

Smithers, desire hereby to record their high appreciation of the valuable services rendered by him to the institution, during his tenure of office.

Mr. Gilbert Scott: There is nothing that I can add to what Sir Donald Smith has said, and I would simply content myself, therefore, with seconding the resolution.

Mr. John Crawford desired to say a word upon that resolution as an old proprietor. I always found in Mr. Smithers a frank, courteous and able counsellor. In any financial difficulty he was always ready to extend to me his best judgment, and that has been the experience of many.

The resolution was carried unanimously.

Sir Donald Smith said,—Gentlemen, we have now to proceed with the proper business of the day. You have before you the statement and the report of business of the past year, which we consider to be a very satisfactory one, and one showing a result with which we have no cause to be disappointed. The net profit shown is some \$1,520,000, but the actual profit is even better than this, for there has been an expenditure during the year of some \$55,000 on the buildings of the bank, principally in Toronto, Kingston and at the head office in Montreal. We all know that estimates cannot be kept down to the very dollar or the cent, but I am sure that looking to what has been done in this building you will be well satisfied that the money spent upon it has been well bestowed. It is so, I am sure also, both in Toronto and in Kingston. But the directors have not thought it well to charge the bank premises account with this outlay, so that that account remains at \$600,000 as before, although the properties have, no doubt, increased in value to this extent.

There is another item of \$43,000 to \$45,000 which has been given as a bonus to the officers of the bank. This is the first year since 1878 that the directors were able to declare what is equal to a dividend of 12 per cent., 10 per cent. of dividend and 2 per cent. of bonus. Looking to this and seeing also that we are now in the jubilee year of our Gracious Sovereign, (applause), but above all considering your interest and knowing, as the directors do, that much of the prosperity of the bank for the last twelve months, as it has been in former years, is owing to the great ability, the zeal, the assiduity and the loyalty of your officers, of the whole of the staff both at the head office and at all the branches, and that it is due in a great measure to them that we are able to present you with such a favorable statement, we thought, as your trustees, that it was appropriate to mark their services, as has been done on this occasion. I would also ask to be permitted to say that I do think it is always right that those who do give a good service should be properly remunerated. It ought to be a consideration with everyone, not only to have efficient officers, but to retain none who are not giving good service, whether it is in this bank or in any other institution, so that I believe to-day it will be found that the staff of the Bank of Montreal is all that could be wished. This bonus has absorbed, as I have said, from \$43,000 to \$45,000. The losses during the past year have been considerable, but all you being business men must know that, with operations extending over such a large area both in this continent and in Europe, it would be impossible to prevent losses more or less, no matter how good and how stringent the supervision, and I may add that we, your directors for the last year are satisfied that the inspection and supervision has been most thorough throughout.

Well, gentlemen, we are not to prophesy what the current year is to bring forth, but looking to the present I think we will all agree in this, that the promises are good. We have a fair and good country; we have also the prospects of a good harvest, as well in the North-West as in the other provinces of the Dominion. It is so likewise in the Western States of the Union, and with the facilities we have for gathering all this in and for transporting it to such points as are desired by the Grand Trunk and Ontario & Quebec railways in the older provinces and by the Canadian Pacific, stretching from the Atlantic to the Pacific, and giving us at Sault Ste. Marie connection with the system of American railways and connection with the great milling centre, Minneapolis, we surely have cause to look forward with very great hope that much advantage is to accrue from all this to Canada, and especially to the city of Montreal. (Applause.)

If we are true to ourselves and if we use those efforts which are within our power to promote our own interests there is every reason for believing that we shall be at least fairly prosperous: and if the country, as a whole, and Montreal in particular, is fortunate in this respect, we know that it must accrue to the benefit of the bank of Montreal under judicious management. I may just for a moment mention another advantage we have, and that is that we are to have direct communication with the eastern and southern portions of the world. There is now on the sea from Hong Kong and Yokohama the first of a line of steamers from those countries to Vancouver. These are to be continued throughout the season, and, as they are vessels of a first order, we may expect certainly to have a large addition to our commerce from that quarter.

