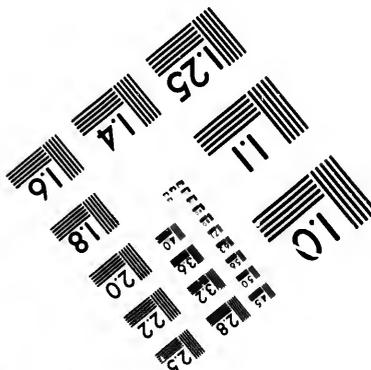
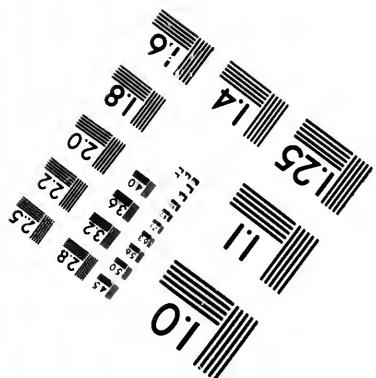
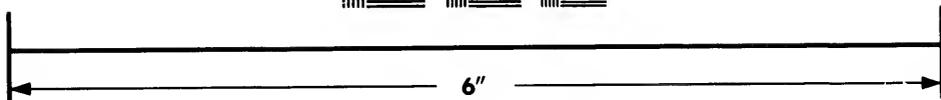
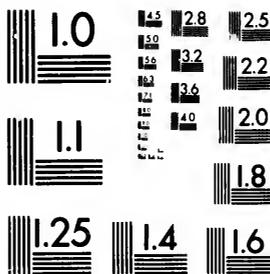


**IMAGE EVALUATION
TEST TARGET (MT-3)**



**Photographic
Sciences
Corporation**

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

14 28 25
18 22 20
18

**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

10
51

© 1982

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- | | |
|--|--|
| <input type="checkbox"/> Coloured covers/
Couverture de couleur | <input type="checkbox"/> Coloured pages/
Pages de couleur |
| <input type="checkbox"/> Covers damaged/
Couverture endommagée | <input type="checkbox"/> Pages damaged/
Pages endommagées |
| <input type="checkbox"/> Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée | <input type="checkbox"/> Pages restored and/or laminated/
Pages restaurées et/ou pelliculées |
| <input type="checkbox"/> Cover title missing/
Le titre de couverture manque | <input checked="" type="checkbox"/> Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées |
| <input type="checkbox"/> Coloured maps/
Cartes géographiques en couleur | <input type="checkbox"/> Pages detached/
Pages détachées |
| <input type="checkbox"/> Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire) | <input checked="" type="checkbox"/> Showthrough/
Transparence |
| <input type="checkbox"/> Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur | <input type="checkbox"/> Quality of print varies/
Qualité inégale de l'impression |
| <input type="checkbox"/> Bound with other material/
Relié avec d'autres documents | <input type="checkbox"/> Includes supplementary material/
Comprend du matériel supplémentaire |
| <input type="checkbox"/> Tight binding may cause shadows or distortion
along interior margin/
La reliure serrée peut causer de l'ombre ou de la
distortion le long de la marge intérieure | <input type="checkbox"/> Only edition available/
Seule édition disponible |
| <input type="checkbox"/> Blank leaves added during restoration may
appear within the text. Whenever possible, these
have been omitted from filming/
Il se peut que certaines pages blanches ajoutées
lors d'une restauration apparaissent dans le texte,
mais, lorsque cela était possible, ces pages n'ont
pas été filmées. | <input type="checkbox"/> Pages wholly or partially obscured by errata
slips, tissues, etc., have been refilmed to
ensure the best possible image/
Les pages totalement ou partiellement
obscurcies par un feuillet d'errata, une pelure,
etc., ont été filmées à nouveau de façon à
obtenir la meilleure image possible. |
| <input type="checkbox"/> Additional comments:/
Commentaires supplémentaires: | |

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>									

The copy filmed here has been reproduced thanks to the generosity of:

