

# 1876.

## BANK OF MONTREAL.

### ANNUAL GENERAL MEETING, HELD 5<sup>TH</sup> JUNE, 1876.

(From THE GAZETTE, MONTREAL, June 6th, 1876.)

The Annual General Meeting of the Shareholders of the Bank of Montreal was held yesterday, June 5th, at one p.m., in the office of the Bank in this city. There was a large attendance of Shareholders. Among those present we noticed the following gentlemen:—Robert Anderson, John J. Arnton, G. W. Campbell, M.D., W. B. Cumming, Robt. Esdaile, John Rankin, Thos. Davidson, Henry Lyman, Frank Bond, Hon. John Hamilton, Edward Mackay, R. Moat, D. L. MacDongall, Thos. Cramp, Geo. W. Simpson, R. A. Ramsay, R. James Reekie, Andrew Robertson, Thos. W. Ritchie, Hon. Thomas Ryan, Gilbert Scott, Hon. Donald A. Smith, George Stephen, Alex. Murray, Thos. Workman, Fred. Mackenzie, &c., &c.

On motion of Dr. GEO. W. CAMPBELL, Mr. GEORGE STEPHEN, President of the Bank, was requested to take the Chair.

Mr. STEPHEN, having taken the chair, remarked that the first thing to be done was to appoint Scrutineers.

Mr. ROBERT MOAT—I move, "That the following gentlemen be appointed to act as Scrutineers: Mr. W. B. Cumming and Mr. Thos. Davidson, and that Mr. R. A. Lindsay be the Secretary of this meeting."

Mr. GEO. W. SIMPSON seconded the resolution, which was carried unanimously.

The CHAIRMAN—The next business, gentlemen, will be to read the Report of Directors. I will ask Mr. Angus to do that.

Mr. R. B. ANGUS, General Manager of the Bank, read the Report as follows:—

The Directors have pleasure in presenting to the Shareholders the 58th Annual Report, accompanied by the usual Statement of Assets and Liabilities of the Bank at the close of its financial year:

|   |                |
|---|----------------|
| The balance of Profit and Loss Account at the last annual meeting amounted to.....  | \$405,379 29   |
| The profits for the year ended 30th April, 1876, after deducting charges of management and making full provision for all bad and doubtful debts, are..... | 1,838,679 10   |
|   | <hr/>          |
|   | \$2,244,058 39 |
| Out of which two dividends of seven per cent. each have been paid:—   |                |
| On 1st December, 1875... ..   | \$837,898 00   |
| On 1st June, 1876.....  | 838,232 58     |
|   | <hr/>          |
|   | \$1,676,131 58 |
| Leaving a balance of.....   | \$567,926 81   |

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

The Directors, after a careful scrutiny of overdue paper and current loans, have made an unusually liberal appropriation to cover the loss which may arise from debts believed to be bad or doubtful; and in view of the prevailing inactivity of business and the unpromising outlook for the coming year, they consider it inexpedient to make any transfer to "Rest Account" on this occasion, preferring to leave the sum of \$567,926.81 in accumulated profits at credit of Profit and Loss Account, where it will be more available, in case of need, to meet unforeseen contingencies.

The Directors trust that the result of the year's operations, the untoward circumstances of the period having been taken into consideration, will be deemed satisfactory. The general depression of business, which was noticed in last report, has unfortunately continued to deepen; and although a monetary stringency—itselt the result of previous overtrading—did for some months give profitable employment to the funds of the Bank, the field for desirable transactions has since been greatly limited. The Bank, in fact, cannot reasonably be expected to enjoy a full meas-

ure of prosperity while the business of its customers is undergoing curtailment and remains unremunerative.

The commercial and manufacturing community of the Dominion generally, may be congratulated on the stability they have displayed under extraordinary trials, and on the strenuous measures they have adopted to diminish imports and lessen production of goods to a point commensurate with the lowered consumptive capacity of the country. The dulness of trade at present existing in all parts of the world, seems to have for its distinguishing feature a remarkable slowness of recovery, but a firm adherence to the course alluded to will go far to limit its duration here and to prepare us for taking advantage of the first openings of returning prosperity.

Much however remains to be accomplished. Our commercial community is suffering in sympathy with the unprosperous condition of affairs in other countries and more especially in the United States, and until an improvement is manifested there we cannot expect a healthy demand for our lumber and other products. We are also experiencing a severe reaction from a period of inflation and overtrading, caused to a large extent by the profuse expenditure of money in the construction of railways and other public works of a slowly productive character.

It is gratifying to know that the country and Municipalities enjoy such excellent credit at home and abroad, but it is highly desirable, especially in our present circumstances, that a prudent limit should be set to the exercise of our borrowing powers. It is mainly by retrenchment of expenditure, by the adoption of more economical methods, and by reduction of commercial operations to the compass they occupied some few years ago, that the community can hope to regain its former prosperity.

Fortunately the agricultural resources of the country, especially in the rapidly progressive Province of Ontario, have steadily continued to increase, and are materially contributing to the legitimate renewal of business.

During the past year the shareholders of

the Bank have had occasion to lament the loss of their much respected President, the late Mr. David Torrance, who had been associated with the Board of Direction for 22 years. The vacancy thus created at the Board was filled up by the election of Mr. Gilbert Scott.

(Signed) GEORGE STEPHEN,  
President.

