

BANK OF MONTREAL

ANNUAL GENERAL MEETING—A GRATIFYING STATEMENT.

The annual general meeting of the shareholders of the Bank of Montreal was held on Monday last, at noon, in the Board-room. There was a very large attendance of shareholders, prominent among whom were:—Hon. D. A. Smith, Messrs. George Stephen, George Macrae, Q.C., Alexander Murray, Robert Anderson, Alfred Brown, Henry Joseph, C. F. Smithers, W. B. Cumming, James Burnett, R. A. Lindsay, H. Yates (Brantford), Gilbert Scott, Hugh Mackay, George A. Drummond, Hon. Senator Ryan, James Tasker, Hector Mackenzie, Hon. John Hamilton and Thos. Cramp.

The proceedings were opened by Mr. Henry Joseph moving that Mr. C. F. Smithers take the chair.

The motion was carried, and Mr. Smithers having taken the chair he said that the first business before the meeting was the appointment of scrutineers. He would move that their kind friend, Mr. W. B. Cummings, and Mr. James Burnett be nominated to act in that capacity, and that Mr. R. A. Lindsay be the secretary of the meeting.

Mr. JOSEPH—I would suggest that the scrutineers should be instructed to record the total number of votes cast.

The CHAIRMAN—You had better then make an amendment to that effect.

Mr. JOSEPH then moved that the scrutineers be also instructed to record the total number of votes cast for the directors.

Mr. GILBERT SCOTT seconded the motion.

Mr. MURRAY—I do not know that there is any objection to that course, but I am not aware that it is a customary course to pursue.

Mr. JOSEPH—There is not a meeting of this nature held in the United States at which the total number of votes cast and the number cast for each candidate is not reported by the scrutineers.

Mr. MURRAY—I do not know what is done in the United States, nor was I going there for a precedent. I am more in the habit of attending public meetings in Canada. What I desire to know is, is this proposal the custom of the Bank.

The CHAIRMAN—No, it has never been customary in the Bank.

Mr. CUMMING—I do not think the course proposed would be a desirable one to adopt. Within my experience within the past few months one gentleman only received one vote.

The CHAIRMAN—There is a great deal in what Mr. Cumming has said. It should be merely the vote of those elected that is returned.

Mr. GEORGE STEPHEN—I quite agree with what Mr. Cumming has said, and I think if the sense of the meeting is taken it will sustain the old-fashioned plan that we have been in the habit of following heretofore.

Mr. YATES—Why should we adhere to the old fashioned plan if it is not satisfactory? Let us have the vote cast for each gentleman and the total vote reported if it is desired.

Mr. MACRAE—I wish to understand distinctly whether by Mr. Joseph's motion it is intended that every vote recorded shall be reported here to-day. If so, I object to it, because it would not be a very pleasing thing for some individuals who might only get one vote. For my own part I am rather in favor of the reporting of the number of votes cast for the gentlemen elected. (Applause.)

The CHAIRMAN—I do not think there is any objection to the motion in that shape.

Mr. JOSEPH agreed to the amendment of his motion in that direction.

Mr. GILBERT SCOTT withdrew his name as seconder of the amended motion, as he had understood that only the number of votes polled should be recorded.

Mr. MACRAE's name was substituted in place of Mr. Scott's, and the motion was carried.

THE ANNUAL REPORT.

In response to the request of the Chairman, Mr. BUCHANAN read the following report:—

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS AT THEIR 64TH ANNUAL GENERAL MEETING, HELD 5TH JUNE, 1882.

The Directors have much satisfaction in presenting to the shareholders the 64th annual report, accompanied by a statement of the result of the business of the year ended April 30:—

The balance of profit and loss account on 30th April, 1881, was... \$ 274,067 17
The profits for the year ended 30th April, after deducting charges of management and making full provision for all bad and doubtful debts, were..... 1,641,256 51
\$1,915,323 68

From which have been taken dividend 4 per cent., paid 1st December, 1881.....\$479,968
Bonus 1 per cent., paid 1st December, 1881..... 119,992
Dividend 5 per cent., payable 1st June, 1882..... 599,960
Addition to "The Rest"..... 500,000
\$1,699,920 00

Leaving a balance of..... \$215,403 68

Carried forward at credit of profit and loss account for the current year,

The Directors are pleased that the profits on the year's business have enabled them to carry the above mentioned sum of \$500,000, to "The Rest," as it replaces that fund where it stood for several years previous to 30th April, 1879, viz: at \$5,500,000.