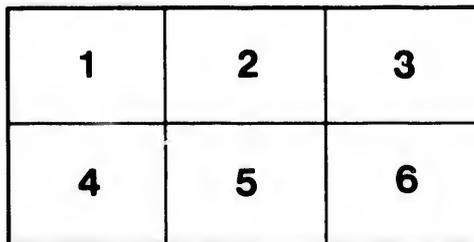
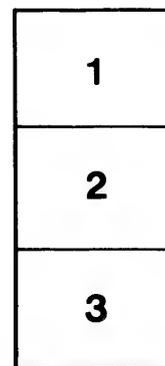
University of British Columbia Library

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

University of British Columbia Library

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

errata
to

pelure,
on à



HG2708
M607

THE CANADIAN MAGAZINE

VOL. XVI

DECEMBER, 1900

No. 2

THE GREATEST BANK IN AMERICA.

By J. Macdonald Oxley, B.A., LL.B.

IT is one of the curious reversals of human judgment that the very business which to-day, beyond cavil, holds the highest place as to dignity and influence in the world of commerce had its origin in obloquy, and was at the outset regarded as fit to be carried on only by the despised and ill-treated Jews.

They were the first bankers—they drew the first bill of exchange, and to them we unquestionably owe that marvellous system of banking and exchange which during its steady growth from small beginnings has contributed more than any other cause to the development of the world's resources.

Exposed as they were to the envy, malice, and hatred of the people, and to the conscienceless cupidity of financially embarrassed sovereigns, the poor Jews had to walk very warily, and to keep their capital in the form least likely to attract attention, and most easily convertible into money. But, as the times grew more enlightened, and this persecuted people came to enjoy equal rights with their Christian brethren, they rapidly extended their operations from being mere money-changers and pawnbrokers to the actual conduct of banking. In this they had, of course, many imitators, and thus it came about that the business of money lending and transmitting grew to such importance and honour as to be deemed worthy the active interest of the best men in the land.

The financial history of Canada can hardly be called a lengthy one, but it has many points of interest, beginning as it did with the simplest conditions of barter, followed by so crude a currency as moose and beaver skins, not to mention brandy, thence developing through the card-money of New France and the Army Bills of the British conquerors into a bank-note system practically similar to what is now in vogue.

The retirement by the British Government after the close of the war of 1812 of the Army Bills issued to meet the expenses of that war, which had



JOHN GRAY, ESQ.
First President Montreal Bank 1817-1820.

proved so great a convenience, was the direct cause of the establishment of the Bank of Montreal, which accordingly enjoys the double distinction of being the oldest as well as the largest financial institution of the Dominion.

It was, presumably, early in May, 1817, that a number of the leading merchants of Montreal entered into articles

of association for the formation of a bank. These articles were published in the Montreal *Herald* of May 22nd, but as no copy of that paper is now obtainable, no copy of the articles was supposed to exist. About two years ago Mr. Jas. Bain, jr., of the Toronto Public Library, picked up a small pamphlet containing them. This is the only printed copy known to be in existence. Un-

fortunately there is no date on the book, and the record was thus incomplete. During the present year, through the researches of the editor of this magazine, the original articles and stock book were discovered in the archives of the Bank, though the book was thought to be lost. This valuable book,

the first page of which is reproduced herewith, as well as the first page of the newly discovered printed pamphlet, shows that the stock lists were opened on June 23rd. As the articles required that thirty days' notice should be given in four provincial newspapers before the subscriptions could be accepted, we have the second piece of evidence show-

ing that the original articles must have been drawn up in May.

It will be noticed that the articles of association in the original were signed by nine men. The first of these is John Richardson, of the firm of Forsyth, Richardson & Co. This firm is the first in the list of subscribers taking twenty shares for themselves, twenty for John Richardson, twenty for Inglis, Ellice & Co., of

London, England, and ten for William Allen, Esq., of York (Toronto). The second signator is George Garden, of Maitland, Garden & Auldjo, the firm taking twenty shares, and each of the three partners as many more for himself. The third signator is George Moffatt, who, judging from the sub-

Articles
OF
ASSOCIATION
OF THE
MONTREAL BANK.

