

connection with the American business, and that is, of late years it has been singularly exempt from losses. Now, with reference to this I can give you some idea. We wrote off in bad debts in the New York office during the past half year \$429, and recovered \$2,373 previously written off. In the Chicago office we wrote off \$455, and recovered \$9,017.

Now, one word in reference to the falling off in deposits at interest. It is very likely within the recollection of some of you gentlemen here present that last year we reported an increase of \$7,000,000 in that item. That sum contains some large exceptional amounts of a temporary character, but even after the loss of them we have still \$2,000,000 more than we had during the previous year. There is one thing in connection with this, and that is: the profits have been benefited by the loss of that money, by reason that we have still had all the money we could employ, and if we had been paying interest on those accounts it would have been so much money thrown away. Those accounts also included considerable amounts belonging to other banks, and that is a business we have discouraged, because we did not find it profitable. I may tell you that while there has been a falling off of \$5,000,000 in the deposits at interest, there has been a gain in the deposits without interest of \$1,400,000, and that has been a very much more profitable business. We closed our last report by the expression of a hope that, notwithstanding the prospect was not very good, the Bank would nevertheless continue to prosper and enjoy its prestige. Now, I think you will all allow the result has justified that hope. Now, as to the future, we made no promise last year, and I do not purpose for one moment to make any promise now, whatever others may do. Still, for all that, it may not be amiss to say a few words with regard to the future, because while it is not always wise to forecast, it is always safe to look ahead. I have already explained the uncertainty in connection with United States profits, and the heavy deductions to which they are subjected for taxes. Now, with regard to Canada, I suppose most of you gentlemen are about as well able to judge as I am. We hold our meeting at a time when it is premature to speak positively about the crops, and that is one of the most important things we have to deal with. There is a great deal of talk about the damage done to fall wheat, but there is no knowing what dependence can be placed upon such reports so early in the season. Then there is a prevailing disposition now abroad to invest in new enterprises, such as railroads, cotton factories, etc., and if that state of things continues, a great deal of money will be employed, and we may hope to get better rates. In England and New York money is as cheap as it has been for many years. However, whether the enterprises that are now going on will be profitable, or whether they are likely to be overdone, and end in disaster, is a point which deserves grave consideration, and may well occupy the attention of every prudent banker.

I want to say that the offices have all been inspected, including that in London, England. I may mention that we took advantage of the presence there of three of our directors: I requested them to undertake the inspection of the London office. They cheerfully did so, and with the assistance of our local committee, and of professional aid, I have no doubt it was very thoroughly done. I do not want to keep you too long, but I do not want to sit down without saying one word with reference to the retirement of our president. I notice that he has been a director ten years, he has been vice-president three years, and he has been president five years. No one will feel his loss more than I shall, because I have been in very close and confidential relations with him, and I am happy to say the association has always been exceedingly pleasant, at least in so far as I am concerned. I have ever found him a wise counsellor, always ready to place his valuable time at my disposal whenever circumstances required it, and at the same time he always abstained from vexatious or unnecessary interference in small matters. I

think I am justified in saying that he would have retired before, but he felt he was to a certain extent pledged to remain by the promises he made to me when I came here. I am exceedingly sorry he is going to leave; still, I am bound to say that those pledges have been redeemed. I cannot see our official relations sundered without regret—I say "official relations," because I hope our friendly relations will always continue—and I would be doing violence to my own feelings if I sat down without bearing this testimony. I am not going to indulge in any fulsome praise, or pronounce any eulogy upon Mr. Stephen, because he is not dead yet, and I hope he will not be for some time.

I think it now only remains for me to make a formal statement in reference to the shareholders. The net number of shareholders is 2,091; the average number of shares held by them is 29; the number of shares held by bankers and brokers is 6,086.

The Chairman—If there are no questions to be asked I will put the motion.

A silence for a few moments ensued, and the Chairman put the motion, which was carried unanimously.

Mr. Geo. A. Drummond—I have great pleasure in proposing

"That the thanks of this meeting be presented to the directors for their attention to the interests of the Bank."

Mr. Wm. McDonald seconded the motion.

The Chairman—On behalf of myself and colleagues I beg to thank you for this mark of your appreciation.