Now, gentlemen, on another point you and all of us may greatly aid in advancing our material interests, and this is a matter which is pertinent especially to ourselves in Montreal. We have heard a good deal latterly of the St. Peter's channel; we have also thought a great deal about it, and we are awakening to the necessity of doing something with regard to it and not letting it slide over as has been done to a great extent in the past. Should we get from the Government the money which has been expended by Montreal, some \$1,800,000 or \$2,000,000, for making this canal on the shallows of the St. Lawrence on to Quebec—for it is really a canal—although there was already more or less depth of water in the channel, but not enough for the navigation of the first class vessels that come to this port; if in possession of this amount we should be able to give such further facilities in the port of Montreal as must be of the greatest benefit, not only to ourselves here, but also to the country west of us, as well as east of us, because there is produce and merchandise to be borne both westward and eastward. And it is very gratifying to us to know that this view of making St. Peter's channel debt a charge on the Dominion is now being more readily taken up by the mercantile communities of the other provinces. We have also another great work to be done. We all know what great losses have been sustained year after year by the merchants of Montreal in property, and, above all, of the great suffering, both in means and health, amongst some 30,000 of the people of Montreal residing in the lower levels of the city from the rising of the St. Lawrence year after year. Relieved of the debt just referred to, I have no doubt we shall be able to do what should have been done long ago. Up to this time we have deplored all this and borne it, but I hope it will not be tolerated any longer, and that such proper representations as have been made to the Government will be continued until that which we so much desire has been effected. We are not to predict as to what may happen during the current year. Each of you being business men and intelligent observers of the course of events, can form your own opinion quite as well and even better than it would be possible for me to do. But this we can do, and that is to give the assurance that as in the past, if your confidence is continued to us, we shall endeavor so to administer the affairs of the bank as will give the utmost accommodation to its clients, consistent with a proper regard for your interests, retaining intact your capital and rest and giving you that dividend which you have a right to expect from a proper administration of your affairs. I have really nothing to add to the very full statement which has been laid before you, but will move, seconded by the vice-president, Mr. Drummond,

That the report of the directors, now read, be adopted and printed for distribution among the shareholders.

MR. GEORGE A. DRUMMOND.—Mr. Chairman, I have great pleasure in seconding the motion which you have presented to this meeting. I hold it to be a very great honor to have been connected in the past with an institution so deeply bound up with the prosperity of this country as the Bank of Montreal. When we know that this bank is the third joint stock bank in the whole British Empire, we can readily see that the prosperity of the Dominion of Canada is intimately bound up with it, that we on the one hand must owe our prosperity largely to the general prosperity of the country; and I think I can say that the great enterprises which the country has seen were for its interest, have owed a great deal in the

past, and may owe a great deal in the future, to the Bank of Montreal. I will not enter upon any of the financial questions open for discussion; the report of the directors is sufficiently explicit to render that unnecessary, but I shall content myself with simply seconding the resolution to adopt the report, which I have now great pleasure in doing.

SIR DONALD SMITH.—Before putting the motion, I would ask our General Manager to say a few words.

MR. W. J. BUCHANAN.—I beg leave to be permitted, before making any remarks concerning the statement, also to say a few words in regard to our late president. I have been so closely associated with him that I perhaps feel his loss more than anyone else, outside his own family of course. Every one who came in contact with him knows how kind and considerate he invariably was—nothing seemed ever to disturb his equanimity—his perceptions were keen, and his judgment, matured by long years of varied experience in matters of business and finance, was invariably sound. He gave every question which came before him the most careful consideration—indeed he was incapable of slurring over anything or forming hasty conclusions. His death has left a blank not easily filled.

And now in regard to the report; as stated in it, the deposits have fallen off during the year \$5,000,000, but as a considerable portion of it occurred in the first six months, during the most of which period money was not so valuable, our present earning capacity is not practically so much below what it was last year, while the demand for money is more active in New York and Chicago, as well as in Canada, now than twelve months ago, and rates are decidedly better; consequently we can at present keep our means more fully and profitably employed. But it won't do to run away with the idea that, therefore, we are certain to give you a better return than last year, as we then had a specially active demand, and at good rates, for fully eight months out of the last twelve, for every dollar we could spare, and in addition we reaped a fair profit from the sale of our government and other bonds, which were disposed of when we found more active employment for our money; but now we have very few bonds left to realise, and there is not the same margin for profit in them either. Indeed, the profits for the past year have, in my opinion, been almost exceptionally good, and will compare very favorably with many preceding years.

Going back for six years, the reports have only twice shown better net earnings, viz., April 30, 1882, \$1,641,000, and following year, \$1,557,000, as against \$1,520,000 in the present report, and during both those years there were large profits derived from railway loans in addition to a very handsome sum from the bank's interest in the Canadian Pacific Railway Land Grant Bonds, and it must not be forgotten that the regular rate of interest in Canada was higher then than now. And the expenses of management have from various causes increased. Then, as Sir Donald has stated, there has been an exceptional expenditure during the past year in connection with bank premises, and the directors very liberally gave the staff a bonus. These two items, if added to our shewing of net profits, would bring them to within about \$25,000 of April 1882. I should be very pleased if I felt able to say we are sure to do as well in the year we have entered on. It is not an impossibility; we may, but it is taking a rather sanguine view to expect it. The general trade of the country is, I believe, fairly good. The immense snowfall of last winter doubtless interfered with business a good deal, and left dry goods merchants with too many imported goods on their hands, as well as rendered payments rather tardy. A curtailment of importations will therefore be in order. The cotton and woollen manufacturers have been pretty fully employed, and are, as a general thing, making money, but the merchants tell us there is very little margin of profits left for them. There is a general cry that profits are too small, but that is nothing very new, although there may be more reason for it now; that there are, possibly, too many people in business, is not peculiar to this country. I am afraid I have trespassed too much on your time, and will only now add that I shall be happy to answer, to the best of my ability, any questions which you may desire to put to me.

SIR DONALD SMITH.—If any other gentleman