To All to whom these Presents shall Come ;

BE it known and made manifest, that we, the Subscribers, have formed an Association or limited Partnership, and do hereby agree with each other, to conduct Banking Business in the manner hereinafter specified and described, by and under the name or style of

The Montreal Bank ;

And we do hereby mutually covenant, declare and agree, that the following are and shall be the fundamental Articles of this our Association and Agreement with each other, by which we, and all persons who at any time hereafter may transact business with the said Company, shall be bound and regulated.

A First

FACSIMILE OF FIRST PAGE OF PAMPHLET CONTAINING ARTICLES OF ASSOCIATION AND RULES AND REGULATIONS OF MONTREAL BANK. THIS WAS PRINTED ABOUT AUGUST, 1817, AND THE ONLY COPY KNOWN TO EXIST IS IN POSSESSION OF THE TORONTO PUBLIC LIBRARY.

Articles
of
Association
of the
Montreal Bank.

To all to whom these Presents shall come,

Know all men, that we the Subscribers, have formed an Association or limited partnership, and do hereby agree with each other, to conduct Banking Business in the manner herein after specified, and so described, by and under the name or style of
The Montreal Bank,

And we do hereby mutually covenant, declare and agree, that the following are and shall be the fundamental articles of this our Association and Agreement with each other, by which we, and all persons who at any time hereafter may transact Business with the said Company, shall be bound and regulated.

First,
John Richardson J. B. A. Turner Amédée Paté
George Davison Robert Amos John C. Burch
Amos A. A. Austin Evilline

FACSIMILE OF FIRST PAGE OF BOOK ENTITLED "ORIGINAL ARTICLES OF ASSOCIATION AND SUBSCRIPTION" RECENTLY DISCOVERED IN THE ARCHIVES OF THE BANK OF MONTREAL. THIS BOOK CONTAINS THE ORIGINAL STOCK SUBSCRIPTIONS, NEARLY THREE HUNDRED NAMES IN ALL, AND THEIR DATES, PREFACED BY THE ARTICLES OF ASSOCIATION. EACH OF THE TWENTY PAGES OF THE LATTER IS SIGNED BY THE SAME NINE GENTLEMEN.



HORATIO GATES, ESQ.
Third President 1826.



THE HON. JOHN MOLSON.
Fourth President 1826-1835.

scription list, was acting in this matter for Gerrard, Gillespie & Co. Samuel Gerrard of this firm was the second President. The fourth signator, and, according to the lists, an important gentleman, was Thomas A. Turner. The fifth and sixth, Robert Armour and James Leslie, do not figure strongly in the lists. The seventh, Horatio Gates, was equal in importance with the first four, and afterwards succeeded Mr. Gerrard as President. John C. Bush and Austin Cuvillier were not heavy subscribers. It would be interesting to know just what circumstances and what ambitions drew these nine men together.

The capital was limited to £250,000 currency*, divided into 5,000 shares of £50 each. The stock-book opened on June 23rd, as has been stated, and on that day 1,227 shares were subscribed. The subscriptions came in very slowly after that, and it was not until September 20th that the last of the 5,000 shares was taken. On Monday, November 3rd, the bank opened for business with £87,500 paid up. It was no

* In Canadian or Halifax currency the pound was equal to four dollars. This currency was established for the Province of Canada by an Ordinance of 1767.

small undertaking in those days to float a Canadian company with a capital of £250,000. A considerable portion of the capital was subscribed in Boston, New York, Middleton (Conn.), Walpole (N. H.), and some also in Glasgow and London.

The first meeting of the directors was held on August 7th. The minutes of this meeting are still in the possession of the bank.

The first location of the bank was in a building on St. Paul Street, where a modest suite of offices was rented for £150 per annum, and a staff of three, cashier, accountant, and teller, installed to meet the demands of the public. John Gray was the first president, and Robert Griffin the first cashier.

