

1881.

30TH APRIL.

BANK OF MONTREAL.

Statement of the result of the Business of the Bank for the year ended 30th April, 1881.

Balance of Profit and Loss Account, 30th April, 1880,	- - - - -	\$ 71,197 52
Profits for the year ended 30th April, 1881, after deducting charges of management, and making full provision for all bad and doubtful debts	- - -	1,452,789 65
		<u>\$1,523,987 17</u>
Dividend 4 per cent, paid December, 1880,	- - - - -	\$479,968 00
Dividend 4 per cent., payable June, 1881	- - - - -	479,968 00
Bonus 2 per cent., " " "	- - - - -	239,984 00
		<u>\$1,199,920 00</u>
		\$ 324,067 17
Amount written off Bank Premises	- - - - -	\$ 50,000 00
Balance of Profit and Loss carried forward	- - - - -	274,067 17
		<u>\$ 324,067 17</u>

NOTE.—Market price of Bank of Montreal Stock 29th April, 1881, 197 per cent., equal to \$394 per share.

GENERAL STATEMENT

30th April, 1881.

LIABILITIES.

Capital Stock paid up (Subscribed \$12,000,000 00)		\$11,999,200 00
Rest.....	\$ 5,000,000 00	
Balance of Profits carried forward.....	274,067 17	
	<u>\$ 5,274,067 17</u>	
Unclaimed Dividends.....	16,513 22	
Half-yearly Dividend, payable June, 1881.....	479,968 00	
Bonus " " "	239,984 00	\$ 6,010,532 39
		<u>\$18,009,732 39</u>
Amount of Notes of the Bank in circulation.....	\$ 4,124,247 00	
Deposits not bearing interest	6,827,478 55	
Deposits bearing interest.....	11,935,299 69	
Due to other Banks in Canada.....	727,140 77	
	<u></u>	\$23,614,166 01
		<u>\$41,623,898 40</u>

ASSETS.

Gold and Silver Coin Current.....	\$ 1,538,593 94	
Government Demand Notes.....	3,500,892 00	
Due from other Banks in Canada.....	\$ 162,203 76	
Due from Agencies of this Bank, and other Banks in the United States	12,719,660 46	
Due from Agencies of this Bank, and other Banks in Great Britain.....	1,319,478 31	
	<u>\$14,201,342 53</u>	
Notes and Cheques of other Banks.....	781,735 26	
	<u></u>	\$20,022,563 73
Bank Premises at Montreal and Branches.....		435,520 00
Loans and Bills Discounted.....	\$20,795,601 67	
Debts secured by Mortgages and other Securities.....	299,984 35	
Overdue debts not specially secured (estimated loss provided for)	160,228 65	
	<u></u>	\$21,165,814 67
		<u>\$41,623,898 40</u>

BANK OF MONTREAL,

MONTREAL, 30th April, 1881. }

C. F. SMITHERS,

General Manager.

1881.

BANK OF MONTREAL.

ANNUAL GENERAL MEETING,

HELD 6TH JUNE, 1881.

(From THE GAZETTE.)

The annual general meeting of the shareholders of the Bank of Montreal was held yesterday afternoon. There was a large attendance. Amongst those present were:—Messrs E Idler, D R Stoddart, White, Joseph Whyte, W Blumming, Arthur Plim-soll, T H Simms, J Tasker, Robt Anderson, Gilbert Scott, Jno McDonald, Hon D A Smith, Fred Matthews, Jos Tiffin, M S Foley, G W Simpson, Hon T Ryan, Henry Lyman, Alfred Brown, Dr G W Campbell, G A Drummond, James Stewart, D Lorn MacDougall, Alex Murray, Wm McKenzie, D Kinsella, L J Forget, Peter Redpath, Robt Benny, Geo Stephen, John Turnbull, J Bissett, E F King, Robt Adams, T W Ritchie, T Davidson, Geo Macrae, Thos Cramp, Wm Cowie, Desjar-dins, M P, Hon John Hamilton, W P Mc-Quirk, D B Macpherson, John Cantlie, Wm Weir, Robt Wood, Wm King, Hugh McLennan, Duncan Bobertson, Wm Murray, Thos Wilson, Thos Peck, C J Meeker, W T Miller, W Clendinning, Hector Mackenzie, H D Clark, Thomas Workman, W H Weir, James Burnett, Bartholomew O'Brien, Jackson Rae, D A Ansell, J K Oswald, F S Lyman, R A Ramsay, L Armstrong and W J Fenwick.

