

The Bank of Montreal

Ninety-Second Annual Meeting, held on Monday, December 6th, 1909

The ninety-second annual general meeting of the shareholders of the Bank of Montreal was held in the Board Room of the Institution, Monday, December 6, at noon.

There were present:—Sir Edward Clouston, Bart., vice-president and general manager; Sir William Macdonald, Sir Thomas G. Shaughnessy, Hon. Robert Mackay, Messrs. A. Baumgarten, R. B. Angus, E. B. Greenshields, David Morrice, Hon. J. K. Ward, G. F. C. Smith, Lieut.-Col. Prevost, James Kirby, K.C., C. J. Fleet, K.C., John Patterson, Alfred Piddington, George R. Hooper, B. A. Boas, George Durnford, Hugh Paton, H. Dobell, W. H. Evans, G. Scott, H. Joseph and J. Taylor.

In consequence of the absence of the President, Sir George Drummond, K.C.M.G., through indisposition, Mr. R. B. Angus moved that the Vice-President and General Manager, Sir Edward Clouston, take the chair.

This was seconded by Mr. E. B. Greenshields, and unanimously concurred in, after which it was resolved, on motion of Mr. Hugh Paton, seconded by Lieut.-Col. Prevost: "That the following be appointed to act as scrutineers: Messrs. G. F. C. Smith and George R. Hooper; and that Mr. James Aird be secretary of the meeting."

The Vice-President then submitted the report of the Directors as on the opposite page.

THE VICE-PRESIDENT.

The Vice-President then spoke as follows:—

The most important change from last year in the statement submitted to you is the unusually large increase in deposits, amounting to \$36,000,000. Part of it is temporary, pending large payments in connection with special transactions, part is the natural increase from depositors as a result of the prosperous condition of affairs in this country, but the largest portion of the increase arises from money brought into Canada from other countries. It is quite possible that if the apprehensions expressed in many quarters as to the consequence of the new methods of British taxation are realized, deposits from this last source may be still further enlarged. It is very important, therefore, that nothing should be done in Canada by injudicious legislation, the exploitation of doubtful enterprises, or otherwise, to stop this flow of capital. Our call loans have increased by about the same amount as our deposits, and what is not necessary to retain as a portion of our reserves, will be gradually brought into the country to meet commercial requirements as they arise.

The profits are some \$130,000 less than last year, but considering the low rates ruling for the greater part of our fiscal year in London and New York, the result may be regarded as satisfactory. I am glad to say that the outlook for the coming year, or at least for the earlier months, is more promising, and I shall be much disappointed if we do not make a better showing when next we meet.

The rapidity of the recovery of trade from the set-back following the monetary crisis in the United States two years ago has been as striking as it is satisfactory. Conditions to-day are, as a whole, excellent. The large harvest gathered in the Northwestern Provinces in itself affords a basis for active and profitable business for some time to come. How considerable a factor in the commercial life of Canada the agricultural output of our Northwest has become may be realized from the fact that the yield of wheat, oats and barley is this year 313,635,000 bushels, as compared with 232,620,000 bushels in 1908, 160,000,000 bushels in 1907, or 32,000,000 in 1900. A tenfold gain in the grain product of the Northwestern Provinces in nine years conveys some idea of the commercial potentialities of the country.

The marketing of wheat has been quite prompt, and the railways have had no difficulty in moving the crop. In the ten weeks to November 14th, there had been shipped in the Northwest 43,866,000 bushels, being 10,300,000 bushels more than in the corresponding period of 1908, while the shipments from Port William and Port Arthur amounted to 35,815,000 bushels up to November 14th, or 13,300,000 bushels in excess of the preceding year's shipments.

Our foreign trade has not only reached, but has begun to exceed, the high-water mark of two years ago. In the six months ending September 30th, last, imports for con-

sumption and exports of domestic products were of the value of \$292,857,000, or \$46,000,000 in excess of the corresponding period of the preceding year, imports having been larger by thirty-six millions and exports by ten millions. The adverse balance of trade has thus again begun to grow, but while men and money pour into Canada from abroad the disparity need not cause uneasiness. Domestic industries are, speaking generally, working well up to the limit of capacity. Labor is fully employed; the lumber trade has improved. The export of dairy produce has been larger than last year, with high prices ruling throughout the season; all farm products, indeed, are exceptionally dear.

Such tests as bank note circulation, bank clearings, railway earnings, all point to the great activity of business. At the end of October the note circulation exceeded \$9,600,000, or \$6,600,000 more than a year ago. Business failures have been neither numerous nor serious, being for the year to October 1st, 1,486, with liabilities of \$12,919,000, as compared with 1,629 failures and liabilities of \$16,959,000 in the previous twelve months.

Railway construction is proceeding apace over the whole face of the Dominion. West of Lake Superior nearly 1,100 miles have been built this year, and the Western Provinces now have 11,500 miles of railway, as much as the mileage of all Canada twenty years ago.

Immigration has picked up after the short relapse in 1908, the estimate of the number of new settlers this year being 150,000, about one-half of whom are experienced farmers who have moved into our Northwest from the United States. The evidences of expanding trade, accumulating wealth and material progress and development might be cited at great length, and a pleasant picture painted of our happy condition. There are always, however, dangers to be avoided, and never more so than when the outlook is so bright and inspiring. A tendency to over speculation in real estate in some parts of Canada is already apparent, and this, like other forms of gambling, can bring only disaster when the inevitable crash comes. How suddenly conditions may change, the rapid advance in the Bank of England rate last autumn attests. Only by prudence both in taking and granting credits and by avoidance of wild-cat ventures and exploitations on the high reputation Canada enjoys in the British money market, can we reasonably anticipate a continuance of the prosperity now enjoyed.

There is only one other observation I desire to make. As you are aware, the decennial revision of the Bank Act will take place during the present session of Parliament. In one or two respects changes of a more or less technical character will be found necessary, but the Act has been so thoroughly revised in the past, it withstood so staunchly the trials of 1907, and its operation has been found to conform so admirably to the requirements of trade and the interests of a rapidly developing country, that I hardly think it likely that any material change will be made.

In our note circulation we have a system which enables us by its elasticity to carry out the heavy autumnal demands without creating any monetary stringency; and to show how valuable it is to the whole business community, I need only point to the fact that we are moving the large crop in the Northwest with great ease and without any advance in rates to our commercial customers.

I beg to move: "That the report of the Directors now read be adopted and printed for distribution among the shareholders."

This was seconded by Mr. E. B. Greenshields, and unanimously adopted.

Mr. H. Joseph then moved: "That the thanks of the meeting be presented to the President, Vice-President and Directors for their attention to the interests of the Bank."

Mr. C. J. Fleet seconded the motion, which was unanimously agreed to.

Sir Thomas G. Shaughnessy moved: "That the thanks of the meeting be given to the General Manager, the Assistant General Manager, the Inspectors, the Managers and other officers of the Bank for their services during the past year."

The motion was seconded by Mr. David Morrice, and was unanimously carried.

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