How greatly the mercantile community needed the facilities afforded by the bank, and how admirably it provided them, is made clear by the wonderfully rapid growth of the paid-up capital.

Starting with \$350,000, in two years it had to be increased to \$650,000, and the next year to \$750,000. In 1829 it rose to \$850,000; in 1841 to \$2,000,000; in 1855 to \$4,000,000; in 1860 to \$6,000,000; and in 1873 to \$12,000,000, at which it now stands, being



THE HON. PETER MCGILL.
Fifth President 1835-1860.



T. B. ANDERSON, ESQ.
Sixth President 1860-1869.

the largest possessed by any bank on the American continent.

Although thus organized and in operation in 1817, it was not until 1821 that the Legislature granted the charter for which application had been made without delay, and a year later still ere the royal assent was given.

But the solid men of Montreal did not allow formalities like these to stand in their way. They went right in for business at once, and as the rapid growth of paid-up capital mentioned above shows, the commercial public made haste to avail themselves of the advantages afforded.

Of course, the Bank of Montreal was not allowed to have the field to itself very long.* The Quebec Bank, still a staunch and prosperous institution, was founded in the following year, and a little later other banks were established, in Upper Canada, at Kingston,

* It is interesting to note that the Bank of Montreal, at an early stage in its history, realized the advantage of having direct representation in Upper Canada, but being legally incapable of establishing an office of its own there, it arranged in 1838 to purchase The Bank of the People, which had not been a particularly prosperous institution, and worked under its name until the restrictions against direct agencies were removed.

Toronto and Hamilton; while in the Maritime Provinces, Halifax and St. John did likewise, so that within the next ten years the country was fairly well supplied with banks.

The charters granted to these banks were very similar in their provisions. That granted to the Bank of Montreal may be taken as the type of them all. Indeed, very many of their provisions were subsequently included almost verbatim in the General Banking Act passed after Confederation.

Among the principal provisions of the charter of the Bank of Montreal were the following:—

1. The charter was to continue for ten years.
2. The directors were to be British subjects; to hold not less than four shares of stock; not to engage in private banking, and to be remunerated only by vote at the annual meeting.
3. The directors were to appoint the officers of the bank, and to take surety bonds for faithful performance of duty. They were to declare dividends when profits were earned, as often as half-yearly. They must not in paying dividends encroach on the capital. They were obliged to submit a detailed statement of the bank's position to the



E. H. KING, ESQ.

Seventh President 1869-1873—General Manager 1863-1869.



DAVID TORRANCE, ESQ.

Eighth President 1873-1876.

shareholders at each annual meeting.

4. The bank might receive deposits, deal in bills of exchange, discount notes, buy coin and bullion, etc., but might not engage in other business than banking.

5. It could not lend money directly upon real property, but could take such as further security for loans already made. It could not lend money to a foreign country.

It could issue notes to circulate as money up to the general limit for all such obligations.

7. The Government might require at any time for the protection of the public a statement under oath of the position of the bank.

As has been pointed out by a well-informed writer on our Banking System, it is not difficult to understand how it came to pass that Canadian banks followed United States models rather than the English, since the commerce of early Canada was for the most part intimately connected with that of New York.

The banks at the start were largely employed in financing the lumbering and fur industries, which were then the principal items of the export trade, and it was not long before the chief im-

porting merchants began to gather at Montreal. As the settlement of the country progressed, these merchants were the suppliers of the traders and storekeepers in the country districts, who in their turn provided for the wants of the settler, having to allow him long credit and take their payment not in money but in the produce of the farm and the forest. This produce was then forwarded to Montreal in settlement of the trader's account, and the city merchant shipped it across the ocean or the border to the best market.

It was these merchants who made the business of the Bank of Montreal in those early days. They drew bills of exchange on England against their shipments. They remitted through the banks payment for the goods which they imported, and they borrowed from the bank ready money where-with their customers, the traders, might pay cash to the farmer and lumberman, and thus facilitate the progress and development of commerce.

