly, do it yourself. And yet another,—if you want more done than you could ask any employee to do for you, do it yourself. The type of people of whom I am writing are the sort of people to whom the above are unconscious watchwords.

They Want Things So Intensely.

They are people with ambitions, people who want things intensely, people with a desire to get many things done and done right, and they are always driving themselves at the goal of their ambitions in much the same way one drives a spirited horse at a high jump.

They are, in short, the sort of people who have almost unlimited power over themselves.

A very fine sort of people to be, you think?

Yes, if ony they don't abuse that power.

There is a point beyond which driving oneself is unquestionably harmful. It is just as wrong to drive yourself past that point as to drive some one else past it. Unkindness to your-