

1869.

BANK OF MONTREAL.

ANNUAL GENERAL MEETING,

HELD 7th JUNE, 1869

(From THE GAZETTE of 8th June, 1869.)

The annual meeting of shareholders of the Bank of Montreal was held in the head banking house in this city yesterday at one o'clock.

The chair was taken by Senator Ryan.

On motion of Mr. Robert Esdaile, seconded by Mr. Davidson, W. B. Cumming and H. S. Macdougall were appointed Scrutineers; and Thomas R. Christian, secretary of the meeting.

The general manager, Mr. E. H. King, then read the following statement:—

Report of the Directors to the Shareholders at their Fifty-First Annual General Meeting held on the 7th June, 1869.

The Directors have much satisfaction in presenting to the Shareholders the Fifty-first annual report, accompanied by a statement of the result of the business of the year ending 30th April:

	£	s	d	\$	c.
The balance at the credit of Profit and Loss Account on 30th April, 1868, amounted to.....	17,937	5	0	71,749	00
Profits for the year ending 30th April, 1869 after deducting charges of management, and providing for bad and doubtful debts.....	280,244	19	5	1,120,979	88
	298,182	4	5	1,192,728	88

From which has been taken:

	£	\$
Dividend 5 p. c., paid Dec. 1868.....	75,000	300,000
Dividend 6 p. c. payable June 1869.....	90,000	360,000
Addition to Res.	125,000	500,000
	£290,000	0 0 1,160,000 00

Leaving a balance carried forward at credit of Profit and Loss account for the current year..... 8,182 4 5 32,728 88

The Directors congratulate the Shareholders, that the profits of this year have enabled them to increase the dividend, and to make a considerable addition to the "Rest," which now amounts to the sum of \$2,000,000.

The result has been arrived at after providing the full amount of all known bad or doubtful debts, and making liberal provision for unforeseen contingencies.

The profits of the past year have far exceeded those of any previous year, and the Directors consider it right to state

that in their opinion the expectations of the Shareholders in the future should not be based upon the unprecedented return now submitted.

(Signed) T. B. Anderson
President.

GENERAL STATEMENT.

	ASSETS.		LIABILITIES.	
	£	s. d.	£	s. d.
Capital Stock.....	1,500,000	0 0	1,500,000	0 0
Deposits.....	68,992	15 0	275,971	00
Dividends Unclaimed.....	3,706,255	18 4	14,424,983	67
Half-yearly Dividend of 6 per cent., 1st June, 1869.....	3,115	0 3	12,460	65
The Rest.....	94,000	0 0	380,000	00
Balance of Profits carried forward.....	8,182	4 5	32,728	88
	3,170,335	18 0	23,106,143	00
Gold and Silver Coin and Government Notes on hand.....	783,135	6 11		
Government Securities.....	23,117	0 9		
Balances due by other Banks.....	1,700,281	1 3		
Notes and Checks of other Banks.....	56,781	9 3		
Bank Premiums at Montreal and at Branches and Agencies.....	2,362,015	7 2		
Notes and Bills Discounted, and other debts due to the Bank of Montreal, not included under the foregoing heads.....	87,300	0 0		
	3,130,420	10 10		
	3,170,335	18 0		
			3,182,541	00
			92,460	34
			6,801,124	25
			224,255	85
			10,291,461	43
			380,000	00
			12,563,982	17
			23,106,143	00

Bank of Montreal.
Montreal, 30th April, 1869. E. H. KING,
General Manager.

Mr. Wm. Murray moved the adoption of the report, and spoke in terms of praise regarding it, and the prosperous condition of the bank.

The motion was seconded by Mr. H. Lyman, and unanimously adopted.

Mr. Cross, Q.C., moved, seconded by Mr. John Swanston, that the thanks of the meeting be presented to the President, Vice-President, and Directors for their attention to the interest of the Bank.

Senator Ryan expressed his thanks for this evidence of the confidence of the Shareholders.

Mr. T. M. Thompson, seconded by Mr. Thomas Cramp, moved that the thanks of the meeting be given to the General Manager, the Managers, Agents and other Officers of the Bank, for their services during the past year.

Mr. E. H. King, at some length, thanked the Shareholders for their appreciation of his services, and of those employed in the Bank.

The ballot was then opened for the election of Directors.

Mr. Crawford moved that the transfer books be opened for the inspection of the shareholders within bank hours; and in the course of remarks upon the motion, said that if disasters should occur, not that anything of the kind was likely at present, he would ask if that privilege should be withheld by the directors alone from the shareholders, that they might have the same opportunity of selling out their stock. He contended that the shareholders should have an opportunity of knowing who were their co-shareholders.

The Chairman suggested that the motion should be made a little clearer.

Mr. Esdaile seconded the motion of Mr. Crawford.

Mr. Crawford said it had been stated his motion was contrary to the charter of the bank. He had looked carefully over the charter, and could find no clause leading to that conclusion.

Mr. Murray remarked it would be a very great advantage for President and Directors to transfer their shares just about the time a bank was going to succumb.