On the motion of Mr. ROBERT ANDERSON, Mr. George Stephen was elected President of the meeting.

The CHAIRMAN, after taking his seat, said:—Gentlemen, with your permission, I would suggest, by way of saving time, that our old friends, Mr. Thomas Davidson, and Mr. W. B. Cummings be appointed to act as scrutineers.

A motion to that effect was adopted.

The CHAIRMAN also moved that Mr. R. A. Lindsay be requested to act as secretary.

The motion was carried.

The CHAIRMAN—I will now ask the General Manager to read the report of the direc-tors.

Mr. SMITHERS then read the following re-
port of the directors:—

The directors beg to present the 63rd an-
nual report showing the result of the Bank's
operations for the year ended 30th April,
1881, as follows:—

The balance of Profit and Loss account on 30th April, 1880, was	\$ 71,197 52
The profits of the year ended 30th April, after deducting charges of management and making all necessary provision for bad and doubtful debts were....	1,452,789 65
	\$1,523,987 17

From which have to be
deducted:

Dividend 4 p.c. paid De- cember, 1880	\$179,968
Dividend 4 p.c. payable June, 1881	479,968
Bonus 2 p.c. payable June, 1881	239,984
	\$1,199,920 00

Less amount written off Bank premises account	\$324,067 17
	50,000 00

Leaving the sum of

\$274,067 17

to be carried forward at the credit of Profit and
Loss Account.

The examination and comparison of these
figures with those of the more recent annual
statements laid before the shareholders cannot
be otherwise than gratifying, and therefore
further comment is unnecessary, unless per-
haps it be to notice that the net profits at
the close of the term under review are in
round figures about \$400,000 better than for
the year ended April, 1880.

But, looking at the general statement of
the Bank's affairs, also submitted, a passing
and brief allusion to one or two items in it,
as features of some importance may be
made. Such as the amount of notes in cir-
culation, and the deposits at interest.

In regard to the first named, the note cir-
culation has increased upwards of \$500,000.
A decrease of nearly \$5,000,000 is observable
in the amount of deposits at interest which
is accounted for by the withdrawal of a con-
siderable amount of Government deposits
and also of deposits of large corporations
which found other employment for their
monies, and is therefore not attributable to
the withdrawal of funds by private deposi-
tors, consequent upon the lowering of our rates.

The loans and bills discounted show an in-
crease of about \$144,000.

The sum of \$50,000 has been written off
the Bank premises account.

The business at Cobourg being unprofita-
ble, the branch has been closed and the pre-
mises disposed of.

GEO. STEPHEN, President.

GENERAL STATEMENT, 30TH APRIL, 1881. LIABILITIES.

Capital Stock paid up (Subscribed \$12,000,- 000)	\$11,999,200 00
Rest	\$ 5,000,000 00
Balance of Profits car- ried forward	271,067 17
	\$ 5,274,067 17
Unclaimed Dividends	16,513 22
Half-yearly Dividend payable June, 1881	479,968 00
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	\$ 6,040,532 39
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Amount of Notes of the Bank in circula- tion	4,124,217 00
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Deposits bearing in- terest	11,935,299 69
Due to other Banks in Canada	727,140 77
	23,614,166 01
	\$11,623,898 40

ASSETS.	
Gold and silver coin current.....	\$ 1,538,593 94
Government demand notes.....	3,500,892 00
Due from other Banks in Canada.....	\$ 162,203 76
Due from agencies of this Bank, and other B'ks in the United States..	12,719,660 46
Due from agencies of this Bank, and other B'ks in Great Britain.....	1,319,478 31
Notes and cheques of other Banks.....	781,735 28
Bank premises at Montreal and branches.....	435,520 00
Loans and bills discounted.....	\$30,705,601 67
Debts secured by mortgages and other securities.....	299,984 35
Overdue debts not specially secured (estimated loss provided for).....	160,228 65
	\$21,165,814 67
	\$41,623,898 40

C. F. SMITHERS,
General Manager.

Bank of Montreal,
Montreal, 30th April, 1881.