Hon. D. A. Smith—A motion has been put into my hands somewhat unexpectedly, but the duty it involves is a very pleasing one indeed. You will recollect some six or seven years ago that Mr. King was president and virtually general manager of the Bank. It will also be remembered that he had trained up a very able successor, Mr. Angus, who took his place. We all know that Mr. Angus was placed in circumstances of the most trying character. That deep, heavy cloud of which the president has spoken was then just about us, and throughout the whole of his term of office, unfortunately, it was with us. I am sure all will admit that during that most trying time no one could possibly have administered the affairs of the Bank more ably, more intelligently and more honourably than Mr. R. B. Angus. (Applause.) He left us some two years ago. There was again a feeling of disappointment and uneasiness, but we all knew—I am sure, we all looked upon it—that the prosperity of the Bank of Montreal was not dependent on any one individual however much he may have contributed to its good. (Hear.) Then we got in place of Mr. Angus the present General Manager, Mr. Smithers, and the statement which has been placed before you to-day is, I think, sufficient proof of the ability and of the admirable manner in which the business has been conducted since he took charge of it. Nothing I am sure could be better, and nothing speaks so well as such statements as we have before us to-day. It is necessary also that the General Manager should be supported, and fully supported, by the other officers of the Bank, and there is no one will admit more readily than Mr. Smithers himself that he has been in this respect supported as far as he could have wished, not only in Canada, but out of the Dominion. In New York, Chicago, and elsewhere, we find the officers of the Bank have sustained their parts well and maintained its prestige. Having said so much I need do nothing further than merely put the motion before you. I will not refer farther to the loss in the Direction the Bank sustains by the withdrawal of Mr. Stephen. His course has been before you all, and you are able to judge of it. But there are others who are able to speak on this subject better than I can. I offer now this resolution:

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

Hon. Thomas Ryan seconded the motion, which was carried.

Mr. Smithers—I am not going to inflict another long speech on the meeting, but of course I must say a word on behalf of myself and the other officers, and thank Mr. Smith for the kind way in which he has introduced the resolution. It has been thought some time ago that it would be better to dispense with that vote altogether. I am glad, however, not for my own sake, but for the sake of the other officers of the Bank all over the country, that it has been continued, because I am sure it affords satisfaction to the officers of the Bank to know that their services are appreciated. This year the Bank having been prosperous, it was felt that the officers of the Bank should share in its prosperity. A great many of them have had more substantial thanks, but still I am sure they would be very glad to receive the expressed thanks of this meeting in this way. I see that there are some of the prominent officers of the Bank present, and seeing that I have already made my speech, it would be better to hear from some of them. I notice present the Manager of the Bank at Chicago.

Mr. Munro—It is not necessary for me to say more than what has been said by Mr. Smithers. I am much obliged to you for the way in which you have referred to our services. I quite agree with what Mr. Smithers has said in reference to the Chicago business. It has been fairly profitable in the past, but we must not expect so much in the future.

Mr. Stephen—It has been thought by the old Board of Directors that it would be necessary to make an addition to the by-laws. Mr. Redpath will move a resolution to that effect.

Mr. Redpath—The by-law to which the Chairman has alluded is as follows. I move, seconded by Mr. Alfred Brown, that the following by-law be, and the same is hereby enacted by the shareholders, to wit:—

"BY-LAW NO. 13.

"In case the General Manager, Manager, or other officer of the Bank shall be elected a Director and become President, he shall be entitled to receive, while he holds that office and devotes his time and attention exclusively to the interests of the Bank, the same amount that he previously received as salary, and the same may be taken from the funds of the Bank, in addition to the sum set apart by By-law IX as remuneration for the services of the Directors."

You will observe that the by-law will not cost anything at all. It is merely a matter of convenience.

The by-law was adopted by ballot.

After the ballot the Scrutineers made the following report:—

BANK OF MONTREAL, 6th June, 1881.

To the Shareholders.

The undersigned Scrutineers do hereby report that at the general meeting of Shareholders, held this day, by-law No. 13, the adoption of which was moved by P. Redpath, Esq., seconded by A. Brown, Esq., was duly adopted by a majority of the votes, such votes being cast by ballot.

Your obd't servants,

W. B. CUMMING,
THOS. DAVISON, J.
Scrutineers.

Mr. Murray—With the permission of the meeting I would beg to revive another time-honored resolution. I beg to move that the Chairman leave the chair, and that Dr. Campbell take it.

The motion was carried, and Dr. Campbell having taken the chair,

Mr. Murray said—I have now much pleasure in proposing that the thanks of the meeting are due to George Stephen, Esq., for his able services in the chair. I am sure that would pass as a matter of form, but I think on an occasion like this a word or two might be permitted and excused. Mr. Stephen has, from a becoming consistency which he feels obligatory upon him, resigned his position as President of this Bank to the regret, I may say, of the whole board. Mr. Stephen assumed the position, I think, five or six years ago, at a period of great depression, and under very unfavorable circumstances. I have not the slightest doubt he has felt, what we