

Meetings.

BANK OF MONTREAL.

The seventy-ninth annual meeting of the shareholders of the Bank of Montreal was held in the board room at one o'clock, on Monday, June 7th.

There were present Hon. George A. Drummond, vice-president; Messrs. Hugh McLennan, W. C. McDonald, E. B. Greenshields, Hector Mackenzie, Hon. James O'Brien, Donald Macmaster, W. W. Ogilvie, F. T. Judah, Angus W. Hooper, J. W. Howard, Richard A. White, James Wilson, jr., W. J. Buchanan, M. Burke, H. Mason, Alex. Mitchell, H. Drummond, W. Wallace, E. Rawlings, F. H. Simms, John Molson and J. McCarthy.

On the motion of Mr. John Crawford, seconded by Mr. John Morrison, Hon. George A. Drummond, vice-president, was unanimously voted to the chair, in the absence of the president, Sir Donald A. Smith.

On the motion of Hon. James O'Brien, seconded by Mr. Donald Macmaster, it was agreed: "That the following gentlemen be appointed to act as scrutineers: Messrs. W. J. Buchanan and Angus W. Hooper; and that Mr. James Aird be the secretary of this meeting."

The report of the directors to the shareholders at their 79th annual general meeting was read by Mr. Clouston, the general manager, as follows:

REPORT.

The directors have pleasure in presenting the 79th annual report, showing the result of the bank's business of the year ended 30th April, 1897:

Balance of profit and loss account, 30th April, 1896. \$ 856,348 19
Profits for the year ended 30th April, 1897, after deducting charges of management, and making full provision for all bad and doubtful debts. 1,230,561 79

Dividend 5 per cent., paid 1st December, 1896. \$600,000

Dividend 5 per cent., payable 1st June, 1897. 600,000

Balance of profit and loss account carried forward. \$ 886,909 98
A branch of the bank has been opened at New Denver, B.C.

The directors decided to erect a building for the bank's use at Victoria, B.C., and it is now approaching completion.

All the offices of the bank, including the head office, have been inspected during the past year.

DONALD A. SMITH,
President.

30th April, 1897.

GENERAL STATEMENT, 30TH APRIL, 1897.

Liabilities.

Capital stock \$12,000,000 00
Rest \$6,000,000 00
Balance of profits carried forward 886,909 98

Unclaimed dividends 8,046 01

Half-yearly dividend, payable 1st June, 1897. 600,000 00

Notes of the bank in circulation. \$ 4,563,386 00

Deposits not bearing interest 11,887,662 27

Deposits bearing interest 28,137,088 89

Balances due to other banks in Canada 12,393 73

Gold and silver coin current. \$2,495,062 59

Government demand notes. 3,124,192 50

Deposits with the Dominion Government required by Act of Parliament for security of general bank note circulation. 265,000 00

Due by agencies of this bank and other banks in foreign countries \$7,750,882 14

Due by agencies of this bank and other banks in Great Britain 6,893,774 73

Balances due by other banks in Canada 18,877 18

Dominion and Provincial Government securities 1,410,798 07

United States railway bonds 3,325,010 08

Notes and cheques of other banks 1,261,658 72

Bank premises at Montreal and branches 600,000 00

Current loans and discounts (rebate interest reserved) and other securities and assets 36,725,725 42

Debts secured by mortgage or otherwise 98,760 14

Overdue debts not specially secured (loss provided for) 125,745 31

Bank of Montreal, Montreal, 30th April, 1897.

THE GENERAL MANAGER'S ADDRESS.

Mr. Clouston said: Referring to the balance sheet submitted to you at this meeting, there are several important changes which it may be as well to give some explanation of. In fact, the figures without an explanation would convey a wrong impression. The first change of any importance is an increase of \$3,701,000 in deposits not bearing interest. This is nearly all of a temporary character, caused chiefly by Government deposits, and will probably disappear before long. In deposits bearing interest there is a large increase of \$3,916,000. Aside from the steady increase in our savings bank deposits, there are some special amounts here which also lack permanency. I cannot say that bankers at present regard with any great degree of pleasure the increase in this item, particularly when they, like ourselves, are obliged to lend it abroad at a nominal rate. Our cash reserves have increased \$411,000, a small amount proportionately for the increase in liabilities, but as we are so strong in immediately available resources elsewhere, it is matter of little moment. There is an increase of \$2,610,000 in the amount due us by agents in Great Britain, which is an immediately available asset, though not a very paying one at present rates. The appearance of the item in the statement of Dominion and Provincial Government securities, is due chiefly to an operation in the bonds of this Province and will very likely not remain there long. Our United States railway bonds have increased \$887,000. This item constantly changes, as we are active dealers in them, and frequent participants with other banks in bond issues. Our loans have increased \$1,956,000, principally from a desire on the part of the business community to pay duties in anticipation of a prospective change in the tariff, partly also from a general expansion in our business. Our debts secured and unsecured have increased \$135,826, not a very large sum considering the trying year we have just completed. The same remark applies to our profits, which show a falling off of \$10,635.