At an early period in its history the Bank of Montreal, by opening a branch in Quebec, inaugurated the policy which has been so successfully pursued of establishing branches throughout

the
point
bran
addi
outs
havi
in 1
185
in
Lon
in
to
for
sen
str
cia
ag
sid
an
ha
po
Ba
ca
C
te
b
g
o
in
u
e



LORD MOUNTSTEPHEN.
Ninth President 1876-1881.



C. F. SMITHERS, ESQ.
Tenth President 1881-1887—General-Manager 1879-1881.

the country at important or promising points, until now the total of such branches falls little short of fifty. In addition thereto the bank has agencies outside of Canada, having opened one in New York in 1859, in Chicago in 1861, and in London, England, in 1870, in order to meet the need for direct representation at those strategical financial centres. These agencies do a considerable business and facilitate the handling of that portion of the Bank's Reserves carried outside Canada.

This branch system, which may be called a distinguishing feature of Canadian banking in general, has undoubtedly proved of signal ser-

vice in the development of business as well as highly advantageous to the shareholders of the banks, furnishing, as it has done, complete banking facilities to places where a local bank could hardly have been founded.

It is pleasing to know that the enterprise of the founders of the Bank of Montreal did not have to wait long for a tangible reward, as in the first full year of its history (1819), a dividend at the satisfactory rate of 8 per cent. was declared, and from that time forward, with the exception of the years 1827 and 1828,*

* "The colony was extremely dependent upon the Mother Country, and when crises or commercial disturbances occur



LORD STRATHCONA.
Eleventh President 1887-1900.

dividends ranging from 6 per cent. to 16 per cent. have been paid until the past few years when the regular rate of dividend has been 10 per cent.

The far-seeing financial wisdom of the founders of the bank is illustrated in the fact that concurrent with the payment of dividends began the accumulation of a Rest. The fluctuations of this Rest or Surplus, constituting as it does so much additional capital whereon no dividends have to be paid, but which, nevertheless, has the same

\$7,000,000, not including nearly half a million dollars of undivided profits.

The advantages of the Rest have been many and great throughout the history of the bank. It has stood the institution in good stead during times of depression, and with its present vast proportions now constitutes the best of all barriers against the possibility of financial impairment.

The remarkable prosperity which the Bank of Montreal has enjoyed almost without a break, and its long-continue

inaugura
by his s
who fill
1826.
one of
among
him bei
Savings
pital, D



BANK OF MONTREAL—A PHOTOGRAPH OF THE FIRST SHEET OF THE ROYAL CHARTER GRANTED BY KING WILLIAM IV. IN 1837.

earning power as the actual capital, reveal in an interesting way the ups and downs inseparable from the experience of a financial institution, for we find the figures rising from \$4,168 to \$107,084 and then falling to \$31,360. After 1860, however, when \$740,000 was reached, there has been no decline, and it now stands at the handsome total of

red in England Canada suffered sorely. A striking indication of this dependence is the fact that for two years after the disastrous English collapse of 1825 the Bank of Montreal

immunity from anything approaching disaster cannot, of course, be considered in the light of luck, but rather as convincing evidences of the signal ability and caution with which its affairs have been administered.

Mr. John Gray, the first President, who held office from 1817 to 1820, began well, and the careful regime he

was obliged to pass its dividends owing to losses in merchants' exchange incurred in the panic year."—*Breckenridge's Canadian Banking System*, p. 37.

