1919. Bank of Montreal

ANNUAL GENERAL MEETING. Held 1st December, 1919.

The 102nd Annual General Meeting of the Shareholders of the Bank of Montreal was held yesterday in the Board Room at the Bank's Head-

E. W. Beatty, K.C.; H. W. Beauclerk, D. R. Clarke, Colonel Henry Cockshutt, Huntly Drummond, Edward Fiske, J. Jeffrey Fiske, C. J. Fleet, K.C.; Hon. Geo. G. Foster, K.C.; G. B. Fraser, Dr. Wm. Gardner, Sir Charles Gordon, G.B.E.; J. Maxtone Graham, C.A.; Lt.-Col. G. R. Hooper, C. R. Hosmer, L. Julien, Harold Kennedy, T. Marion, Chas. Meredith, Sir Vincent Meredith, Bart.; W. R. Miller, Lt.-Col. Herbert Molson, M.C.; S. Geo. McElwaine, Wm. McMaster, Campbell Nelles, Hugh Paton, John Patterson, Alfred Piddington, Henry E. Rawlings, James Rodger, A. G. Ross, Rt. Hon. Lord Shaughnessy, K.C.V.O.; E. P. Winslow.

On motion of R. B. Angus, Sir Vincent Meredith was requested to take the chair.

Mr. C. J. Fleet, K.C., moved, seconded by Mr. H. W. Beauclerk, that Lieut. Colonel George R. Hooper and Mr. W. R. Miller be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the meeting. This was earried unanimously.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the Annual Report of the Directors to the Share- profits in moderate proportion to the the value of the pound sterling, in holders at their 102nd Annual Meeting, held Monday, December 1st, 1919.

THE ANNUAL REPORT.

The Directors have pleasure in presenting the report showing the result of the Bank's business for the year ended 31st October, 1919. Balance of Profit and Loss Account, 31st October, 1918 Profits for the year ended 31st October, 1919, after

deducting charges of management, and making full provision for all bad and doubtful debts ... Premiums on New Stock

Quarterly Dividend 3 per cent. paid 1st March, 1919... \$572,250.00 Quarterly Dividend 3 per cent. paid 1st June, 1919 ... Quarterly Dividend 3 per cent. paid 1st Sept., 1919... 600.000.00 Quarterly Dividend 3 per cent. payable 1st Dec., 1919.. 600,000.00

\$2,372,250.00 Amount credited to Rest Account War Tax on Bank Note Circulation to 31st Oct., 1919 Subscriptions to Patriotic Funds Reservation for Bank Premises 300,000.00

Balance of Profit and Loss carried forward

points throughout the Province of the Dominion, and five in Newfoundland, as well as an office in Paris, France. Four temporary offices were closed, including that at Trafalgar Square, London, England, which was opened for the convenience of the troops.

Since the last Annual Meeting, Branches were opened at forty-three

Following the absorption of the Bank of British North America, the business of the two Institutions has been merged at twenty-two points.

We have taken out a California State charter in the Name of the British American Bank, in which we own a controlling stock interest, and this, in conjunction with our license for operating a branch of the Bank of Montreal. provides us with complete facilities for conducting our increasing business in San Francisco

All the Offices of the Bank, including the Head Office, have been inspected during the year.

Bank of Montreal, 1st December, 1919.

(Signed) VINCENT MEREDITH, President.

THE GENERAL STATEMENT.

The General Statement of the position of the Bank on 31st October, 1919,

LIABILITIES		
Capital Stock	\$20,000,000.00 1,812,854.43	\$20,000,000.00
Unclaimed Dividends	\$21,812,854.43 8,621.49 600,000.00	92 491 475 92

Notes of the Bank in Circulation \$43,922,844.00 Deposits not bearing interest 129,946,641.02 Deposits bearing interest, including interest accrued to date of statement 312,655,964.44 Deposits made by and Balances due to other Banks in Canada 2,110,883.25 Balances due to Banks and Banking Correspondents elsewhere than in Canada 4,122,490.91 Bills Payable 4,334,342.79 4.895.505.49

Acceptances under Letters of Credit Liabilities not included in the foregoing

ASSETS Gold and Silver coin current \$24,742,654.64 Dominion notes 49,865,151.50 Deposit in the Central Gold Reserves 25,200,000.00 Balances due by Banks and Banking Correspondents elsewhere Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures & Stocks 2,583,910.00 Call and Short (not exceeding

thirty days) Loans in Great Britain and United States.... 78,255,625.37 94,696,343.73 Dominion and Provincial Government Securities not exceeding market value 63,984,255.10 Railway and other Bonds, Debentures and Stocks not exceeding market value Canadian Municipal Securities, and British, For-

eign and Colonial Public Securities other than Canadian 47,041,859.70 Notes of other Banks Cheques on other Banks 21,189,104.58