The CHAIRMAN—I beg to move, seconded by Dr. G. W. CAMPBELL,

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

Having read this resolution, the rest of my task on this occasion is both easy and agreeable. For some years back, while the dark cloud of depression was still hanging over the country, our annual meetings naturally partook somewhat of the prevailing tone of disappointment and depression. That is all changed now. The statements submitted showing the position of the Bank and the results of the year's business will, I am sure, be accepted by you all as highly satisfactory, and more favorable than any of us could have expected a year ago. There is therefore nothing left for me to do but to congratulate you on the highly prosperous condition of the Bank, and in retiring from my official connection with it to wish you and it continued prosperity. I will not put the vote now in order that any gentleman who wishes to say anything may have an opportunity of speaking.

After a few moments of silence, no one having responded to the invitation of the Chairman to address the meeting,

The CHAIRMAN said—Perhaps you would like to hear a little from Mr. Smithers, and what he may say will tend to give shape to any questions that may be put.

Mr. SMITHERS—Although there is not a great deal to be said this year, it is generally a good sign if there is not very much to be said. However, I can say this much, we

meet you to-day under much more agreeable circumstances than we did last year. When we met you then we had just had to decide or choose between two things—whether we would reduce the dividend or the rest, and having decided upon reducing the dividend, we had to come before you with our reasons in defence of that course. I am happy to think no such alternative has been forced upon us this year. It is a matter of congratulation that the business shows so favorable a result. The report has already pointed out that the profits are \$400,000 in round figures, in excess of what they were for the year ending April, 1880, and I am happy to add that that year was in itself an immense improvement on the previous year. Now that year, as I say, was a great improvement on the year 1879; that year the dividend was only maintained by taking \$500,000 from the rest. Now, going still further back, it is worthy of remark that the profits for the year just closed are the largest of any year since that ending in April, 1876. It is true that larger dividends were paid in those years, but that was only rendered possible by the fact that there were heavy surpluses brought forward from previous years, from which the Directors were enabled to draw. When the fund upon which they had previously drawn was expended, then the Rest had to come down, and in spite of all that, in the end, the dividends had to come down. It should, however, be explained that during these years, although the net profits were so much smaller, the gross profits were very much larger, but it required so much for the bad and doubtful debts that the net result was as already explained. Now, with regard to enormous amounts that had to be written off for bad and doubtful debts, I am going to repeat what I have often said before, and what I always mean to say whenever I have an opportunity, that while it is good to make profits, it is better still to avoid losses. (Hear, hear.) It is to be hoped that we have touched bottom,—that we touched bottom last year, and that this is the turning point. It was thought prudent to declare a dividend of only 4 per cent. for the first half-year, for the reason that the year had not opened very encouragingly, and the fact is the profits for the summer months are usually very small, at all events, so far as an important part of our business is concerned. I do not, of course, know, on that point, what course the new Board will adopt in that respect—whether they will adopt the English system of declaring an interim dividend for the first half-year, and then dividing for the remaining half, whatever the circumstances will admit of. Of course, I cannot tell what the new Board will do about that. This year we divided 4 per cent. for the first six months, and as you are aware, have been able to bring the total distribution up to 10 per cent., as well as to bring forward a very handsome surplus; and you will probably not fail to notice a balance of \$200,000 more than the balance brought forward a year ago, and that after dividing 10 per cent. and deducting \$50,000 from Bank premises, and making ample provision for

