

Shareholder in the Bank of Montreal alive at the present time, his connection with the Bank dating from 1847.

In looking back through that long vista of sixty years, it is difficult to realize the wonderful changes that have taken place in the trade and commerce of the country and in the development of its varied resources, not to speak of the marvellously increased facilities of intercommunication by land and water.

And I confess that, in attempting to say a few words on this occasion, I feel myself to be in a tight place. Were this a missionary meeting, and these gentlemen all "true blue Presbyterians," I might be able to say something suitable to the occasion; but I fear they have not all been drilled in the Shorter Catechism as thoroughly as I was, which, of course, is their misfortune rather than their fault.

I have attended many bank meetings in my time, but this is the first occasion on which I have ever opened my mouth to address such a meeting as this; and as it is likely to be the last, I must crave your indulgence, and ask you to overlook anything I may say out of the way, and attribute it to my youthful inexperience.

My first voyage to New York, in 1841, was made in forty days, then accounted a fast voyage for an emigrant ship. The *Lucania* trotted leisurely across the ocean's race course last month in four days and nineteen hours! Such is the advance of ocean navigation in these sixty-six years. The journey from New York to Montreal then took four days, for we did not travel by night. The last stage was by the rickety railway from St. Johns to La Prairie—seventeen miles—then the only passenger railway in Canada. It was opened in 1836. In 1905, Government reported 21,394 miles completed, with some 4,000 miles under construction, actually more than all the British mileage in that year (21,174). In the sixties, Lord Milton and Dr. Cheadle took twelve months to cross the continent from Toronto to the Pacific: and had to eat one of their horses, as lean as themselves, before they completed their journey. To-day you may travel from Montreal to Vancouver in your luxurious Pullman car in less than ninety hours! Thanks to two of your past presidents—Lord Mount Stephen and Lord Strathcona, and the far-seeing Government of the day.

When I began farming in Ontario, we had neither mowing, nor reaping, nor threshing machines, and the women had no sewing machines. I threshed my first crop of grain in the same way that Ornan, the Jebusite, did 3,000 years before, and learned the meaning of the Mosaic injunction: "Thou shalt not muzzle the ox when he treadeth out the corn."

There was no money in circulation in those days. Everything was done by barter. The surplus products of the farm were exchanged by the storekeeper for his dry goods and groceries. Most obliging of men was the storekeeper. He gave unlimited credit. If the account was overdrawn, he took a little promissory note; when that matured, it might be renewed, with compound interest added; when that fell due, if not paid, he took a little mortgage; and, as a last resort, in many instances, he took the little farm.

Canada was then in many respects a terra incognita, consisting of half a dozen of provinces knowing about as much of each other as they did of the South Sea Islands, with differing laws, tariffs and currency. The postage on a letter from Ontario to Halifax was 2s 3d. Now a letter of an ounce weight can be sent to the ends of the earth for two cents. Among the monetary institutions of the country at that time, in good standing, was the Bank of Rustico, in Prince Edward Island. Its capital was £1,000, Halifax currency. It had no rest at all. A thrifty farmer was the sole stockholder, the president, general manager, and teller of the Bank. It frequently happened that a customer had to go out to the field and bring the cashier away from the tail of the plough!

When I entered into partnership with the Bank of Montreal in 1847, its capital was \$3,000,000, and Rest not quite \$100,000. To-day, its combined Capital and Rest is \$25,400,000; it has 134 branches and agencies, and a staff of more than 1,000 persons in its employ. It ranks among the great banks of the world.

Mr. Alexander Simpson was the cashier till 1855, and was followed by Mr. David Davidson, who became the first general manager in 1862 till March, 1863. Mr. Davidson was an uncle of the present Archbishop of Canterbury. He became manager of the Bank of Scotland, the oldest in Scotland (founded in 1695), and during his term of of-

fice the splendid banking house on the Castle Hill took its present stately form—one of the finest edifices in "Auld Reekie" to-day. Singularly enough, the Bank of England was founded by a Scotchman in 1694, and the Bank of Scotland by an Englishman in the following year, and by its act of incorporation it was accorded the sole privilege of banking in Scotland for twenty-one years.