Current Loans and Discounts in Canada (less rebate of interest) 164,182,581.03 ans to Cities, Towns, Municipalities and

Bank Premises at not more than cost fless nts written off)

(as per contra) Other Assets not included in the foregoing

4,895,505.49 162.421.34

To the Shareholders of the Bank of Montreal. We have checked the Cash and verified the Securities of the Bank at the of the Principal Branches of the Bank at various times during the year. We dollars and probably more. The situa- smooth and so complete that no ripi that have come under our notice have been, in our opinion, within the powers and correct view of the state of the Bank's affairs according to the best of Amongst those present were: D. Forbes Angus, R. B. Angus, S. M. Baylis, our information, the explanations given to us, and as shown by the books of than formerly for many years to come. our cap

J. MAXTONE GRAHAM, JAMES HUTCHISON, GEORGE CREAK.

Montreal, 18th November, 1919.

The President's Address.

borrowings.

The relation of gold reserve

ancies in revenue, it is then a form of

adoption of the Report of the Directions, show a decrease of \$141,600,000. ors to the Shareholders, said:-General trade in practically all States, the gold holdings of all the

branches has been active and profit- belligerent countries have been able during the year and the Bank pleted during the war to meet adverse has participated in the general pros- trade balances, and their economic perity. The balance sheet shows condition has been greatly weakened. resources employed and yet, I trust, terms of the American dollar, being not unsatisfactory to the Sharehold- reduced to \$4.00, the mark to 21/2c., ers. That reaction from the feverish the franc to 10c., and our own curactivities and high prices produced rency by 4% to 5%. by the vast conflict which so many | The depreciation of currency, how

\$1,901,613.22 apprehended has not occurred, nor ever, is not whelly an unmixed evil, can it be said to be impending. The as it acts as a corrective to adverse feeling as to the future is less opti- trade balances by checking imports 3.314.227.38 mistic than it has been, but the great and stimulating exports. 3,500,000.00 pressure on our agricultural and In the absence of gold, large issues nanufactured resources caused by of paper money have been made home and foreign demand shows no necessary in all countries to meet the

> Though marked by a high degree consequence of abnormal business of prosperity, the year has also been activity, coupled with war expendione of world-wide labour unrest, tures. The effect has been the dewith demands for increased wages moralization of all exchanges. and shorter working hours, culminating in strikes and disorder, with re- and provide an effective gold stansultant decreased efficiency, lessened dard correcting the over-issue of production and greater cost of out- paper money will take time, and can put. This unrest may in a measure only be brought about by economy be attributable to unsatisfactory pre- and increased exports. The stabilizwar conditions, but probably in a ing or pegging of exchange I believe settlement due to the abnormal ner- hibitive cost. In any event, it would yous strain of the great war.

In one important respect, normality there is a cessation of Government has come again—the mercantile seagoing tonnage of the world has been restored to pre-war dimensions and is note circulation is a question on rapidly being increased, an accom- which divergent views are held, one plishment that should soon permit of school of economics demanding the regularity in the carriage of overseas restoration and maintenance of an eftrade and in a reduction in freight fective gold standard and the other rates and cheapened cost of commo-

The high cost of living, about which quate and more elastic reserve. so much is being said and for the re- I am not sure that it is not the part lief of which so many remedies are of wisdom to depart from old notions suggested, is a world-wide, not a le- of the rigidity of the gold reserve, cal, condition. It is due in part to and recognize that we are justified in the large volume of currency now in enlarging our note-issuing powers to circulation, which to a considerable respond to all legitimate business deextent must be regarded as credit ex- mands in periods of great trade acpansion largely the result of Govern- tivity or emergency, provided such ment borrowings and the disburse- expansion is based on self-liquidating ment of the proceeds thereof, to- securities. If used to cover discrepgether with post-war activity.