bad and doubtful debts, I believe they have been written off as closely as they ever have been before. They were subjected this year to the same careful scrutiny which they have always been subjected to, and which I fully described at the last annual meeting. I think I may be justified in saying that we have got what may be fairly called a remarkably clean balance sheet. By that I mean an unusual exemption from unsatisfactory accounts—of what we call “lock-ups;” so that if we should be visited with a great revival in business in Canada, as some seem to think likely, then this Bank was never in a better position to take advantage of that revival of business, and afford facilities for and reap the benefits of an active business. Last year we had to justify our course in not taking a round amount from the Rest in order to pay a larger dividend. I think now it is pretty clear the proper course was adopted. And this year we are upon the other horn of the dilemma, as there are not wanting those who think we should have added to the Rest, instead of paying a Bonus, but I do not think there are many here who will blame us for the course pursued. In fact, I do not know that we could have very well faced you to-day, under the circumstances, if we had paid less than 10 per cent. However, there is one very important point which I want to be distinctly understood, and that is that the payment which we are now making—this June dividend—is not to be regarded as a half-yearly dividend of 6 per cent, but as an amount sufficient to bring the total distribution up to 10 per cent. The payment of the 4 per cent interim dividend, together with the present dividend of 6 per cent, gives a total of 10 per cent. I want it to be understood most distinctly that this dividend is not a 6 per cent dividend, as I have already stated. I should like to say on this point that the retiring Board have by no means abandoned the idea of ultimately bringing the Rest up to \$6,000,000. I think I am justified in saying that the idea has not been abandoned, but we all thought that so long as the Rest stood at the respectable amount of \$5,000,000, we could not very well begin to increase it until we had first restored the dividend to 10 per cent. I think that was the idea. Now, I want to call your attention—and it is a matter of some importance—to a wrong impression that has gone abroad with regard to the extent and the profitable nature of our Chicago business. There is a wrong impression gone abroad about that, and it is necessary that the mistake should be corrected. Some papers, both in Chicago and Canada, have gone so far as to state that to the profitable nature of the Chicago business, the shareholders are indebted for the present bonus. Now, that is a mistake. Chicago has done very well, and we are quite satisfied with the business there, but still, the Chicago profits have been very much over-estimated. We did not make as much in Chicago as in New York by \$100,000, and even New York did not come up to Montreal. I am glad to say that Montreal still holds the lead. (Applause.) I am speaking now of the last six months, and if we took the whole year, it would be still less favorable to Chicago. I also desire to state in this connection that

the profits made in the United States are attended with a great deal of uncertainty, and they cannot safely be relied upon. In the first place, money is usually very abundant there during the summer months, and it is likely to be especially so this year. Then, we have been subject to additional taxation; in fact, that is an item of expenditure which has become exceedingly burdensome and onerous. But there is one gratifying fact in connection with the American business, and that is, of late years it has been singularly exempt from losses. Now, with reference to this I can give you some idea. We wrote off in bad debts in the New York office during the past half-year \$429, and recovered \$2,373, previously written off. In the Chicago office we wrote off \$455, and recovered \$9,017. Now, one word in reference to the falling off in deposits at interest. It is very likely within the recollection of some of you gentlemen here present that last year we reported an increase of \$7,000,000 in that item. That sum contained some large exceptional amounts of a temporary character, but even after the loss of them we have still \$2,000,000 more than we had during the previous year. There is one thing in connection with this, and that is: the profits have been benefitted by the loss of that money, by reason that we have still had all the money we could employ, and if we had been paying interest on those accounts, it would have been so much money thrown away. Those accounts also included considerable amounts belonging to other banks, and that is a business we have discouraged, because we did not find it profitable. I may tell you that while there has been a falling off of \$5,000,000 in the deposits at interest, there has been a gain in the deposits without interest of \$1,400,000, and that has been a very much more profitable business. We closed our last report by the expression of a hope that, notwithstanding the prospect was not very good, the Bank would nevertheless continue to prosper and enjoy its prestige. Now, I think you will all allow the result has justified that hope. Now, as to the future, we made no promise last year, and I do not propose for one moment to make any promise now, whatever others may do. Still for all that it may not be amiss to say a few words with regard to the future, because while it is not always wise to forecast, it is always safe to look ahead. I have already explained the uncertainty in connection with United States profits, and the heavy deductions to which they are subjected for taxes. Now, with regard to Canada, I suppose most of you gentlemen are about as well able to judge as I am. We hold our meeting at a time when it is premature to speak positively about the crops, and that is one of the most important things we have to deal with. There is a great deal of talk about the damage done to fall wheat, but there is no knowing what dependence can be placed upon such reports so early in the season. Then there is a prevailing disposition now abroad to invest in new enterprises, such as railroads, cotton factories, etc., and