Altogether you will admit we are in an exceptionally strong financial position, but not one in which we can make much profit with the present low value of money in foreign markets. In fact, each succeeding year seems to increase the difficulty of maintaining our profits, and when, in addition, we are obliged to provide for the shrinkage in values naturally resulting from the prolonged depression in business, it is almost a matter of surprise that we are able to appear before you with so good a statement as the present.

It has been said that, like Joseph's kine,

bankers have seven fat years and seven lean ones, and it ought to be about time for the lean ones to cease, for, since the Baring crisis in 1890, the world has experienced a succession of financial shocks and disasters without parallel in its history, partly the natural result of business depression through overtrading, over manufacturing and other causes, but part of it forced on the financial world by those who should have been the buttresses between it and harm. Whether we are through with them time only can tell. With the settlement of the European question, which seems probable, at least temporarily, and the adjournment of the legislative bodies here and in the United States, the business community may have a chance of taking breath and commencing another struggle to attain prosperity. In the United States there are signs of the sunshine breaking through the clouds, and a particularly bright gleam was Secretary Gage's statement the other day that the present administration was determined, once the tariff was out of the way, to take up the question of placing the currency of the country on a sound basis. With our large interests in the United States we naturally give them our heartiest sympathies to any effort in that direction.

Canada has fortunately been comparatively free from financial heresies, and to that we owe in a large measure our comparative immunity from the troubles which have agitated the neighboring country during the last few years.

In Canada the future is still shrouded in uncertainty. The past year has been very disappointing, a year of increasing business depression, full of unsettling incidents, and there have been a considerable number of failures. More will have to follow, unless some improvement takes place this year. The position, so far as I can read it, is this, and it seems to me a very delicate one: Any further depression, coming on a community already weakened by a long fight against adverse circumstances, will precipitate a very serious state of affairs, worse than anything we have yet had to encounter. On the other hand, a settlement of the tariff, with a due regard to established interests, a good crop with fair prices, lenient treatment and judicious assistance meantime to those in business, may yet make this year the beginning of a prosperous cycle. The position is not by any means hopeless. Crop prospects are good in the North-West, fair in Ontario, though backward in Quebec. Mineral development still continues in the West, and is adding daily to the wealth of the country. Though our lumber trade with the United States is not in a satisfactory position, our trade with England is good. The manufacture of pulp promises to grow into a most important and valuable industry, for in this country we have unlimited quantities of the finest raw material in the world, with magnificent water power and reasonable labor. The cheese and butter trade promises to be a large one, and we appear to be on the eve of a large development in our bacon and ham trade. Negotiations, judging from the newspapers, are practically completed to build a railway into the British Columbia mining region. This of itself will be almost sufficient to start the hands of the commercial barometer towards fair weather. The position is not by any means hopeless, but requires careful treatment and all the encouragement that can be given.

If there are any questions from the shareholders, I will have much pleasure in replying to them.

THE VICE-PRESIDENT,

Honorable George A. Drummond, said: I trust that the shareholders of the Bank of Montreal will agree with the directors in considering the results of the year's business as satisfactory, and in view of the times as eminently creditable to the general manager and staff. The stagnation due to the prevailing distrust and uncertainty which we have had to chronicle for several years past still prevails. Doubts as to the character of impending tariff legislation produced an unsatisfactory state of business during the winter months, and anxieties on this score still exist. The victory of the sound money contest in the United States failed to re-establish confidence, as the successful side set itself to a readjustment of the tariff before dealing with the currency. On both sides of the line, therefore, similar causes of an unsettling character exist, and it may without dispute be asserted that no more potent influence is to be found to retard the investment of capital, and delay the progress of the coun-