

The eighty-ninth annual general meeting of the Shareholders of the Bank of Montreal was held in the Board Room of the institution on Monday at noon.

There were present: Hon. Sir George Drummond, K.C.M.G., President; Mr. E. S. Clouston, Vice-President; and General Manager, Sir William C. Macdonald, Hon. Robert Mackay, Messrs. James Ross, A. T. Paterson, R. B. Angus, Michael Burke, F. S. Lyman, K.C.; Angus W. Hooper, James Tasker, B. A. Boas, George Durnford, Henry Debell, J. S. Keoch, M. S. Foley, John Beattie, R. G. Starke, H. Cameron, W. Blackader, James Kirby, K.C.; James Croll, Lieut.-Col. Prevost, H. Paton, W. Stanway, A. G. Ross, W. D. Gillean, Rev. G. H. Parker (Compton); M. O'Shaughnessy, John Turnbull, J. Scott.

On motion of Mr. R. B. Angus, Sir George Drummond, President, was unanimously voted to the chair, and on the motion of Mr. W. Stanway, seconded by Mr. James Tasker, it was resolved: "That the following be appointed to act as scrutineers: Messrs. F. S. Lyman, K.C., and Angus W. Hooper; and that Mr. James Aird be secretary of the meeting."

THE DIRECTORS' REPORT.

The report of the Directors to the Shareholders at their eighty-ninth annual general meeting, was then read by Mr. E. S. Clouston, Vice-President, as follows:

The Directors have pleasure in presenting the Report, showing the result of the Bank's business for the year ending 31st October, 1906.

Balance of Profit and Loss Account, 31st October, 1905 \$ 801,855.41

Profits for the year ending 31st October, 1906, after deducting charges of management, and making full provision for all bad and doubtful debts 1,797,976.48

\$2,599,831.84

Dividend 2 1-2 p.c. paid 1st March 1906 \$ 860,000.00

Dividend 2 1-2 p.c. paid 1st June, 1906 360,000.00

Dividend 2 1-2 p.c. paid 1st September, 1906 360,000.00

Dividend 2 1-2 p.c. payable 1st December, 1906 360,000.00

\$1,440,000.00

Amount credited to Rest Account 1,000,000.00

2,440,000.00

Balance of Profit and Loss carried forward \$ 159,831.84

The sub-agencies, at Fort Rouge (Winnipeg) and Ste. Anne de Bellevue, mentioned in our last report as about to be established, were opened shortly afterward. Since the last Annual Meeting branches have also been opened in the city of Mexico and at Saskatoon, and sub-agencies at Fenelon Falls, St. Henri, Montreal, Upper town, Quebec, and Bank street, Ottawa.

The Ontario Bank having intimated that it was in difficulties and would have to suspend, this bank, on 18th October last, assumed all its liabilities, under a guarantee of other banks against loss, and it is now being liquidated.

In view of the change in the number of directors made by resolution of the Shareholders at the last Annual Meeting, and in order to bring the By-laws of the Bank into accord with the Bank Act, as at present, it has been thought well by the Directors to have the existing by-laws consolidated and amended to date. This has been done, and they are now placed before you for confirmation.

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

G. A. DRUMMOND, President.

THE VICE-PRESIDENT.

The Vice-President then spoke as follows:

As the President will deal with the business of the country generally, I will only refer to the statement of the affairs of the bank presented to you. You will notice that the chief features are increases of about \$11,000,000 in deposits bearing interest, and about \$13,000,000 in our current loans. These changes took place principally during the last month of our fiscal year, and are the result of our undertaking the liquidation of the liabilities of the Ontario Bank. The profits show an increase of \$160,000, due partly to the good rates ruling in London and New York, where we are compelled to carry a considerable portion of our reserve funds. The other changes are of minor importance, and no call for any special comment.