if that state of things continues, a great deal of money will be employed and we may hope to get better rates. In England and New York money is as cheap as it has been for many years. However, whether the enterprises that are now going on will be profitable, or whether they are likely to be overdone, and end in disaster, is a point which deserves grave consideration, and may well occupy the attention of every prudent Bunker. I want to say that the offices have all been inspected, including that in London, England. I may mention that we took advantage of the presence there of three of our directors. I requested them to undertake the inspection of the London office. They cheerfully did so, and with the assistance of our local committee, and of professional aid, I have no doubt it was very thoroughly done. I do not want to keep you too long, but I do not want to sit down without saying one word with reference to the retirement of our president. I notice that he has been a director ten years, he has been vice-president three years, and he has been president five years. No one will feel his loss more than I shall, because I have been in very close and confidential relations with him, and I am happy to say the association has always been exceedingly pleasant, at least in so far as I am concerned. I have ever found him a wise counsellor, always ready to place his valuable time at my disposal whenever circumstances required it, and at the same time he always abstained from vexatious or unnecessary interference in small matters. I think I am justified in saying that he would have retired before, but he felt he was to a certain extent pledged to remain by the promises he made to me when I came here. I am exceedingly sorry he is going to leave; still, I am bound to say that those pledges have been redeemed. I cannot see our official relations sundered without regret—I say official relations, because I hope our friendly relations will always continue—and I would be doing violence to my own feelings if I sat down without bearing this testimony. I am not going to indulge in any fulsome praise, or pronounce any eulogy upon Mr. Stephen, because he is not dead yet, and I hope he will not be for some time. I think it now only remains for me to make a formal statement in reference to the shareholders. The net number of shareholders is 2,091; the average number of shares held by them is 29; the number of shares held by bankers and brokers is 6,086.

The CHAIRMAN—If there are no questions to be asked I will put the motion.

A silence for a few moments ensued, and the Chairman put the motion, which was carried unanimously.

Mr. GEO. A. DRUMMOND—I have great pleasure in proposing

"That the thanks of this meeting be presented to the directors for their attention to the interests of the Bank."

Mr. WM. McDONALD seconded the motion.

The CHAIRMAN—On behalf of myself and colleagues I beg to thank you for this mark of your appreciation.

Hon. D. A. SMITH—A motion has been put into my hands somewhat unexpectedly, but the duty it involves is a very pleasing one indeed. You will recollect some six or seven years ago that Mr. King was President and virtually General Manager of the Bank. It will also be remembered that he had trained up a very able successor, Mr. Angus, who took his place. We all know that Mr. Angus was placed in circumstances of the most trying character. That deep, heavy cloud of which the president has spoken was then just about us, and throughout the whole of his term of office, unfortunately, it was with us. I am sure all will admit that during that most trying time no one could possibly have administered the affairs of the Bank more ably, more intelligently and more honourably than Mr. R. B. Angus (Applause.) He left us some two years ago. There was again a feeling of disappointment and uneasiness, but we all knew, I am sure, we all looked upon it that the prosperity of the Bank of Montreal was not dependent on any one individual however much he may have contributed to its good (hear). Then we got in place of Mr. Angus the present General Manager, Mr. Smithers, and the statement which has been placed before you to-day is, I think, sufficient proof of the ability and of the admirable manner in which the business has been conducted since he took charge of it. Nothing I am sure could be better and nothing speaks so well as such statements as we have before us to-day. It is necessary also that the General Manager should be supported, and fully supported, by the other officers of the Bank, and there is no one will admit more readily than Mr. Smithers himself that he has been in this respect, supported as far as he could have wished, not only in Canada, but out of the Dominion. In New York, Chicago, and elsewhere, we find the officers of the Bank have sustained their parts well, and maintained its prestige. Having said so much I need do nothing further than merely put the motion before you. I will not refer farther to the loss in the Direction the Bank sustains by the withdrawal of Mr. Stephen. His course has been before you all and you are able to judge of it. And there are others who are able to speak on this subject better than I can. I offer now this resolution:

"That the thanks of the meeting be given to the General Manager, the Managers and other officers of the Bank for their services during the past year."

Hon. THOMAS RYAN seconded the motion, which was carried.

Mr. SMITHERS—I am not going to inflict another long speech on the meeting, but of course I must say a word on behalf of myself and the other officers, and thank Mr. Smith for the kind way in which he has introduced the resolution. It has been thought some time ago that it would be better to dispense with that vote altogether. I am glad, however, not for my own sake, but for the sake of the other officers of the Bank all over the country, that it has been continued, because I am sure it

affords satisfaction to the officers of the Bank to know that their services are appreciated. This year the Bank having been prosperous, it was felt that the officers of the Bank should share in its prosperity. A great many of them have had more substantial thanks, but still I am sure they would be very glad to receive the expressed thanks of this meeting in this way. I see that there are some of the prominent officers of the Bank present, and seeing that I have already made my speech, it would be better to hear from some of them. I notice present the Manager of the Bank at Chicago.