The deprivations of the past five inflation wholly unjustifiable, bringyears have induced an orgy of self- ing with it, as it does, the well-known indulgent expenditure by the general evil effects of a depreciated currency public, to which has been added lav- at home, besides greatly damaging ish outlay by many people who our credit in the eyes of the financial amassed fortunes during the war. world. All these are contributing factors, There are three indispensable facbut they affect to only a limited ex- tors to the upbuilding of Canadatent the high costs, which are with- immigration, production and exports. out doubt the direct result of the Immigration during the last five pressing demands of European coun- years has been negligible owing to tries for commodities of every na- the war. In the first seven months ture at abnormally high prices. We of the current fiscal year, new arrivcannot, therefore, expect any con-[als numbered 82,893, of whom 42,377 siderable amelioration in living con- came from Great Britain and 35,949 ditions until the world's demands are from the United States. While these satisfied and Europe once more re- figures do not represent a large moveturns to an exporting basis. Every ment as compared with several preeffort is being made to this end, but war periods, they show a gain of 51,it must of necessity come gradually. 734 immigrants, or about 166 per cent. Food and prices will without doubt over the corresponding months last be the soonest overcome, and I think year. After-the-war emigration of we may look forward confidently to foreign-born has taken place in fairly a reduction in the cost of all commo- large volume, the exact figures of dities both at home and abroad after which are not obtainable

has been well maintained, and the is believed that nations will not war tice. outlook gives no cause for apprehen- again in this generation, and the ob- The economic and financial diffision of an early recession. The la- jection to the incoming of alien peovourable balance of trade has this plying. year been \$145,200,000. The price! although the figures of particular sans and labourers. Indications are has benefited so vastly by the war, products have fluctuated considerably. Thus, the export of foodstuffs was the United States into the United States has already re
Thus, the export of foodstuffs was the States into the United States has already re
Thus, the export of foodstuffs was the United States into the United States has already re
Thus, the export of foodstuffs was the United States into the United States has already re
Thus, the export of foodstuffs was the United States into the U

The state of the national finance

more than five-fold in as many years. hat is to say on March 31st next, will largely internal. We cannot go on cers alike feel at home in the Bank heard so frequently but to which, unnot been paid, relief is to be found in immigration, harder work, greater efficiency, increased production and America. thrift. To these agencies must be

conjoined rigid economy in all private and public expenditure. With the exception of the United meet post-war conditions. Trade is alizing excess business profit tax reduced, or abandoned altogether, we enterprise and expansion are stifle and foreign establishments deterred from entering the Canadian industrial field. Taxation should be so distriof making this country too dear to live in and thereby divert intending resi-

dents to other countries. and imposing taxation on all classes of the community who have the ability o pay, and placing a high tariff upon mported luxuries would, I believe cause little hardship and considerably ease a strained financial situation. besides giving all persons in Canada To restore the reserves of meta a more immediate interest in the economical administration of our public

affairs so no more conclusive evidence need be given than the immense subscription to the recent Victory Loan.

be futile to attempt to do so until eign trade, it is only a matter of time before increased production will vance for finding markets overseas for our exportable surplus of raw ma- of charge. uninterrupted prosperity may be checked. The needs of foreign councontending that goods and services. tries are great and pressing, and combined with gold, form an adeprofitable business awaits the Cana-

to extend further aid, provided exporters, who reap the benefit, will assume the proportion of the risk.

Self-interest alone would seem to ed to those countries who can demonstrate their ability to pay if given easonable time, and we would thus avoid the possibility of abrupt changes in industrial conditions and bring about a gradual return of international trade equilibrium.

I cannot close without voicing what. am sure, is the feeling of every Canadian-that the recent visit to ing pleasure to every class of our population, but rendered a great and remorable service to the Empire in strengthening the Throne in the affection and confidence of the people, 1913. and by drawing still closer the ties which bind the commonwealth of nations over which he is destined to

THE GENERAL MANAGER'S AD-

Sir Frederick Williams-Taylor, the another harvest, to be followed in In my judgment, it is of vital im- General Manager of the Bank, then on this point would constitute a men- was placed in the United States. natural sequence by a reduction to portance that our unoccupied areas made his annual address, as follows: ace alike to borrower and banker. It discount on the Canadian dollar annual address, as follows: some extent in the scale of wages; be settled and made productive with Mr. Chairman and Gentlemen:but the process promises to be gradu- as much rapidity as possible, the fu- The balance sheet to the 30th October al, and marked and rapid decline in ture presperity of the country and last, which I now submit for your dities must decline in price; therefore domiciled in New York. the near future do not seem probable, ability to meet our debts largely de- approval, covers a round period of great care and scrutiny of credits on In Great Britain, the dollar The foreign trade of the Dominion pending on increased production. It twelve months following the armis- the part of bankers and other busi- change situation is the cause of

