

BANK OF MONTREAL

Proceedings at Eighty-Seventh Annual Meeting of Shareholders.

A SATISFACTORY REPORT.

Past Year has been Prosperous One for Dominion—Election of Directors.

The eighty-seventh annual general meeting of the shareholders of the Bank of Montreal was held in the Board Room of the institution at noon on the 5th instant.

There were present: Hon Sir George A. Drummond, K.C.M.G., Vice-President; Sir William C. Macdonald, R. G. Reid, Hon Robert Mackay, Messrs. G. F. C. Smith, George Durnford, James Skeoch, Henry Dobell, C. J. Fleet, K.C., George Filer, Henry Morton, R. B. Angus, M. S. Foley, B. A. Boas, F. S. Lyman, K. C., Angus W. Hooper, Percy R. Gault, Thomas Irving, J. Scott and John Morrison.

On motion of Mr. R. G. Reid, Sir George A. Drummond, Vice-President, was unanimously voted to the chair, in the absence of the President, the Right Hon. Lord Strathcona and Mount Royal.

On motion of Mr. C. J. Fleet, K. C., seconded by Mr. Henry Dobell, it was agreed: "That the following gentlemen be appointed to act as scrutineers: Messrs. F. S. Lyman, K.C., and Mr. G. F. C. Smith, and that Mr. James Aird be secretary of the meeting."

DIRECTORS' REPORT.

The report of the Directors to the Shareholders, at their eighty-seventh

annual general meeting, was then read by Mr. E. S. Clouston, General Manager, as follows: The Directors have pleasure in presenting the report, showing the result of the Bank's business for the year ended 31st October, 1904:

Balance of profit and Loss Account, 31st October, 1903 ... \$ 373,988.06 Profits for the year ended 31st October, 1904, after deducting charges of management, and making full provision for all bad and doubtful debts... 1,609,207.95

Dividend 5 per cent. paid 1st of June 1904 ... \$700,000.00 Dividend 5 per cent., payable 1st December, 1904. 700,000.00 1,400,000.00

Balance of Profit and Loss carried forward \$ 583,196.01 Since the last annual meeting of the Shareholders, a branch of the Bank has been opened at Portage la Prairie, Man., and sub-agencies at Armstrong and Kelowna, B.C., and Papineau avenue, (Montreal), and Westmount. Sub-agencies at Hochelega (Montreal), Enderby, B.C., and two at Winnipeg have been arranged for, and will be opened shortly.

The reconstruction of the headquarters building on St. James street is now proceeding, and will be completed in a few months.

All the offices of the Bank, including the Head Office, have been inspected during the past year.

STRATHCONA AND MOUNT ROYAL President.

Bank of Montreal, Head Office, 31st October, 1904.

THE GENERAL STATEMENT.

Table with columns for Liabilities and Assets. Liabilities include Capital Stock (\$14,000,000.00), Rest (\$10,000,000.00), Balance of Profits carried forward (\$583,196.01), Unclaimed Dividends (\$980.01), Half-yearly dividends payable (\$700,000.00), Notes of the Bank in circulation (\$10,925,689.00), Deposits not bearing interest (\$23,681,366.62), Deposits bearing interest (\$7,113,046.67), Balances due to other Banks in Canada (\$162,489.27). Assets include Gold and silver coin current (\$4,083,672.63), Government demand notes (\$4,463,798.75), Deposit with Dominion Government (\$460,000.00), Due by agencies of this Bank and other banks in Great Britain (\$3,555,929.34), Due by agencies of this Bank and other banks in foreign countries (\$1,112,152.15), Call and short loans in Great Britain and United States (\$24,499,623.00), Dominion and Provincial Government securities (\$519,863.56), Railway and other bonds, debentures and stocks (\$7,373,367.89), Notes and Cheques of other Banks (\$2,808,282.61), Bank Premises at Montreal and Branches (\$48,881,689.93), Current Loans and discounts in Canada and elsewhere (\$600,000.00), and other assets (\$81,304,314.28), Debts secured by mortgage and otherwise (\$252,478.07), Overdue debts not specially secured (\$128,286.00). Total: \$181,166,768.28.

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Bank of Montreal, Montreal, 31st October, 1904.

E. S. CLOUSTON, General Manager.

THE GENERAL MANAGER.

The General Manager then spoke as follows:

Referring to the statement laid before you, the principal changes as compared with last year are, an increase in the deposit bearing interest of \$13,265,000, in the call loans of \$9,143,000, in the current loans of \$6,699,000, and a decrease in the balance due by our own agencies and other banks outside Canada of \$4,114,000.