BANK

Pre
Sch
Bib
A
Ga
He
han
18

inaugurated was faithfully carried out by his successor, Mr. Samuel Gerrard, who filled the presidential chair until 1826. Mr. Gerrard was emphatically one of the foremost men of his time, among the honourable offices held by him being those of President of the Savings Bank, Treasurer of the Hospital, Director of the Montreal Library,

reign of the Hon. Peter McGill began which lasted until 1860. Both Mr. Molson and Mr. McGill were men of much prominence in public affairs, who rendered invaluable service to their city and country. Mr. Molson was actively interested in the beginnings of the steamship enterprise. His son, of the same name, was President of the



BANK OF MONTREAL—TWO OF ITS EARLIEST BILLS—THE FIRST WAS SIGNED ON OCT. 10TH, 1817, IS NO. 1154 AND IS THE OLDEST BILL NOW IN POSSESSION OF THE BANK. THE SECOND, ISSUED IN 1861, SHOWS THE CHANGE FROM "MONTREAL BANK" TO "BANK OF MONTREAL," AND ALSO SHOWS THAT THE LATER BILLS WERE STAMPED IN POUNDS AS WELL AS DOLLARS, WHILE THE FIRST BILLS WERE NOT.

President of the British and Canadian School Society, and President of the Bible Society.

After Mr. Gerrard came Horatio Gates for a brief period, and then the Hon. John Molson, in whose capable hands the direction remained until 1835 when the even more prosperous

first railway opened in the Province, and in 1853, in conjunction with his brother William, founded The Molsons Bank.

Mr. McGill, whose real name was McCutcheon, the change being made at the instance of his uncle, Peter McGill, had a wide reputation as a statesman

nearly half a profits. Rest have throughout the as stood the during times present vast is the best of possibility of ty which the oyed almost g-continue :



ER GRANTED

proaching consider- rather as the signal which its d.

President, 1820, be- gime he

owing to red in the an Bank-



FIRST BUILDING.

SECOND BUILDING.

BANK OF MONTREAL—A REPRODUCTION OF A CELEBRATED PAINTING OF THE BANK OF MONTREAL'S FIRST AND SECOND BUILDINGS, BY KREIGHOFF.

and philanthropist, as well as a merchant and banker, and filled many honourable positions. He was the first chairman of the first railroad company, viz., the St. Lawrence & Champlain, of which Mr. John Molson, Jr., was afterwards President.

But, of course, it would not be just to ascribe the whole credit for the prosperous growth accomplished to the President. The Cashier of the Bank played no unimportant part in its management from the first, and as the years passed his influence increased until at length the chief responsibility came to devolve upon him.

Mr. Robert Griffin, who was the first Cashier, held office until 1827, when Mr. Benjamin Holmes succeeded him, and remained for nearly twenty years, being followed by Mr. Alexander Simpson, who had previously shown his ability by his management of the Quebec branch of the bank.

On Mr. Simpson's retirement in 1855,

Mr. David Davidson—good Scotch names these—having made a reputation as manager of the Bank of British North America in Montreal, was persuaded to change his allegiance, and it was at his suggestion that seven years later the designation of the Chief Officer of the Bank was, by Act of Parliament, changed from Cashier to General Manager.

Mr. Davidson was a financier of signal ability, in whose character far-seeing enterprise and canny caution were singularly blended. He is described as being a man of commanding presence, slow of speech, and with a reserve of manner not easily penetrated. The respect which he inspired was intensified by his decision of character. It was understood that his "no" to a customer meant an unalterable refusal. Under him the working of the bank was thoroughly reorganized according to the Scotch system, a head office being



PHOTOGRAPH BY NOTMAN & SON.

THE BANK OF MONTREAL—HEAD OFFICE, MONTREAL.

established altogether distinct from the Montreal office, which thenceforth became a branch, bearing the same relation to the head office that the branches in Quebec and elsewhere did.*

It was well for the bank that it had so able a hand as Mr. Davidson's at the helm, for the country just then was feeling the strain of long-continued commercial depression, and the dark shadow of general disaster hung over all its financial institutions. The crisis came in 1857 when the dull times developed into a panic which threatened to lay prostrate the whole edifice of business.