Mr. MUNRO—It is not necessary for me to say more than what has been said by Mr. Smithers. I am much obliged to you for the way in which you have referred to our services. I quite agree with what Mr. Smithers has said in reference to the Chicago business.

Mr. STEPHEN—It has been thought by the old Board of Directors that it would be necessary to make an addition to the by-laws. Mr. Redpath will move a motion to that effect.

Mr. REDPATH—The by-law to which the Chairman has alluded is as follows. I move, seconded by Mr. ALFRED BROWN, that the following by-law be, and the same is hereby enacted by the shareholders, to wit:—

“BY-LAW NO. 13.

“In case the General Manager, Manager, or other officer of the Bank, shall be elected a Director and become President, he shall be entitled to receive, while he holds that office and devotes his time and attention exclusively to the interests of the Bank, the same amount that he previously received as salary, and the same may be taken from the funds of the Bank, in addition to the sum set apart by By-law IX as remuneration for the services of the Directors.”

You will observe that the by-law will not cost anything at all. It is merely a matter of convenience.

The by-law was adopted by ballot.

After the ballot the Scrutineers made the following report:—

BANK OF MONTREAL, 6th June, 1881.

To the Shareholders.

The undersigned Scrutineers do hereby report that at the general meeting of Shareholders, held this day, by-law No. 13, the adoption of which was moved by P. Redpath, Esq., seconded by A. Brown, Esq., was duly adopted by a majority of the votes, such votes being cast by ballot.

Your obed't servants,

W. B. CUMMING,

THOS. DAVIDSON,

Scrutineers.

Mr. MURRAY—With the permission of the

meeting I would beg to revive another time-honored resolution. I beg to move that the Chairman leave the chair, and that Dr. Campbell take it.

The motion was carried, and Dr. Campbell having taken the chair,

Mr. MURRAY said—I have now much pleasure in proposing that the thanks of the meeting are due to George Stephen, Esq., for his able services in the chair. I am sure that would pass as a matter of form, but I think on an occasion like this a word or two might be permitted and excused. Mr. Stephen has, from a becoming consistency which he feels obligatory upon him, resigned his position as President of this Bank to the regret, I may say, of the whole board. Mr. Stephen assumed the position, I think, five or six years ago, at a period of great depression and under very unfavorable circumstances. I have not the slightest doubt he has felt what we all know, he has had very up-hill work during the whole time. It is a very unpleasant task to come before meetings of shareholders year after year with gloomy reports. Mr. Stephen's assistance to this Bank has been great. Speaking for the Board of Directors, I can bear testimony, during the time we have worked together, to the zeal and the deep interest he has always taken in the affairs of the Bank. I believe the shareholders of this institution are very much indebted to Mr. Stephen, not only for his services in the chair to-day, but for the valuable services he has rendered to the Bank since he has been a Director, and especially during the years he has acted as President. I beg to move the resolution.

Mr. LYMAN—I have great pleasure in seconding the resolution now before the meeting. I am sure there can be only one feeling in connection with Mr. Stephen's retirement, and that one of regret; though Mr. Stephen will not be present at the board hereafter, I am sure we may be satisfied he will still be a friend to the bank.

The motion was then put and carried.

Mr. STEPHEN—I thank you very much for the way in which the mover and seconder of the motion have alluded to my past services. Whatever may have been my shortcomings since I have been officially connected with the Bank, I have always had a loyal heart for it, and whatever my shortcomings may have been, they were errors in judgment and nothing else. Although I felt it necessary to sever my connection with the Bank—I felt it very strongly a year ago or two years ago—it was simply because I had so many other things to attend to. The responsibilities upon me were more than I could well bear. However, I made a compact with Mr.