The Shareholders will learn doubtless not without regret, of the retirement of Mr. Peter Redpath from the Board, where he had so faithfully and ably served their interest for upwards of 13 years. The vacancy thus created was filled by the election of Mr. G. A. Drummond in March last.

GENERAL STATEMENT.

29th April, 1882.

Liabilities.

Capital Stock paid up (subscribed \$12,000,000 00....	\$11,999,200 00
Rest	\$ 5,500,000 00
Balance of profits carried forward	215,403 68
	\$ 5,715,403 68
Unclaimed dividends.....	15,108 22
Half-yearly dividend, payable 1st June, 1882.....	599,960 00
	\$ 6,330,471 90
	\$18,329,671 90

Amount of notes of the Bank

in circulation	\$ 5,086,340 00
Deposits not bearing interest. 8,785,494 56	
Deposits bearing interest....	12,330,586 50
Balance due to other Banks in Canada.....	833,875 91
	\$27,036,297 03
	\$45,365,968 93

Assets.

Gold and silver coin current..	\$ 2,245,016 50
Government demand notes...	2,908,922 00
Balance due from other banks in Canada	\$ 134,260 46
Due from agencies of this Bank and other Banks in foreign countries	6,505,919 47
Due from agencies of this Bank and other banks in G. Britain	1,130,429 76
	\$ 7,770,609 69
Notes and cheques of other banks	978,382 61
	\$13,902,930 80
Bank premises at Montreal and branches...	440,000 00
Loans and bills discounted..	\$30,639,566 09
Debts secured by mortgages and other securities.....	264,886 42
Overdue debts not specially secured (estimated loss provided for).....	128,585 62
	\$31,023,038 13
	\$45,365,968 93

W. J. BUCHANAN,
General Manager.

BANK OF MONTREAL,
MONTREAL, 29th April, 1882.

The CHAIRMAN then moved, seconded by the Hon. DONALD A. SMITH,
That the report of the Directors now read be adopted and printed for distribution among the shareholders.

THE PRESIDENT'S ADDRESS.

The CHAIRMAN, in moving the adoption of the report, said:—Perhaps it would be just as well to add nothing to that report, and allow the figures to speak for themselves. There is nothing like results, and we think that the result must upon the whole be considered satisfactory. We claim nothing more than that, and it is at any rate a matter for congratulation that we have been able to restore the Rest to \$5,500,000, the highest point it ever reached, and at which it stood from 1875 until 1879, when the exigencies of the times required that \$500,000 should be taken from it. There may be, and doubtless is, some difference of opinion among the shareholders as to the policy of building up the Rest to 50 per cent.; but, as far as I am able to judge, it is approved by a large majority, and certainly it is by the gentlemen you have placed upon the Board to manage your affairs. I need scarcely remind you that it is no new departure—it is the goal at which successive administrations have been aiming for a number of years. To glance for a moment at the figures before passing on, I may remind you that the net profits reported last year were, in round figures, \$408,000 in excess of the previous year, and this year we report a still further improvement of \$188,000, or about 1½ per cent. It is perhaps worthy of notice in this connection that the increased profits were earned to a great extent within the last half of the fiscal year. The accounts show a very large increase in the amount under discount; but, as I have intimated, this occurred largely during the latter half of the year, and therefore did not contribute so much to the year's profits as would have been the case if it had begun earlier. You will understand that there is a correspond-