There is nothing that calls for any special remark in connection with these amounts, except that in the case of the loans and deposits a certain amount of the increase is of a temporary nature and will disappear

shortly, but there will still be a sufficient amount to show that our business is steadily progressing. The diminution in our profits is largely accounted for by the low rate of interest ruling in the foreign markets, where we have to loan most of the money we desire to hold readily available. I saw a statement the other day, that in New York not in a quarter of a century has money loaned so low as it did a portion of this autumn.

On the whole, it may be said that the past year has been a prosperous one for Canada, though there have been special industries which did not participate. Lumber markets have been very disappointing,

and the prices for daily products unsatisfactory. Certain industries have suffered from foreign competition, but on the other hand, some of our important industries are now reviving under more expert and intelligent management.

The trade of the past year, both domestic and foreign, has been well maintained. Domestic trade shows a slight increase, while foreign trade, omitting specie, reached a value of \$454,642,000, as compared with \$450,040,000 in 1903. One feature of foreign trade may be noted. Exports of domestic products declined in value \$16,000,000, while imports for consumption rose \$18,776,000, making a loss in balance of trade of nearly \$35,000,000 from the preceding year. In the seven year period, 1896-1902, inclusive, the very exceptional condition existed of an excess of domestic exports over imports for consumption, the actual balance in favor of Canada in this period having been \$1,428,000; but in the last two years the condition has changed, and since 1902 imports have outrun domestic exports by \$55,600,000. In itself this excess may be of small concern. It has probably been much more than overcome by the introduction of capital brought by an increasing volume of immigration, by investments of foreign capital, largely from the United States, in our virgin lands, water powers, forests, and in many other ways. Yet the fact remains that, considered alone, the foreign trade balance has turned against us, and to this cause the somewhat less abounding activity of domestic trade may, perhaps, be traced. In the two months of the current fiscal year for which returns are available, July and August, domestic exports were less in volume by \$4,200,000 than in the corresponding period last year, and imports for consumption show a decline of about \$530,000.

Taking a broad view of Canadian commerce, the future is bright, with promise. Our population is fed now by an immigration of upwards of 100,000 people annually, and the stream appears to be well turned towards Canada. Production in the North-West grows apace, the railways are prosperous, a second trans-continental line is on the eve of construction, the reports from the mining districts of British Columbia are more encouraging, a spirit of abiding confidence in Canada pervades our people; and despite temporary checks in the progress of material developments, there is an increasing belief that this country has entered upon an era of great and enduring prosperity.

VICE-PRESIDENT'S REMARKS.

The vice-president, in moving the adoption of the Director's report, said:

The statements submitted by the General Manager and in the Director's report, so fully place before you the position of the Bank that it is unnecessary that I should trespass on your patience for more than a few moments with some general remarks.

The handsome and commodious premises in which we are now assembled, and which are now close to completion, have, I am sure, met with your approval as furnishing a worthy and convenient home for the headquarters of the Bank for many years to come.

The General Manager has referred to one cause of diminished profits, to which may be added the fact that to earn dividends now-a-days a much larger volume of business must be done, though that is only another way of stating the great reduction in the rates of money, and in the charge for banking services which has been going on.

I may again draw your attention to the fact that in 1847, when the Bank first occupied the premises on this site, its total assets amounted to \$7,110,000, and this year they reach \$131,160,000.

In reviewing the general condition of the country, it may be noted that the Stock Exchange, reflecting as it does the views of investors, has apparently entered on a period of revival; securities have now a higher range of value and confidence in the lasting character of this improvement appears to be spreading.

It is evident that any marked increase in immigration, or in the production of cereals, must come from the North-West. We have there an immense territory, of which the area stated in figures conveys no adequate idea; but taking only that portion to the south of the fifty-fifth parallel of latitude, which, as you know, passes through the north of England, the Government expert estimates that the portion "suitable for cultivation" in Manitoba, Assiniboia, Saskatchewan and Alberta, that is from Manitoba to the mountains,

reaches an extent considerably exceeding the total area of the Empire of Germany, while referring to the much larger extent to the north of the fifty-fifth parallel he says: "What proportion of these vast districts will be capable of the profitable growing of crops is as yet a matter of conjecture."