When in October the deplorable condition of the Ontario Bank was submitted for the consideration of a number of bankers, it was thought best, in the interests of all concerned, that the bank should be liquidated, and with the view of allaying any excitement which would probably be detrimental to the interests of the commercial community generally, it was decided that this Bank should undertake to assume all the liabilities of the Ontario Bank, under a guarantee from other banks in the event of the assets being insufficient to discharge them. This Bank is also a party to the guarantee, and we have agreed in addition to pay \$150,000 for the good-will of the business. We do not anticipate that there will be any claim under the guarantee. The liquidation is proceeding quietly without any public excitement or disorganization of the business of the country, with a minimum of cost to the shareholders of the Ontario Bank, and without the loss of a dollar to either note-holders or depositors. The record of Canadian banks in this respect is excellent. During the last quarter of a century, by failures of banks, which could be organized under our present banking laws, the loss to depositors has been under \$750,000. The note-holders, of course, have lost nothing. I speak only of banks that could be organized under our present acts. Other banks during that period have failed, involving loss to both depositors and note holders, but they were acting under old charters and under conditions which do not now exist—in one case there was no double liability. Out of the 12 banks that have suspended since 1880, five only could obtain charters under our present system.

With respect to the general business of the country, I can only repeat my remarks of last year, that we are still in the full tide of prosperity. Railway earnings continue large, immigration is satisfactory, and the farming community share with manufacturers and merchants the general well-being; but in its wake it is feared will follow over-expansion, inflated values and increasing speculations, particularly in real estate and mining stocks, leaving wreckage behind when the tide ebbs.

There is still time to set one's house in order and keep it there, but the tardy should remember that the prolongation of the day of grace may add to the severity of the day of reckoning.

THE PRESIDENT'S REMARKS.

The President, in moving the adoption of the directors' report, said: In accordance with a practice of many years' standing in this Bank, I attempt a brief review of the general trade of the country.

Beyond question, the general condition is one of great prosperity. In all or nearly all branches of trade, manufacture and commerce considerable advances in the volume of trade have taken place, as compared with the preceding year.

The port of Montreal is now, it is satisfactory to note, much more

widely recognized as the eastern port of the Dominion, and its efficiency the concern not of the Province of Quebec specially, but of the whole Dominion. It is therefore not entirely satisfactory to note that the business of the year now ending shows little, if any, advance over the previous year.

The improvements of the port proceed but slowly, and much remains to be done in the harbor, the channel and the gulf, to make it possible to claim Montreal as a model port.

The present extreme rates of marine insurance are a great disadvantage. Upon the whole the shipping business shows a fair season's business, due in part to a greatly increased importation of goods and increased passenger trade, and the shipowners appear to be fairly well satisfied.

In this connection, it is in the highest degree satisfactory to note the improved volume of passenger business, due largely to the appearance on the route of four new steamers of the Allan and Canadian Pacific Railway Company. These boats, if only the pioneers, do much to remove the reproach which forced Canadian travel to New York and Boston, and prevented almost entirely general travel from reaching Canada and Canadian interests in the background. We have the shortest sea route from Europe, and are only beginning to secure a reasonable share of a business which may include not Canada alone, but a large

portion of the Western United States. Taken in detail, I may say the various important departments of trade and commerce have done well. The hardware trade reports "a larger business during the past year than at any former period in the trade's history."

The new application of iron and steel in building structures added to the demand for other standard purposes have caused a famine in these materials, and unexpected delays in many enterprises.

The dry goods trade is reported as never better, and one feature to which I may refer later on, is the much better and more expensive goods now in demand.

In woollens the report is that while still under a cloud from the preferential tariff it is better than last year, prices of all classes having advanced.

In cotton, advances in prices and an active demand are reported. Here again buyers are said to be taking goods costing seven to eight cents a yard, when not long ago four to five cents sufficed.

Boots and shoes—The demand has been good. Prices it is said have not advanced in proportion to the advance in raw material, though now from 5 to 20 per cent. above last year.

In leather a large business has been done in the home trade at an advance of one to two cents per pound. Rawhides have advanced all around about 25 per cent.

Sleeplessness.—When the nerves are unstrung and the whole body given up to wretchedness, when the mind is filled with gloom and dismal forebodings, the result of derangement of the digestive organs, sleeplessness comes to add to the distress. If only the subject could sleep, there would be oblivion for a while and temporary relief. Parmelee's Vegetable Pills will be found a recuperative of rare power, restoring the organs to healthful action, dispelling depression, and reviving the flagging energies.

BANK of MONTREAL

Proceedings of the Eighty-ninth Annual Meeting of Shareholders Monday.