ing decrease in the amounts employed in foreign countries—not quite that either—because we have made a gain of nearly 2½ millions in deposits, and not much short of one million in circulation—so that to that extent the increase has been accomplished without the necessity of withdrawing funds from other channels. The movement of funds lately serves admirably to illustrate the usefulness of our American agencies, which serve to promote the elasticity of our system. It has not been an uncommon thing for some people to cry out about the amount employed in the United States by the Canadian banks; but by the inexorable laws of finance the money always comes here when it is wanted, and when it is not wanted it returns and earns what it can, at the same time relieving this over-burdened market. But the increase of business noted is not by any means confined to this Bank; it is general, if not universal, and embraces all the items of discounts, deposits, circulation, &c. The total loans and discounts of all classes upon the 30th April show an increase over the same day in 1881 of \$36,000,000—amounting in all to the enormous sum of \$176,000,000, a sum which I am quite safe in saying they never reached before. In 1875 they touched \$160,000,000, which was thought to be, and doubtless was at that time, a very dangerous expansion; the result proved it, for the banks did not get back to safe limits without passing through a very severe ordeal, which overwhelmed some of them, seriously crippled others, and damaged all to a greater or less degree; and in calling attention to the much larger figures which have now been reached, I do not wish to be considered an alarmist; but, to say the least, the figures are somewhat startling. I am quite sensible that the conditions of the country have greatly changed, and we can perhaps carry a heavier load now; still it is the part of wisdom to look the matter squarely in the face. I do not say that I see trouble in the immediate future, but it is well that we should be on the lookout and be prepared if it does come. It is quite certain that we—that is the banks generally—cannot go on expanding at this rate much longer, and the sooner we understand that the better. Of course, much depends upon the crops, about which there is of course, as yet considerable uncertainty. I do not wish to make any extravagant or exaggerated statements, but I think it is an undeniable fact that trade is not in an altogether satisfactory condition. Complaints are very general that profits are light, and it is pretty well understood that considerable stocks of merchandise have had to be carried over, and then it is to be feared that manufactures are being, or are likely to be, overdone, at least in certain directions—for example, I find from information obtained from the most reliable source, that there are 13 cotton mills now running and 6 under construction, making 19 in all, in addition to which we know that many of them have largely increased their capacity, and others are doing so. Another feature of the times which must not be overlooked, is the large falling off in the exports in the face of increasing imports. This has been the case in the United States to an extent which has caused an outflow of gold amounting to twenty millions of dollars since the 1st of January in excess of the amount imported. The same unfavorable balance of trade exists here, but owing to the very imperfect returns published it is difficult to say to just what extent the balance is against us, and impossible to make satisfactory comparisons with former years. It is to be hoped, however, that importations will be light this season. One other point worthy of notice is that it is quite possible that railroad building may be pushed forward in advance of the wants of certain localities, and in that case there will be a halt until the country grows up to it, and that is always a tedious and painful process. We all know what happened in the United States in 1873, and it took until 1878 or '79 for the traffic to overtake the facilities provided for its transportation. With us, in this country, the case is somewhat different, as, whatever may be the fate of some of the minor enterprises projected, the Canadian Pacific Railway, heavily subsidized as it is by the Government, must go on, and will doubtless be pushed forward with vigor. The energy with which it has been so far prosecuted is the best guarantee of that. And this brings me to the other side of the outlook, a favorable feature of which is the very large expenditure which is going on in connection with the construction of the Canadian Pacific Railway, and other public works, which puts money into circulation, and contributes materially to the development of the country. This may, and doubtless will, help to defer if it does not avert trouble. It is difficult to overestimate the part that Manitoba and the Northwest are to play in the future of Canada. Immigrants are flowing in much more rapidly than the most sanguine of us anticipated, and with them an immense amount of money is also coming into the country. I don't know what amount each immigrant is supposed to bring; but I have seen it estimated that those arriving at Castle Garden bring an average of \$90 per capita, and I have been led to believe that those going to the Northwest are of a superior class—they are said to be largely from the middle classes and possessed of means. Perhaps Mr. Stephen may be able to give us some information on this point—I will give him an opportunity shortly. However this may be, it is certain that the money coming into the country in this way is an important addition to the financial resources of the country, and in addition to this, large amounts are constantly being sent out by mortgage and other companies for the purpose of being lent upon real estate. The Northwest will also afford a most important outlet for the consumption of what might otherwise prove to be the overproduction of our mills and factories, and will also absorb a large amount of imported goods. It is, in short, the hope of Canada; but it is as a producer that it is to exercise the most important influence upon our future. It is to this source mainly that we must look for any large increase to our exports. This is what we most need, and if our expectations in this respect are to be realized, it will do more than anything else to enable us to carry with com-