nsignificant decrease, while the fa- dities which Canada is capable of sup- Therefore, even with a full measure | The total deposits of all Canadian There is reason to believe that the future difficult to visualize. We deindex of commodities not having ma- polley of the energetic Minister of rive a measure of consolation in com- and \$832,000,000 ten years ago. mmerce has not greatly changed, land of domestic servants and of arti- wards that country to the south which \$146,000,000 at the corresponding date London office has been cut off

larger in value by \$114,200,000 this our Western Provinces, attracted by duced its war debt by some \$800,000, in the matter of capital expenditure. ly in importance and utility as all year than last, in the seven months, the superior productivity of our soil 000, while we confront an increase of Loans in this class aggregate \$15,- ministrative centre for our for duced its war debt by some \$800,000, in the matter of capital expenditure. ly in importance and utility as an ad-

ountries of our late Allies and from differently, any prosperity experies ced in the United States must be reflected in Canada. Our true comfort, leserves a wider and more profound as well as our pride, is that the Do-

which before the war was \$331,000,000, Canadian would have it otherwise, had on October 31st last reached the and therefore we face the cost with The total holdings of all the bath stout hearts and the future with our balance sheet and the points of in

fairs. We believe its friends and offi-Since presenting the last balance

To repeat the formula that has been corresponding increase in Rest Account. Both items now stand at as an English authority states fortunately, sufficient attention has \$20,000,000. The increases are primarily in connection with the acquisi- | tion of all kinds of people who has

Shareholders of that Bank were accorded the option of taking cash or exchanging their holdings into Bank

added to the strength and prestige of

Our profits for the year have been satisfactory, enabling us to provide the usual return of 12% on capital and make adequate provision for

portance to bear repeating that there has been no profiteering whatever by in the same period, shipped good rower of loanable funds of the bank- sending out of Canada annually as ing institutions of this country re-

The Bank's earnings have been our liquid assets to liabilities being war loans, and to Municipal, Provin-

quired. It is pertinent to mention that, in unusual freedom from losses. As a those personal sacrifices of please measure of prudence, however, we made during the war. It is here provide for contingencies, a policy place to remark that in the eyes with which we feel sure you will be Europeans the people of North Amit

in accord. The practical evidence of Canada's fortunate trade conditions lies in the has created fresh domestic credit Prince of Wales not only gave abid- fact that commercial failures for the struments in the form of bonds twelve months ended 31st October \$2,100,000,000. The increase of circle were 766, as compared with 904 for lation and of bank deposits follow the previous corresponding period as a natural sequence. and with 1669 in our bank year 1912- .

> cost of living, has been dealt with by increase of \$296,000,000. In the same your President, but I might add that period the total gold held in Cana the inevitable decline in prices is at has increased \$60,000,000. least nearer, and it is to be hoped Canadian provincial govern that the delay is not lulling dealers municipal and industrial public of into the erroneous belief that the flotations, during the twelve me standards of these last few years will under riview, were \$117,500,000. continue indefinitely. Misconception which, in round figures, \$90,000. seems certain that food prices will tracted material American buying drop presently and that all commo- such securities, especially of ness men are imperative.

culties that confronted the country grow satisfactorily both in volume ling in America encourages spi test available figures, those of the ple is in consequence mitigated. The during the war have since changed and in number. The fact that we are operations such as the purchase seven manths ending October 31st, combing should not, therefore, be in nature, but have not disappeared custodians of deposits of a special London of Canadian and American show imports to have been \$543,670, made too fine. The economic gain of by any means. There is an aftermath nature inevitably causes our total fig- curities. These operations help 000 and exports \$688,890,000. As a large immigration to develop our compared with the corresponding period last year, there was a decline of \$16,400,000 in imports and of \$31,200,000 in exports, a relatively ished in food and denuded of commonants. There is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is ground to by any means. There is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is ground to by any means. There is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is ground to by any means. There is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is ground to by any means. There is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is ground to by any means. There is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is ground to by any means. There is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is an attermating nature inevitably causes our total figures to fluctuate heavily. Our total deposits are \$442,000,000, being \$27, part of labour, there is an attermating nature inevitably causes our total figures to fluctuate heavily.