Smithers when he came on here that I would stay at least for a year, and I have done so. Since I became connected with the Canadian Pacific Railway I felt it was absolutely impossible to continue my connection with the Bank. I do not sever that connection for the reason advanced by some newspapers. I may say for those who take an interest in the Bank, and also for those who take an interest in other people's affairs that the Pacific Railway Syndicate does not propose to borrow from the Bank or anybody else, whatever advantage may accrue to the Bank through the Canada Pacific Railway. Mr. Lyman has only done me justice in saying that I will always remain the friend of the Bank. I do not propose that the Bank shall suffer from any business with the Pacific Railway or any other concern with which I may be connected. I do not know that I can say anything more than to thank you for your confidence in me while I have occupied this position. I may just add I have been connected with the Bank for ten years, and you all know what a time of depression we have had since 1875, but I find that the average distribution during those ten years to the shareholders has been 13 per cent, while the resources of the Bank only suffered in consequence of that depression, which has now happily passed away, something like 10 or 11 per cent. No doubt we could have done a great deal better if the depression had not come, but that is the actual position. Therefore, I think the management during the ten years has probably been as successful as it could have been under the circumstances. I do not like to say any more because it sounds like blowing one's own trumpet.

Mr. MACRAE, Q.C., then moved, seconded by Mr. G. W. SIMPSON,

“That the ballot now open for the election of Directors be kept open until 3 o'clock, unless fifteen minutes elapse without a vote being cast, when it shall be closed, and until that time and for that purpose only this meeting be continued.”

The motion was carried.

The meeting then adjourned.

THE BOARD OF DIRECTORS.

The report of the scrutineers declared the following gentlemen elected Directors:—Messrs. Alfred Brown, G. W. Campbell, M.D., Edward Mackay, Alexander Murray, A. T. Paterson, Peter Redpath, Gilbert Scott, Hon. D. A. Smith and C. F. Smithers.

At a subsequent meeting of the Board of Directors Mr. C. F. Smithers was elected President of the Bank, and Dr. Campbell, Vice-President.

1881.

BANK OF MONTREAL.

BOARD OF DIRECTORS.

Elected 6th June, 1881.

C. F. SMITHERS, Esq., PRESIDENT.	
G. W. CAMPBELL, Esq., M.D., VICE-PRESIDENT.	
PETER REDPATH, Esq.	GILBERT SCOTT, Esq.
HON. D. A. SMITH.	ALEXANDER MURRAY, Esq.
EDWARD MACKAY, Esq.	ALFRED BROWN, Esq.
ALEX. T. PATERSON, Esq.	

REPORT

OF THE

DIRECTORS TO THE SHAREHOLDERS

AT THEIR

63rd ANNUAL GENERAL MEETING,

HELD JUNE 6th, 1881.

The directors beg to present the 63rd annual report showing the result of the Bank's operations for the year ended 30th April 1881, as follows:—

The balance of Profit and Loss Account on 30th April, 1880, was	- -	\$ 71,197 52
The Profits of the year ended 30th April, after deducting charges of management, and making all necessary provision for bad and doubtful debts were	- - - - -	1,452,789 65
		<u>\$1,523,987 17</u>
From which have to be deducted:		
Dividend 4 per cent., paid December, 1880	- - -	\$479,968
Dividend 4 per cent., payable June, 1881	- - -	479,968
Bonus 2 per cent., payable June, 1881	- - -	239,984
		<u>\$1,199,920 00</u>
Less amount written off Bank premises Account	- - -	\$324,067 17
		<u>50,000 00</u>
Leaving the sum of	- - -	\$274,067 17
to be carried forward at the credit of Profit and Loss Account.		

The examination and comparison of these figures with those of the more recent annual statements laid before the shareholders cannot be otherwise than gratifying, and therefore further comment is unnecessary, unless perhaps it be to notice that the net profits at the close of the term under review are in round figures about \$400,000 better than for the year ended April, 1880.

But, looking at the general statement of the Bank's affairs, also submitted, a passing and brief allusion to one or two items in it, as features of some importance, may be made ; such as the amount of notes in circulation, and the deposits at interest.

In regard to the first named, the note circulation has increased upwards of \$500,000. A decrease of nearly \$5,000,000 is observable in the amount of deposits at interest, which is accounted for by the withdrawal of a considerable amount of Government deposits and also of deposits of large corporations, which found other employment for their moneys, and is therefore not attributable to the withdrawal of funds by private depositors, consequent upon the lowering of our rates.

The loans and bills discounted show an increase of about \$144,000.

The sum of \$50,000 has been written off the Bank premises account.

The business at Cobourg being unprofitable, the branch has been closed and the premises disposed of.

GEO. STEPHEN,
President.

BANK OF MONTREAL.

MONTREAL, 30th April, 1881.

GENERAL STATEMENT.

30th April, 1881.

LIABILITIES.