You are all aware, of course, that the isothermal lines do not necessarily coincide with the parallels of latitude, and these latter only approximately denote the climate, but the fact of the production of the finest qualities of wheat in our territory, as above defined, is established beyond question. You will be able to form some estimate of the possibilities of the future, when I add that as yet less than 4 per cent. of this land has been brought under crop. It is worthy of note, also, that the yield per acre in Manitoba and the Territories exceeds that of every one of the North-Western states of the American Union, Montana alone excepted.

Striking proofs of progress in this part of the Dominion are everywhere visible. The population of Manitoba and the Territories, which in 1901 was 422,000, became in 1904 870,000.

The homestead entries, which in 1901 numbered 8,157, and represented 1,305,120 acres taken up for cultivation, had, in 1904, reached the number of 31,383, and covered an acreage of 5,021,291; and to this may be added land sold for settlement by companies, bringing the total up to 9,887,501 acres.

The number of immigrants, which ten years ago, in 1895, was 25,788, and for years made little progress over this figure, last year reached 130,329, and is believed during the present year to have largely exceeded that number; but statistics are not yet attainable.

While the evidences of progress are, as already said, most marked in our western territories, the rest of the Dominion has not been standing still. One feature is noteworthy, the number of new manufacturing enterprises springing up all over the country; some of them are essentially Canadian, others are branches of important American industries. It is impossible to give data, even approximately correct, of their extent or number, but I hold in my hand a list of over thirty in Ontario and Quebec, and may say that for three only in this city and neighborhood, sites have been secured averaging about fifty acres each.

OLDER PROVINCES.

Of trade in general I submit the following brief summary, which, taken in conjunction with the remarks of the General Manager, may be useful:

DRY GOODS—A fairly good year's business, the woollen industry somewhat better, collections good.

LUMBER—Not so good; the production this year will be reduced, and better prices expected.

PROVISIONS—The export of bacon shows large increase, and considerable quantity of provisions is going to South Africa.

LIVE STOCK—Exports show large decline, prices of cattle being very low.

LEATHER—Good year's business at fair prices.

BOOTS AND SHOES—A very unsatisfactory year, consequent on labor troubles and high prices of material.

GROCERIES—Business reported good and fairly profitable; the farmers reported prosperous everywhere.

DAIRY PRODUCE—Cheese has been disappointing, but butter has been satisfactory; upon the whole fairly good.

The grain trade of the port shows a marked falling off. The hay crop of this province has been exceptionally good, and exports fetched remunerative prices.

IRON AND HARDWARE—Not so good as last year, which was phenomenal.

The construction of another line of railway across the continent, about to be undertaken for the Grand Trunk Railway Company, is an event of the utmost importance.

TRADE OF THE PORT.

The steamship lines have suffered from various causes, the reaction due to the close of the South African war, and the keen competition in rates inaugurated by the continental lines, which largely reduced earnings. This warfare is believed to be over. The import trade and the passenger business to this port have been up to the average in volume.

The exports of grain and timber show a reduction of one-third to one-half.

The inland craft coming to this port show a heavy decline.

Ship-owners, however, look for better trade next season.

It ought to be noted that importers complain that, considering higher freights and insurance and port charges in the St. Lawrence, as compared with Atlantic ports, there is little inducement to bring goods this way.

The prompt completion of the long-talked-about harbor improvements, with modern facilities for handling goods, the reform of the pilotage and improvement of lighting, are urgently called for, if the advantages due to our geographical position are to yield their due results. In this connection, a point of interest is the announcement of the construction of one or more ice-breaking steamers. About these comparatively little is known, but any experiment bearing on the prolongation of the season of navigation, if seriously entered on, will be watched with an interest commensurate with its importance to the country.

The continuance of the sanguinary struggle in the Far East is, of course, a menace to the general prosperity, but as regards our own country, surveying the whole field, I can see no reason to doubt that, given normal conditions and favorable weather, we are about to enter upon a prosperous year.

I beg in accordance with custom to move:

"That the report of the Directors, now read, be adopted and printed for distribution among the shareholders."

The motion was seconded by Mr. R. B. Angus, and after some remarks by Mr. John Morrison, it was unanimously adopted.

Mr. B. A. Boas 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."

This was seconded by Mr. George Durnford, and was unanimously carried in.

The Vice-President having acknowledged the compliment, Hon. Robert Mackay moved:

"That the thanks of this meeting be given to the General Manager, the Assistant General Manager, the Inspector, the Managers and other officers of the Bank, for their services during the year."

This was seconded by Mr. R. G. Reid and unanimously carried, the General Manager acknowledging the same.

