

BANK OF MONTREAL.

BOARD OF DIRECTORS FOR THE YEARS 1858-59.

HON. PETER MCGILL, PRESIDENT.

T. B. ANDERSON, Esq., VICE-PRESIDENT.

JOHN REDPATH, Esq.

THOMAS RYAN, Esq.

BEN. HOLMES, Esq.

JAMES LOGAN, Esq.

HENRY THOMAS, Esq.

D. TORRANCE, Esq.

D. FINLAYSON, Esq.

D. DAVIDSON, Esq., CASHIER.

REPORT

OF THE

DIRECTORS TO THE STOCKHOLDERS.

AT THEIR

FORTIETH ANNUAL GENERAL MEETING,

HELD 7TH JUNE, 1858.

In their last Report to the Stockholders, the Directors expressed a feeling of apprehension with regard to the prospects of commercial affairs in Canada.

Allusion was then made to the very large expenditure of foreign capital upon various public works, and to the extremely high prices which the agricultural products of the country had for some years commanded, as having produced a period of great activity and prosperity in every branch of trade. But the important influences which had thus stimulated and expanded the general business of the country having ceased to exist, a corresponding reaction seemed to be inevitable, and the Directors were therefore impressed with the necessity for the exercise of more than ordinary caution in estimating the position and the prospects of the Bank.

Subsequent events have too clearly proved that the peculiar circumstances which appeared at the date of the last report to threaten the prosperity of the country, would of themselves have given rise to more serious commercial embarrassment than the Directors had anticipated.

The causes referred to were, however, greatly aggravated by a partial failure of the last harvest, and by the extraordinary crisis, which has lately affected the mercantile communities of this Continent and of Great Britain, one injurious effect of which has been to deprive Canada of favorable markets for her chief articles of export.

The past year has been characterized by great difficulty and derangement in commercial and monetary affairs. It must, however, be regarded as a subject for congratulation; that during a financial crisis, which led to a suspension of specie payments by nearly all the monied institutions of the United States, the Canadian Banks have been able to maintain their position, and that their issues have not been discredited, nor their convertibility suspended.

It has been the policy of the Bank, during the pressure, to extend to its customers as large an amount of accommodation as possible, and to afford such facilities in connection with the produce and general business of the country as considerations of safety and prudence would warrant. The Directors have the satisfaction of knowing that the course pursued by the Bank has been appreciated, and has also been attended with satisfactory results.

It could not be supposed that so critical a period would be passed without subjecting the Bank to a diminution of profit, as well as to more direct loss. Keeping in view, however, the extent of the Bank's business, and the wide area over which it is spread, it will be found that the loss sustained by bad debts is less than might have been anticipated. The Directors have also satisfaction in being enabled to state that it has been in their power to make ample provision for all the bad and doubtful dependencies of the Bank without reducing the dividends, except to the extent of one per cent. for the first six months of the year, and without encroaching upon the Rest, which remains as before, at \$740,000, [£185,000.].

The profits of the year after defraying all current expenses, amount to.....	£143,524 13 7		\$574,098 71
Less the Tax paid to Government.....	3,738 12 6		14,954 50
	<u>139,786 1 1</u>		<u>559,144 21</u>
The Dividend paid 1st Dec., at 3 per cent.....	£42,474 11 6	\$169,898 30	
Do. recently declared at 4 per cent.....	<u>57,469 9 4</u>		
	99,944 0 10	229,877 87	399,776 17
Leaving a balance of.....	£39,842 0 3		\$159,368 04

Of this sum, \$152,835 98 [£38,208 19s. 11d.], together with the balance of unappropriated profit remaining on hand at the close of the previous year, have been availed of to cover the loss sustained from Bad Debts, and to make provision for what may be regarded as doubtful—leaving a balance of \$6532 06 [£1633 0s. 4d.] at the credit of Profit and Loss to be carried forward to next year.

A general statement of the Affairs of the Bank in the usual form is submitted for the information of the Stockholders.

During the past year the payments upon new stock have amounted to \$249,580 [£62,395,] and the paid up capital is now \$5,759,320 [£1,439,830.]

The Directors have lately, in conjunction with other Banking Institutions, presented a petition to the Legislature, praying for a repeal of the Usury Laws, in the belief that such a measure would not only be attended with advantage to the Bank, but would also greatly tend to promote the commercial and industrial interests of the country. The Directors are glad to find that this subject is now engaging the attention of the Legislature.

As regards the future prospects of the Bank, no improvement in the general condition of commercial affairs is as yet apparent, and the contraction of business, together with the depression which pervades every branch of trade, have naturally an unfavorable influence upon the interests of the Bank, and interfere with the advantageous employment of its funds.

The Directors, however, although they cannot entertain the hope that there will be any rapid return to a decidedly prosperous state, are still of opinion that a gradual revival in trade may be confidently looked for.

The shock sustained by nearly all classes in the community has been undoubtedly severe, but it must be borne in mind that those causes which combined to produce a degree of prosperity to some extent fictitious, and to engender a spirit of speculation and over-trading, have, at the same time, had the effect of materially developing the resources of the Province, and greatly adding to its wealth and importance. The railroads and other public works also remain to exert a very beneficial influence upon the welfare and progress of the country.

(Signed,)

PETER MCGILL, *President.*

GENERAL STATEMENT.

Capital Stock paid up.....	£1,439,830 0 0	\$5,759,320 00
Circulation.....	584,694 5 0	2,338,777 00
Deposits.....	626,715 19 3	2,506,863 84
Dividends Unclaimed.....	3,637 19 11	14,551 99
Half-Yearly Dividend, 4 per cent., payable 1st June, 1858.....	57,469 9 4	229,877 87
Rest.....	185,000 0 0	740,000 00
	<u>£2,897,347 13 6</u>	<u>\$11,589,390 70</u>
Gold and Silver Coin on hand.....	£ 173,848 14 4	\$ 695,394 87
Government Securities.....	150,275 0 0	601,100 00
Balances due by other Banks.....	54,668 1 5	218,672 28
Notes and Cheques of other Banks.....	31,847 3 8	127,388 73
Bank Premises at Montreal and at Branches and Agencies.....	83,694 16 7	334,779 32
Notes and Bills Discounted, and other debts due to the Bank, not included under the foregoing heads.....	2,403,013 17 6	9,612,055 50
	<u>£2,897,347 13 6</u>	<u>\$11,589,390 70</u>

D. DAVIDSON, *Cashier.*

PROCEEDINGS

OF THE

FORTIETH ANNUAL GENERAL MEETING OF THE STOCKHOLDERS,

HELD AT THE

BANKING HOUSE, ON MONDAY, THE 7TH JUNE, 1858.

THE HON. P. MCGILL, PRESIDENT, IN THE CHAIR.

The following Resolutions were then adopted :—

Moved by L. H. HOLTON, Esq., seconded by the Hon. JOHN MOLSON :

“That the Report of the Directors now read be adopted, and printed for distribution amongst the Stockholders.”

Moved by JOHN BOSTON, Esq., seconded by JOHN SMITH, Esq. :

“That the thanks of the meeting be presented to the President, Vice-President and Directors, for their attention to the interests of the Bank.”

Moved by WM. MOLSON, Esq., seconded by DR. CAMPBELL :

“That the thanks of the meeting be given to D. DAVIDSON, Esq., the Cashier, to the Managers, Agents, and other Officers of the Bank, for their services during the past year.”

Moved by D. KINNEAR, Esq., seconded by WALTER BENNY, Esq. :

“That the ballot now open for the election of Directors be kept open until four o'clock, and no longer ; and that until that hour, and for that purpose only, this meeting be continued.”