of faith in our country, I find the near Banks are now \$2,360,000,000, as com- tinues plentiful in England at mod pared with \$2,085,000,000 a year ago ate rates, and there is no thought paring our lot with that of countries Our current loans in Canada also an historic position as the finance ander review, the deduction may be that its fruits will be manifested in an worse off than our own, but contigu- vary largely in volume. The total is centre of the world. ncreasing influx of settlers upon the ity and ambition direct our eyes to- now \$154,000,000, as compared with As in the previous years of war.

sale of certain banking prones

Among our assets, the item h ion and Provincial Governme prities, including loans to the er, now stands at \$64,000,000 year ago the total was \$46.800 indicated by the Government of October 31st, was \$361,200,000

ost two dollars to send one him

reordinary cost of sending mone try, while, in common with all a tries, our legal tenders are natu

our own Provinces, were it not our legal tenders and bank notes current throughout the Dominion

American, seeking return to pme etors abroad. The disadvantage (m

a war character, we have acted free on New York funds will last until Repayment to Canada of the money maintained through fuller employ- aggregating \$420,000,000, owed us ment of our resources, the ratio of Great Britain and the Allies we quired unless long-term credits are of credit to our commercial borrow- but it is well to bear in mind that ers. All legitimate applications of alleviation of the penalty can as sun Our Government has been far- this nature have been granted. Also ly be found by diminution of imput sighted in giving assistance in this we have loaned freely to subscribers ed luxuries as it is certain that is ed against the security of the various penalty, in part, is caused by su importations. Also, the si cial and Federal Governments as re- could be relieved by borrowing in the United States, but this course is to be deprecated and would not be dictate that credit facilities be extend- the ordinary trade of the country, cure, but merely postponement money has been made so easily and payments. As indicated by your Pres with so little risk since 1914 as com- | dent, the true remedy lies in incress pared with ordinary times that our production and the economy the Banks, in turn, have operated with would be reflected in resumption

> ca are extravagant and wasteful. Since the outbreak of war, Can

Our Bank and Government noted culation is now \$532,000,000, as com That outstanding subject, the high pared with \$236,000,000 in 1913,

anxious thought. Meanwhile Our saving deposits continue to present low value of the pound st Considering the time, money

the part of London of surrender

and the export of wood and wood and its comparative cheapness, and I seems obvious, however, that though fate has treated the two countries been reduced by \$500,000 through the water. business, and is steadily growing

this year, borrowed \$75,000,000 keeping with American market c case of the recent British loan

thy and desirable condition Canadians should recognize virtue of saving. As between proc tion and thrift, though they should hand in hand, the latter is fund mental and lends naturally to the

streumstances justify.

our Paris office is well establish link between our extensive Eu connections and London, York, Chicago, San Francisco

civilian capacity.

While this year the yield wa not up to the mark, the Western farmers had much to be thankfu

I hpoe that time may presently pe mit me to visit other divisions, as did British Columbia and the Nor

In concluding, I have no hesitat in expressing the belief that the fairs of the Bank have never been a healthier state. Our domestic bu have been adequately extended meet the development of the country trade, and, what is most importa we are well equipped in point staff. Altogether, I feel that we well prepared to meet any condition and contingencies that may arise. The General Manager then gave

tailed reports regarding the seve divisions, namely: Quebec, Ontar The Maritime Provinces, The Prais ovinces, British Columbia, Ne undland and Mexico; and said following regarding Newfoundland

NEWFOUNDLAND.

The estimated catch of cod will ubstantially the same as last ye with purchasing prices about 25 cent. less. The comparative exp Sures to 30th June, 1919, are: Quintals. Value Dried Cod1,618,770 \$24,316,5

Dried Cod 1,821,206 \$18,829, Mckled Cod 212,253 \$ 1,543, 1918 Mckled Cod .. . 195,218 \$ 1,023,

1918

The frozen fish industry is being The output of the Bell Island i mines was again smaller than Previous year, being 709,300 tons impared with 751,000 tons in 1918 About the usual amount of lumb he was done. Paper manufactur

We now running their plants at capacity. Tonnage is available, tocks have been marketed at prices. The pulp industry is dull The take of seals was the small on record, probably owing to the ed number of vessels engaged. Manufacturers of clothing, bo shoes, ironwear, cordage, and so fo

are all making money. Wholesale and retail trades hue good with payments well me With the high prices obtained ah and oils, the financial positio unity is generally good. rest-bearing deposits in banks s increase of nearly \$2,000,000

he Chairman then moved, sec by Lord Shaughnessy, that the t of the Directors, now rea ed and printed for distribu

the Shareholders. he Report was unanimously

dr. C. R. Hosmer moved, seco