VERY SATISFACTORY REPORT.

President Reviews General Trade of Country, Which Shows Advance Over Last Year.

THE GENERAL STATEMENT.

The General Statement on 31st October, 1906, is as follows:

LIABILITIES.	
Capital Stock	\$ 14,400,000.00
Rest	\$11,000,000.00
Balance of Profits carried forward.....	159,831.84
Unclaimed dividends	\$11,159,831.84
Quarterly Dividends, payable 1st December, 1906	360,000.00
	\$ 11,522,059.85
	\$ 25,922,059.85
Notes of the Bank in circulation	\$12,036,097.00
Deposits not bearing interest	30,842,880.93
Deposits bearing interest	99,059,070.61
Balances due to other Banks in Canada ..	141,564.73
	\$142,079,113.27
	\$168,001,173.12
ASSETS.	
Gold and Silver coin current	\$ 6,232,607.49
Government demand notes	5,374,510.25
Deposit with Dominion Government required by act of Parliament for security for general bank note circulation ..	520,000.00
Due by agencies of this bank and other banks in Great Britain	\$ 5,597,767.93
Due by agencies of this bank and other banks in foreign countries.....	3,027,768.24
Call and short loans in Great Britain and United States	29,784,242.00
	38,409,778.17
Dominion and Provincial Government securities	1,346,087.68
Railway and other Bonds, Debentures and stocks	8,999,865.20
Notes and cheques of other banks	4,418,994.19
	\$ 65,301,824.98
Bank Premises at Montreal and Branches.....	600,000.00
Current Loans and Discounts in Canada and elsewhere (rebate interest reserved) and other assets	\$101,814,453.38
Debts secured by mortgage or otherwise ..	183,955.04
Overdue debts not specially secured (loss provided for)	100,921.72
	102,099,330.14
	\$168,001,173.12

Bank of Montreal, Montreal, 31st October, 1906. E. S. CLOUSTON, General Manager.

Wool has brought very high prices during the year.

Some idea of the value to the farming community of the cheese and butter trade may be found from the following figures.

Cheese.—The cheese exported to Great Britain during the present season was of the value of \$22,401,132.

Butter.—Of butter, \$4,433,891, and including what remains to be sent over we reach a total of over 33 millions of dollars. To these must be added the home consumption, which is every year growing in volume and importance.

The great feature of the hour is, however, the development of the North Western provinces—Manitoba, Saskatchewan, and Alberta—in which the capacity to produce excellent qualities of all kinds of cereals seems to be assured beyond question.

Of wheat alone the present crop is estimated at 85 million bushels, the quality undoubted; the area under cultivation is greater than last year, but the yield per acre is about 19 bushels, as against 23 last year.

If the other grains, such as oats, barley, and flaxseed, are taken into account, and cattle exported to the value of eight millions of dollars, we are assured that the farmers have shared in the general prosperity.

The number of acres of Canadian Pacific lands sold from January 1st to October 31st, 1906, is 1,080,000, as against 653,000 acres in the corresponding period of 1905.

The number of immigrants entering Canada through Canadian Pacific gateways from January 1st to November 7th, 1906, is 132,000, as against 96,000 in the corresponding period of last year.

The best evidence of the extraordinary activity of trade is to be found in the railway traffic, which is trying to the utmost the resources of the roads; new rolling stock is being put into service as quickly as acquired, and the demand is still unappeased.

In addition, we have three great trunk lines engaged in active construction.—The Grand Trunk to reach the Pacific Coast, the Canadian Northern and the Canadian Pacific in great stretches of extension, the pace being only limited by the supply of labor.

The current complaint is of the increased cost of living, and it is an interesting question how far this is due to any increased cost of what are called the necessities of life, or to an advance in the style of living and the increased use of luxuries. Doubtless both enter into the case, but this is too large a subject for adequate treatment on this occasion.

In this matter some evidence may be adduced from the fact that the dry goods and other trades report the more costly class of goods now being sold.

There is abroad in the world at large a prevalent idea that capital and corporations of all kinds are antagonistic to the general welfare. Now it would be an interesting question how much our present prosperity is founded on substantial realizations of our own, and how much is due to an increased confidence in our future on the part of outside capitalists.