Capital Stock paid up (Subscribed \$12,000,000)	\$11,999,200 00
Rest	\$ 5,000,000 00
Balance of Profits carried forward	274,067 17
	<hr/>
	\$ 5,274,067 17
Unclaimed Dividends	16,513 22
Half-yearly Dividend payable June, 1881	479,968 00
Bonus	239,984 00
	<hr/>
	\$ 6,010,532 39
	<hr/>
	\$18,009,732 39
Amount of Notes of the Bank in circulation	\$ 4,124,247 00
Deposits not bearing interest	6,827,478 55
Deposits bearing interest	11,935,299 69
Due to other Banks in Canada	727,140 77
	<hr/>
	\$23,614,166 01
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	\$41,623,898 40

ASSETS.

Gold and Silver Coin Current	\$ 1,538,593 94
Government Demand Notes	3,500,892 00
Due from other Banks in Canada	\$ 162,203 76
Due from Agencies of this Bank, and other Banks in United States	12,719,660 46
Due from Agencies of this Bank, and other Banks in Great Britain	1,319,478 31
	<hr/>
	\$14,201,342 53
Notes and Cheques of other Banks	781,735 26
	<hr/>
	\$20,022,563 23
Bank Premises at Montreal and Branches	435,520 00
Loans and bills Discounted	\$20,705,601 67
Debts secured by Mortgages and other Securities	299,984 35
Overdue debts not specially secured (estimated loss provided for)	160,228 65
	<hr/>
	\$21,165,814 67
	<hr/>
	\$41,623,898 40

BANK OF MONTREAL,

MONTREAL, 30th April, 1881. }

C. F. SMITHERS,

General Manager.

31st OCTOBER, 1881.

Bank of Montreal.

*STATEMENT of the result of the Business of the Bank for the Half-year
Ended 31st October, 1881.*

Balance of Profit and Loss Account, 30th April, 1881	\$274,067 17
Profits for the half-year ended 31st October, 1881, after deducting charges of management, and making full provision for all bad and doubtful debts	661,897 95
	<hr/>
	\$935,965 12
Dividend 4 per cent., payable December, 1881	\$479,968 00
Bonus 1 per cent., " "	119,992 00
	<hr/>
	599,960 00
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Balance of Profit and Loss carried forward	<u>\$336,005 12</u>

NOTE. — *Market price of Bank of Montreal Stock 31st October, 1881, 198¾ (@ 199½).*

GENERAL STATEMENT.

31st OCTOBER, 1881.

LIABILITIES.

Capital Stock paid up (Subscribed \$12,000,000 00).....		\$11,999,200 00
Rest	\$ 5,000,000 00	
Balance of Profits carried forward.....	336,005 12	
	<hr/>	
	\$ 5,336,005 12	
Unclaimed Dividends.....	15,187 22	
Half-yearly Dividend, payable December, 1881.....	479,968 00	
Bonus, " " "	119,992 00	
	<hr/>	
		\$ 5,951,152 34
		<hr/>
		\$17,950,352 34
Amount of Notes of the Bank in circulation.....	\$ 5,458,015 00	
Deposits not bearing interest.....	8,013,919 59	
Deposits bearing interest.....	12,597,289 62	
Balances due to other Banks in Canada.....	989,986 58	
	<hr/>	
		\$27,059,210 79
		<hr/>
		\$45,009,563 13
		<hr/>

ASSETS.

Gold and Silver Coin Current.....	\$ 2,072,554 10	
Government Demand Notes.....	2,296,696 00	
Balances due from other Banks in Canada.....	\$ 161,323 94	
Due from Agencies of this Bank, and other Banks in the United States.....	8,133,605 07	
Due from Agencies of this Bank, and other Banks in Great Britain.....	3,547,325 86	
	<hr/>	
	\$11,842,254 87	
Notes and Cheques of other Banks.....	1,149,821 44	
	<hr/>	
		\$17,361,326 41
Bank Premises at Montreal and Branches.....		435,520 00
Loans and Bills Discounted.....	\$26,838,759 16	
Debts secured by Mortgages and other Securites.....	271,011 28	
Overdue debts not specially secured (estimated loss provided for)...	102,946 28	
	<hr/>	
		\$27,212,716 72
		<hr/>
		\$45,009,563 13
		<hr/>

BANK OF MONTREAL,

MONTREAL, 31st October, 1881.

W. J. BUCHANAN,
General Manager.