Mr. Crawford believed the crisis which occurred a short time ago was very much precipitated in consequence of transfers not being made known to shareholders. Again, considering the double liability,

he maintained they had a perfect right to know the transfers, and to know their co-shareholders, or how were they to know whether they were solvent or not, or else they might find themselves likely to be assessed for five, ten, or one hundred per cent in addition to the capital already in the bank. That was one forcible reason why the bank directors should not withhold this concession from the shareholders. He asked them to grant this concession, and also let it be continued:

The Chairman read the clause referred to in the charter, and said the question was simply whether the account of stock of any person dealing with the bank, and any stockholder, was one of the books of the bank, or once the accounts of the Bank and in the opinion of the legal advisers of the bank it was so; and under the present charter no one had a right to see the books or stock account of any shareholder, and the directors must be guided by the opinion of their legal advisers. If the transfer books were left for inspection, persons who were curious to know how transfers went on would be examining the books, and make it a guide in buying and selling. As the legal advisers of the bank had said the shareholders had no right to throw open the books as affirmed in the resolution, therefore the resolution in its present shape, he was quite satisfied, could not pass. If it was the opinion of the stockholders that the transfer books should be thrown open, application would have to be made to Parliament to alter the charter of the Bank, and it was too late to do that this session. It would be a great inconvenience to the general business of the Bank, and would be futile in preventing speculation. It was a practise that never prevailed, and was never permitted in England or Ireland. It would be perfectly futile in preventing speculation, because parties could make fictitious sales and transfers, and by causing distrust, could force unwary shareholders into the market, and have their shares sacrificed at low prices. He thought it would be well to hear from the General Manager, Mr. King, respecting its effect upon the internal economy of the Bank.

Mr. Wardrope of Brockville, thought there ought to be a special amendment to all Bank charters that no director ought to be a director of a bank who was indebted to the institution. He held that shareholders should examine the positions of directors, and see that they were not defaulters. He then referred to the facility with which directors obtained proxies to keep them in their positions. He thought directors should not be elected for a longer time than two years, and

then remain out an interval, and that would put a stop to these amalgamations; and if a director was a good man he could go in again.

Mr. Winn said the matter appeared to be narrowed down to the legal points. He would state that he sympathized with the remarks of Mr. Crawford.

Mr. Murray said the transfer clerk might be so much engaged showing the transfers that he would not be able to do anything else. Parties dealing in stocks would be coming in and looking over the books, and his time would be nearly all taken up; and those parties might go out and buy or sell at one or two per cent, more or less as the case might be, from information gained from the books. He suggested that a list of the changes which had taken place might be posted up once a week or once a month.

Mr. Crawford, in explanation, said he was sorry that the Board was determined to follow the opinion of its legal advisers, because it appeared to him clearly that the shareholders had a perfect right to know who were their co-shareholders. The directors gave the names of the shareholders when they got up the capital, and the reason for doing so existed to-day. With respect to inconvenience it might cause, he said the right to look at the books had been given to the shareholders in the Montreal Telegraph Company, but not a single shareholder came forward to ask to look at the books. It was a right which shareholders have had from time immemorial, and he did not think the directors should be authorized to keep the books from the shareholders. If they exercised this power he could only withdraw, but rather than withdraw altogether he would accept a weekly list of shareholders.

Mr. Murray remarked that as a general rule stockholders should have a right to know who their co-shareholders were.

Mr. King said as to the inconvenience likely to arise from placing the transfer books open to inspection, that of course depended entirely upon the number of shareholders who chose to look at them. But the stock of other Banks was not a fair criterion by which to judge Bank of Montreal stock. If the books were left open, men might be misled by reports which might get out respecting them. The double liability is not a protection to shareholders; it is a protection to the public, and according to Mr. Crawford's argument, it is the public which has a right to inspect the books and not the shareholders. The double liability principle, as the law now stood, he considered worth very little; and if he could influence legislation he would have it abolished

altogether. With regard to the remarks of Mr. Wardrope, he would say that it was not absolutely necessary all the directors should be continued over from year to year. They must retain five, and they might vote against the remaining four.

Mr. Wardrope spoke of the proxies in the hands of the directors and the poor shareholders who did not know anything about the course taken by them.

Mr. King stated that men of high position engaged in mercantile pursuits as a rule were the best qualified to give advice in the management of the affairs of a bank. It was difficult to get anybody not more or less engaged in trade who was competent to act as a director.

Mr. Murray said (referring to Mr. Wardrope) this gentleman was victimized like myself in the Bank of Upper Canada and the Commercial Bank, in which the directors were indebted to the Banks and defaulters as well.

Mr. Wardrope—£30,000.

The Chairman had nothing to say about that. It was in the hands of shareholders to select men upon whom they could rely; and if they did not rely upon the board they could turn them out as soon as possible.

Mr. Crawford made some further remarks advocating the inspection of the transfer books by the shareholders.

Mr. H. Lyman suggested it would be better to make the motion read—"it would be desirable to have the transfer books, etc.," he further stated that he quite agreed with the general manager that the double liability was a delusion and a snare, and the sooner it was done away with the better.

The Chairman then put the motion—That it is desirable that the transfer books be open for the inspection of shareholders within bank hours.

Mr. Thomas Cramp moved in amendment that the question of opening the transfer books of this Bank for the inspection of shareholders be referred to the directors for their consideration.

Mr. Lyman seconded the amendment which was put and carried.

The balloting for directors was then proceeded with, and the following gentlemen were elected:—

T. B. Anderson, T. E. Campbell, G. W. Campbell, M.D., E. M. Hopkins, J. G. MacKenzie, Peter Redpath, Hon. Thos. Ryan, Henry Thomas, David Torrance, Esqs.

A vote of thanks to the chairman terminated the proceedings, and the meeting was then adjourned.