Then did Mr. Davidson's courageous

* The first manager of the Montreal branch was Mr. E. H. King, who had followed Mr. Davidson from the Bank of British North America, and who took charge in January, 1858.

policy and firm grasp of the situation prove equal to the gravity of the crisis. Guided by his counsel and aided by the bank, the merchants of Montreal were enabled to weather the storm, the trade of the city was saved, and the position of the bank rendered pre-eminent beyond peradventure.

After nearly eight years of equally successful management Mr. Davidson resigned to accept the treasurership of the Bank of Scotland, and Mr. E. H. King was thereupon promoted from being manager of the Montreal branch to the general managership of the bank. In his biographical sketch in the *Journal of the Canadian Bankers' Association* Mr. George Hague says that then Mr. King's powers developed in a remarkable degree. He thoroughly understood what was good banking, realized the requirements of business

and had a keen insight into the ways of men. He never scrupled to act, when action was required, no matter who might be in his way. He had great influence with the Government of his day, and contributed largely to the moulding of its banking policy. At one time he strove hard to put the Bank of Montreal in the same position as that occupied by the Bank of England, but the opposition of the other banks was too strong for him.

The new incumbent rapidly won for himself the reputation of a brilliant financier and for the bank very handsome profits upon the deposits. He greatly extended the scope of the bank's operations, particularly in New York where an enormous and exceedingly profitable business was done during the Civil War when gold commanded so high a premium, and if, perchance, some of the more conservative folk were inclined to look askance at his undertakings, they certainly had to admit that the success attained went far towards justifying the risk, and that the resultant strengthening of the bank's position and substantial increasing of its dividends, amply entitled Mr. King to the high honour paid him of being elevated to the President's chair in succession to Mr. T. B. Anderson, whose term



MR. BENJAMIN HOLMES.
General Manager 1827-1846.



MR. DAVID DAVIDSON.
General Manager 1862-1863.



MR. R. B. ANGUS.
General Manager 1869-1879.

of office ended in 1869.

On Mr. King's promotion, Mr. R. B. Angus was appointed general manager, but this did not mean the former's withdrawal from giving his exclusive attention to the affairs of the bank. In fact, so long as the two men were associated there was practically a joint management, the bank thus enjoying the advantage of their united ability and wisdom.

In 1873 Mr. King retired, and Mr. David Torrance was elected President, the entire responsibility of the management then devolving upon Mr. Angus, who proved quite equal to the task, and who alone of all those mentioned remains in connection with the bank; for although he withdrew from the position of general manager in 1879, he is at the present moment one of the most active members of the Board of Directors.

Mr. Torrance was President for three years, and to him succeeded Mr. George Stephen (now Lord Mountstephen), who took so prominent a part in the gigantic enterprise of the Canadian Pacific Railway.

At the time of Mr. Angus' resignation the commercial horizon had again become clouded over, the country was passing through another period of depression, and it was felt by the directors that ability, experience and pru-

dence in no common degree would be required to meet the emergency. The agent of the bank in New York was Mr. C. F. Smithers, who, like Mr. King, had in 1858 followed Mr. Davidson from the Bank of British North America. As inspector and local manager he had been eminently successful, and now he was rewarded by being called to Montreal to assume the duties of General Manager.

So fully did Mr. Smithers satisfy all expectations that after only two years' service in that capacity he was elected President in succession to Mr. Stephen, and filled that honourable position, devoting his whole time and energy to the interests of the institution until 1887 when he died in harness, profoundly regretted by all who knew him, and by none more than his associates in the bank. His successor was Sir Donald A. Smith, now Lord Strathcona and Mount Royal, who for five years had been vice-president.

On Mr. Smithers' elevation, Mr. W. J. Buchanan, who had been steadily rising in the service since 1853, was appointed General Manager, and on his retirement in 1890 Mr. E. S. Clouston, the present incumbent, was installed.

Mr. Clouston* had already been on the staff for nearly thirty years, climbing upward from position to position, and thereby becoming thoroughly acquainted with each department, so that he has a perfect mastery of all details, and has proven himself a steadfastly successful manager, his most notable achievement, perhaps, being to secure for his bank, in 1893, the Financial Agency for the Dominion in Great Britain, the bank having been the Government's Financial Agent in Canada since 1863.