The absurdity of regarding capital with suspicion is evidenced by the fact that the vast additions to our railways and other enterprises essential to the opening up of our country would be impossible without the aid of outside capital.

It would be contrary to all experiences to hope for an unbroken continuance of the present condition of prosperity—periods of reaction and of suspended enterprise may be expected, but we may be assured that the surest means of postponing their coming and dealing with the bad times when they come, is the exercise of prudence and caution in prosperous times like the present.

I beg to move: "That the report of the directors, now read, be adopted and printed for distribution among the shareholders." If any shareholder has any questions to ask, we will be pleased to answer them.

The motion for the adoption of the report was seconded by the Vice-President, after which Rev. G. H. Parker asked several questions in regard to dividends, and also as to

the Bank's premises, which were replied to by the President and the Vice-President.

Mr. B. A. Boas spoke on the dividend question, and advocated the possibility of higher dividends in the future.

The report was then unanimously adopted.

CONFIRM AMENDED BY-LAWS.

It was moved by the President: "Resolved, that the consolidated amended by-laws of the Shareholders of the Bank of Montreal, laid before the Shareholders and read, be and the same are hereby confirmed, adopted and passed by this meeting of shareholders, and that the same be sealed with the Corporate Seal of the Bank, countersigned by the President thereof."

This was seconded by the Vice-President, who remarked: I think it is hardly necessary to read the by-laws through; they are before the shareholders, and the changes are small and few. In paragraph III, the number of directors is changed from nine to ten. Paragraph VI, governs the election of an honorary president, which is a new position. No. X had to be changed in order to enable us to carry out the quarterly dividends and the closing of the Bank's books. As to No. XI, under the old by-laws, if we appointed any local director, he had to be qualified to the extent of twenty shares. We have thought it was hardly necessary to ask a local director for any qualification. No. XIII, has been stricken out, as it is provided for by a footnote.

The motion was then adopted, after which Mr. B. A. Boas moved: "That the thanks of the meeting be presented to the President and Directors for their attention to the interests of the Bank."

This was seconded by Mr. Henry Dobell, and was concurred in unanimously.

Mr. A. T. Paterson moved: "That the thanks of the 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 past year."

In making the motion, Mr. Paterson said that the importance of the staff to the Bank was a point which must be patent to everybody. The success of the Bank depended, in the first place, upon the chief officers, but the subordinate staff had a hand in carrying out their several offices. The extension of a bank's business necessarily carried with it an augmentation of the staff. When he first joined the Board of the Bank of Montreal the staff was under 300; now it was, he believed, somewhat over 1000.

Sir William Macdonald seconded the motion, which was unanimously adopted.

The Vice-President thanked the Shareholders on behalf of himself and staff, for their kind expression of appreciation.

Mr. H. Paton moved, seconded by Mr. John Turnbull: "That the ballot now open for the election of Directors be kept open until 2 o'clock, unless fifteen 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.
E. S. CLOUSTON.
THE HON. SIR GEORGE A. DRUMMOND, K.C.M.G.
E. B. GREENSHIELDS.
HON. ROBERT MACKAY.
SIR WM. C. MACDONALD.
A. T. PATERSON.
ROBERT G. REID.
JAMES ROSS.
THE RIGHT HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G.

The President, Vice-President and Hon. President were, in the ordinary course of business, elected at Tuesday's meeting of the Board of Directors.

FUR LINED AND FUR TRIMMED CLOTH OVERCOATS.

Our method of buying all our furs direct from trappers, importing our cloth direct from manufacturers, and making all our coats in our own establishment we can give you for your money 40 per cent better value than you can get elsewhere.

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Makes Child's Play of Wash Day

Read the Directions on the Wrapper

A PURE HARD SOAP

Constituent—Now, Mr. Wunnout, I wish you'd do your best to get my boy a good Government position.

M. P.—Well, what can your son do?

Constituent—What can he do? Great Scott, man, if he could do anything I wouldn't be bothering you.

Parents buy Mother Graves' Worm Exterminator because they know it is a safe medicine for their children and an effectual expeller of worms.

FUR TRIMMED CLOTH OVERCOATS.

All sorts of trimmings. Prices from \$25.00 up. Before buying see our prices and our assortment.

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