

THE BANK OF MONTREAL—Continued.

SIR EDWARD CLOUSTON.

In seconding the adoption of the report, Sir Edward Clouston said:—In my address last year I made the remark that I should be very much disappointed if we did not make a better showing of profits during the year we have just passed through, and, though I did not say it, I had in my mind that I might be able to suggest to the Directors that it was time to do something for our shareholders in the way of a bonus. Unfortunately, my anticipations were not realized. Our profits show \$28,000.00 less than last year.

The general statement, as you see by the copies you hold in your hands, is a strong one, and exhibits the steady progress the bank is making. For the first time in our history our circulation exceeds our capital, and we were obliged to make use of the emergency circulation authorized by the Government.

Our deposits have increased \$18,000,000, but this does not fairly show the actual increase in our regular deposits, as last year we had some large special deposits which were withdrawn during the year. Our readily realizable assets, that is our reserves, are about the same, though they show a slight decrease in percentage to our liabilities. The amount of money employed outside of Canada has been reduced \$14,000,000. Fault has been found with us by critics who have not given sufficient consideration to the subject for keeping such large balances in other countries, but experience has taught us that it is not only safer for the Bank but for Canada, that we should hold large reserves which we can draw on in case of necessity without disturbing financial conditions in our own country. The important position of the Bank of Montreal in the financial fabric involves the keeping of a large portion of our assets in a form immediately available for conversion into cash. Our responsibilities in this respect force us to be content with a very low return on the money we lend on call in London and New York, a return, which for long periods during the past year was little better than 2 per cent. at either centre, and taxes to come out of that. It is not to be supposed that we would ignore the superior advantages of a 5 per cent. call rate in Canada, could we employ \$10,000,000 or \$20,000,000 here, with the certainty that we could get it back on three hours' notice any day we wanted it.

Of the increase in our investments, \$5,000,000 is accounted for by the purchase of a Municipal issue which has been largely disposed of since the close of the Statement.

Our loans and advances have increased \$21,000,000, and call for no special comment, except that they evidence that we are doing our share in assisting the development of our rapidly growing country.

The present Session of Parliament will see introduced legislation of importance to Bankers, as our Charters come up for the usual decennial renewal. Though the Bankers' Association has not been taken into the confidence of the Government about any proposed alterations or amendments, I think it hardly likely that there will be any great change. The Act is a very good one as it stands, is thought well of by financial authorities in other countries, and answers admirably the requirements of our own. When trouble arises it is apt to be condemned by unthinking critics, but it is not the fault of the Act, but of

those who work under it, and no amount of legislation will guard against the fallibility of the personal factor and keep men from being fools or knaves.

The President has spoken on the general trade of the country, which may be characterized as satisfactory, with a promising outlook. There is possibly too much real estate speculation in some sections of the country, and municipalities are borrowing rather heavily; the greater part of it, however, is quite legitimate, arising from the rapid growth of the newer cities and towns throughout the West.

To them flows the ever increasing tide of our immigration, which, from the best figures at present available, will this year number over 300,000 souls. The quality of this immigration is admittedly high, and when one considers that it represents in a single year about 1-20 of the country's population, it is well that it is so. To this influx of population, as well as to the greatly increased prosperity of the people, is probably due the fact that while our production of such food-stuffs as butter, eggs, cheese, etc., has increased during the present twelve-month, the exports of these products have declined, indicating a large home consumption.

As regards the general prospect, in the older countries there seem to be at least enough pessimists to counterbalance the optimists. In Canada we have many of the latter, and few of the former—too few, perhaps, at times, to sufficiently regulate our youthful exuberance. It might be well to remember that the prosperity we have enjoyed may be largely due to a continuity of policy and a disposition to employ experience rather than theory as the basis for the conduct of our affairs. Such principles have made us self-reliant, and seem best calculated to ensure our future progress and permanent stability. (Applause)

The President, replying to Mr. Taylor, stated that a careful estimate of the present value of the Bank's premises had been recently prepared, and they found that the total amount would be somewhere between \$7,000,000 and \$8,000,000. But that extended over the whole Dominion, the list including no less than 147 different buildings.

The annual report was then unanimously adopted, and votes of thanks were passed to the President, Vice-President and Directors, and to the General Manager and Officers.

THE DIRECTORS.

The ballot for the election of Directors was then proceeded with, and the Scrutineers appointed for that purpose reported the following gentlemen duly elected, the old Board being re-elected:—

Messrs. R. B. Angus, A. Baumgarten, Sir Edward Clouston, Bart., E. B. Greenshields, C. R. Hosmer, Sir William C. Macdonald, Hon. Robert Mackay, H. V. Meredith, D. Morrice, James Ross, Sir Thos. Shaughnessy, K.C.V.O., Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., G.C.V.O.

OFFICERS ELECTED.

At a meeting of the Directors held later the Right Honorable Lord Strathcona and Mount Royal, G.C.M.G., G.C.V.O., was elected Honorary President of the Bank, Mr. R. B. Angus President, and Sir Edward Clouston, Bart., Vice-President.