Mr. Clouston is fortunate in having the co-operation of Directors not to be surpassed by that of any institution in the country—Senator Drummond, Messrs. A. T. Paterson, E. B. Greenshields, Sir W. C. Macdonald, R. B. Angus, A. F. Gault, James Ross,

* A biographical sketch of Mr. Clouston was published in the issue of this Magazine for March, 1899.

and R. G. Reid, all being men of the very highest standing in the financial and commercial world. He has also the advantage of most able and experienced assistants in Mr. A. Macnider, Chief Inspector; Mr. W. S. Clouston, Inspector of Branch Returns; Mr. F. W. Taylor, Assistant Inspector, and Mr. James Aird, Secretary.

Having thus in a necessarily imperfect way outlined the development of the Bank of Montreal, and made mention of the men who may justly be considered the architects of its good fortune, it remains for us to touch upon some of the general characteristics of the institution.

In the first place, as to its policy. From the outset this has been remarkable for a rare blending of daring enterprise with far-seeing prudence. Of this many examples might be given were the officials willing to be communicative, and unquestionably some thrilling stories, far surpassing in interest the highest flights of the fictionist's imagination, could be constructed from the apparently prosaic records of transactions.

But the bank authorities feel no responsibility for the entertainment or instruction of the curious public. They do not even concern themselves to give their side of certain matters concerning which altogether erroneous or distorted notions may have got abroad. They simply keep their own counsel, and continue to administer affairs so that the dividend rate is maintained at an eminently satisfactory figure.

But if the officials of the bank are exceedingly cautious and reticent, let it not be forgotten that from the junior deputy-assistant clerk to the General Manager they are courteous beyond cavil, and this not simply at the head office, but even to the remotest branch.

We wot of banks in which a certain brusqueness of demeanour would seem to be sedulously cultivated by the gentlemen behind the glistening grilles or polished desks, where the patient public are attended to apparently under protest, and given to understand that

the greatest possible favours are being conferred upon them.

This is not the spirit that distinguishes the Bank of Montreal. Courtesy and promptness prevail throughout its immense system, and the customer whose requests are within the bounds of reason can confidently count upon transacting his business in a comfortable, pleasant fashion.

As one would naturally expect, so eminently successful an institution looks well after those in its employ. The Bank of Montreal pays liberal, though not extravagant salaries to all who do good work, and furthermore holds out the inducement of an almost ideal pension system as a reward for long continued satisfactory service.

The details of this system are not of course for the general public, but it may be said that in some respects it resembles that in force in the Civil Service at Ottawa, possessing, however, many advantages not contained in the Government plan.

It began in 1861 with the Annuity Fund Society, which had only eighty-five members, and it is now known as the Pension Fund Society, duly incorporated, and having over five hundred members.

When the bank opened for business it was in a building belong-



MR. W. J. BUCHANAN.
General Manager 1881-1890.

ing to the Armour estate that stood on St. Paul Street between St. Nicholas and St. Francois Xavier Street. This was destroyed by fire in 1820, and then the bank erected its own building on the site now occupied by the present Post Office. But the accommodation being inadequate to meet the demands of the rapidly extending business, the present solid, ornate and commodious structure was erected.

This too, however, has been out-grown, and by the purchase of property in the rear, provision has been made for such an addition to the premises as will ensure ample room for the future.

Bearing in mind the modest surroundings amidst which the bank began its career—a single hired room in

an unimposing building—there is special interest in the fact that to-day this remarkable institution owns nearly two score fine buildings scattered over the Canadian continent from Halifax, N. S., to Victoria, B. C., each structure in its substantial elegance being no less a credit to the bank than an ornament to the city in which it is situated. They amply substantiate the title of the Bank of Montreal to be considered the premier financial institution of the Dominion.



MR. E. S. CLOUSTON.
General Manager 1890-1900.