Mr. Angus W. Hooper moved, seconded by Mr. James Skeoch:

"That the ballot now open for the election of directors, be kept open until 2 o'clock, unless 15 minutes elapse without a vote being cast, when it shall be closed, and until that time, and for that purpose only, this meeting be continued."

This was unanimously concurred in.

THE DIRECTORS.

The ballot resulted in the election of the following Directors:

- R. B. ANGUS. HON. SIR GEORGE DRUMMOND, K.C.M.G. EDWARD B. GREENSHIELDS. SIR WILLIAM C. MACDONALD. HON. ROBERT MACKAY. ALEXANDER T. PATERSON. ROBERT G. REID. JAMES ROSS. THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.

Newfoundland Correspondence.

The Reid Newfoundland Company placed their private car Terra Nova, at the disposal of His Grace Archbishop Howley, as well as special assistants to wait on His Grace during his trip across the country en route to Rome, via Halifax, N.S. The Archbishop thanked the Messrs. Reid for their great kindness.

The collection for the Christian Brothers amounted to \$2826, the largest since their inception to St. John's. This year's collection was nearly \$400 more than last year's. The Community of Mount St. Francis now number twelve members. They teach nearly 800 boys in St. Patrick's and Holy Cross schools, and also a night school at St. Vincent's Hall.

Hon. E. M. Jackman, Minister of Finance, recently stated that it is the intention of the Government to increase the educational grant by \$70,000. Four years ago, when the Bond Government came into power, the grant was \$155,000. During that time it was increased \$41,000, and stands to-day at \$196,000, and with the increase will show \$266,000, or two-thirds more than it was in 1900. This news causes general satisfaction throughout the colony, and adds new laurels to the wise administration of the Bond regime.

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It did this for legions of others, among them such well known persons as Archibald Ritchie, Mt. Forest, Ont., Mrs. Wella Bamford, Wolf Island, St. Lawrence, Ont., Ashie Rowe, Franklin, Ont., W. J. Cooper, Chatham, N.B., H. Reynolds, Norham, Ont., Mr. T. P. Cassefort, Collingwood, Ont., and it will surely do it for you. Write to the Turnbull Medical Co., 232 Bushy St., Chicago, Ill., and since every free treatment is accompanied by a 68 page illustrated book setting fully into all the details and no duty is involved, it behooves you to send your name and address promptly for these free offerings. Do so to-day sure, for you cannot justly say you are incurable until you have tried this really remarkable treatment, and as neither money nor even stamps are asked for, you should certainly make a free trial of it at once.

The Virginia Lake, a steamer under the command of Captain Parsons, arrived lately from the Labrador coast, after having met fearful weather. Snow storms, with very heavy frost, prevailed, and in the valleys and gulches along the Labrador shore coast, as high as 80 feet of snow filled them.

Newfoundland fishermen are noted for their bravery, courage and self-sacrifice in time of danger. A few days ago, a captain was lashed to the wheel of his little vessel for 40 hours, and during that time, without a morsel of food, and with the waves dashing over him, he stood his ground nobly until he reached a haven, and thus saved the lives of twelve men and two women, who were passengers at the time. A n.e. gale which swept the whole island lasted for three days without intermission.

The Nova Scotia Company at Bell Island will put out 100,000 tons of iron ore for Sydney alone this season. They have sent a large supply to Rotterdam also. Next year a greater supply will be handled, as several alterations will be made at the pier and the pockets for the Wabana mines.

THE JAPANESE ARTIST.

A party of travellers, journeying through Japan a few years ago, came upon an old artist in ivory. Among the carvings which he showed was one most exquisite piece for which he asked a hundred dollars, the price was not at all high for the work, and one of the party at once agreed to take it. Before surrendering it, however, the artist examined it minutely, and the result of the examination was the discovery of a tiny imperfection which he pointed out.

"That will make no difference," the traveller answered. "No one but you would ever have discovered it; it need make no difference in the price."

"It is not a matter of price," the artist replied proudly. "No imperfect work ever goes from me at any price. I cannot sell you this."

The traveller, incredulous, urged again the plea that none but the artist's eye could ever see the blemish, he was offered a higher price still, but to all his arguments the old artist had but one reply—he could not give his name to imperfect work—it was impossible. And from this decision nothing could move him. How the spirit of the heathen artist rebukes us! Nothing was allowed to go from his shop that was not the best that he and those working with him could do, but we—what poor, half-hearted, shabby work allow to bear the Master's name!