Mr. Davidson was followed here by Mr. E. H. King, as General Manager—1863-1869. During that short time the business of the Bank of Montreal increased by leaps and bounds. On his retiring, the old saying became rife: "What can the man do that cometh after the King?" But the men who came after Mr. King worthily upheld the traditions of the past. Mr. R. B. Angus, 1869-1879; Mr. C. F. Smithers, 1879-1881; Mr. W. J. Buchanan, 1881-1890, and Mr. E. S. Clouston, our able and accomplished general manager to-day, since 1890.

The President of the Bank in 1847 was the Hon. Peter McGill, who was twice Mayor of Montreal. I have good cause to remember Mr. McGill, for it was from him I purchased the old Crysler Farm, where I earned my bread, for twenty-five years, by the sweat of my brow. The presidents of the Bank following Mr. McGill were:—Mr. T. B. Anderson, 1860-1869; Mr. E. H. King, 1869-1873; Mr. David Torrance, 1873-1876; Mr. George Stephen (now Lord Mount Stephen), 1876-1881; Mr. C. F. Smithers, 1881-1887; Lord Strathcona, 1887-1905; Sir George Drummond, since 1905.

Among other officers of the Bank I retain a pleasant recollection of old Mr. Franklin, who dealt out his dividend cheques with a smiling face during twenty-eight years, up to 1879, as has since been done by Mr. Smith, of the Transfer Department, until now.

For several years we received dividends and bonus at the rate of 16 per cent.; from 1871 to 1874, we got 12 per cent. annually; since then the rate has been uniformly 10 per cent.

The highest price for Bank of Montreal stock in the market, was \$310 (per \$100) in June, 1870, the par value of the shares being then \$200 per share. The lowest price on record since 1847 was, in like manner, \$108, in June, 1857.

In 1847, there were six chartered banks in British North America, all of which are still in existence.

During this interval of sixty years many other banks were founded, some of them destined to be short-lived, some amalgamated with kindred institutions, while others had resort to the dire expedient of writing off large portions of capital. But the Bank of Montreal has encountered no such disasters; its progress and prosperity have been uninterrupted, the most convincing proof of which is the magnificent financial statement in our hands to-day, showing profits for the year ended October 31st last, amounting to \$1,980,138.04.

There are at the present time thirty-five chartered banks in the Dominion, six of which have a paid-up capital and rest combined exceeding eight millions of dollars.

These thirty-five Banks have in all no less than 1,820 branches. In what I am now about to say, I know that I am treading on dangerous ground, so you will please take it cum grano, for what it is worth. Needy and greedy shareholders are asking, with such an exhibit as has now been made, has the time not come when the Bank should increase its dividends? The emphatic answer to that question is "Decidedly No." When the Rest is made equal to the paid-up capital, then, and not till then, should the proposal be entertained. In this opinion I am supported by Mr. Knight, the Secretary of the Banking Association, and Mr. Fyshe, whose experience as a successful bank manager invests his opinion with importance.

Shareholders, as a rule, are not the best judges of what is good for themselves in this behalf. The responsibility, and it is a very serious one, rests with the directorate, with whom the element of safety must always be paramount.

"The strongest bank in Canada to-day," I quote from Mr. Fyshe, "is not one having the largest amount of capital; it is one of the smaller banks, having a capital of three millions. But it has a Rest of \$5,250,000. It is a little bank that could easily declare a dividend of 15 per cent. or 16 per cent., but which has the courage of its convictions, and has nailed its colors to the mast with this motto: 'Judicious dividends, and absolute safety to the shareholders.'"

I may add that the dates and other figures I have mentioned have been carefully scrutinized and verified by Mr.