GENERAL STATEMENT, 30TH APRIL, 1876.

| <i>Liabilities.</i>  |                 |
|--|-----------------|
| Capital Stock paid up<br>(Subscribed \$12,000,000 00).....                     | \$11,979,400 00 |
| Rest.....  | \$5,500,000 00  |
| Balance of Profits carried forward.....  | 567,926 81      |
|  | \$6,067,926 81  |
| Unclaimed Dividends  | 13,980 22       |
| Half yearly Dividend, payable June, 1876.....                                  | 838,233 58      |
|  | 6,919,840 61    |
|  | \$18,899,240 61 |
| Amount of Notes of the Bank in circulation.....                                | \$3,270,711 00  |
| Deposits not bearing interest.....   | 4,329,623 56    |
| Deposits bearing interest.....   | 10,292,992 92   |
| Balances due to other Banks and Institutions.....                              | 720,391 98      |
|  | 18,613,719 46   |
|  | \$37,512,960 07 |
| <i>Assets.</i>   |                 |
| Gold and Silver Coin current.....  | \$ 1,953,205 16 |
| Government Demand Notes.....   | 2,117,520 00    |
| Balances due from other Banks and Institutions.....                            | 4,895,716 23    |
| Notes and Cheques of other Banks.....  | 611,798 61      |
|  | 9,581,240 03    |
| Bank Premises at Montreal & Branches.....                                      | 425,000 00      |
| Bills of Exchange and Discounted Notes.....                                    | \$27,185,671 14 |
| Debts secured by mortgages and other Securities.....                           | 134,255 46      |
| Debts due to the Bank, over-due and not paid (Estimated loss provided for).... | 186,793 41      |
|  | 27,506,720 04   |
|  | \$37,512,960 07 |

R. B. ANGUS,  
*General Manager.*

BANK OF MONTREAL,  
MONTREAL, 30th April, 1876.

The CHAIRMAN then said:—Gentlemen, I shall now move the adoption of the Report, but before putting the motion to the meeting you will have an opportunity of making any remarks, and of asking any questions that may occur to you, pertaining to the business of the Bank. After that I shall ask Mr. Angus to give explanations on any points on which you may desire information. Referring to the Report, and taking in connection with it the abstract statements in your hands, it appears to me to furnish such a complete and clear exposition of the position and

business of the Bank, that nothing further in the way of explanation is needed, and it is really unnecessary I should occupy your time with any lengthened remarks of my own. Regarding the results of the year's business, I may remark that although the net profits are not quite equal in amount to those of the previous year, still they have been sufficient to enable us to pay the usual dividend of 14 per cent., and after providing amply for all known and anticipated loss, and also, to some extent, for unforeseen contingencies, to carry forward the sum of \$162,547 to the credit of Profit and Loss Account, which now stands with a credit balance of \$567,926, available, as the Report states, for any contingencies that may arise. This result, considering the difficulties and disasters by which all branches of business have been beset during the year, and from which Banking has certainly not been free, ought, I venture to think, to be considered as at least fairly satisfactory, affording, as it does, the very best evidence that can be offered of the singularly sound judgment and untiring devotion to the interests of the Bank, of him to whom it is in the main attributable. (Applause.) Having thus alluded to the importance of the services of the General Manager, I hope you do not suppose that I lose sight of the heavy responsibility and important duties attaching to the position of a Director of an Institution like the Bank of Montreal. To do so, would be an injustice towards myself and my colleagues on the Board. And here a question comes up on which it may not be out of place that I should say a word or two. You will all remember the developments that were brought to light by the disaster which, now nearly a year ago, compelled one of the most considerable of our banking institutions to close its doors. It is not my intention, nor is it my wish, to allude to these developments more specifically than to say that the ignorance of the true position, as well as of the general business, in which it was alleged the Directors of the institution in question had been systematically kept, could not possibly have existed in the case of the Directors of the Bank of Montreal, who have every facility afforded them for forming their own judgment on the transactions of the Bank. Twice in every week statements are laid upon the Directors' table, which show at a glance the actual position of every account in the Bank, every member of the Board being thus enabled to become acquainted with the true position of the Bank, and with the character and extent of every one of its loans. (Applause.) I am glad of the opportunity of making this statement, because the events to which I have been alluding, indicate a state of affairs, which, if it had not been exceptional, must soon have destroyed all confidence in the management of Banks by Boards of Directors. The Report, as I think wisely, abstains from anything like a definite forecast of the future. The trade and commerce of the country are undoubtedly depressed and undergoing at the moment a painful but health-restoring process of contraction. This pro-

cess, if vigorously persisted in, until the volume of imports is brought down to the limits prescribed by the diminished buying capacity of the country, must soon make its influence felt in every department of our trade and commerce. It is only by such a reduction that business can again be made profitable. Apologizing for the length of these remarks, I now beg to move,

"That the Report now read be adopted, and printed for distribution among the shareholders."

Mr. THOMAS WORKMAN—I beg to second the resolution, and in doing so I would express the unequivocal approval of the stockholders here present—and those who are absent will I have no doubt, agree with us—at the splendid statement shown at this meeting. That statement is far more satisfactory than could have been expected under the circumstances through which the commercial community has been passing during the past year. The depression—the terrible losses, I may say,—that have been suffered by the commercial community seem to have entirely passed over the Bank—perhaps I should say, rather, that the Bank has entirely escaped them; at least, the statement submitted to-day showing the result of the year's business would lead us to that conclusion. As to the future, sir, I hope that the stockholders will not be too sanguine in reference to the dividends that may be declared for some little time to come, because unless the Bank can make use of its money at remunerative rates, and better rates than it is getting at present, it cannot afford to continue paying the large dividends which it has been paying during the last two years. It is right that the stockholders should bear this in mind, and limit their expectations for the next six months, or twelve months. After that we may hope there will be brightness again, and that we will return to that state of prosperity that has characterized Canada up to the year 1872, or 1873, and that the dividends will be again all that we could expect or hope for. (Applause.)

The CHAIRMAN—Gentlemen, I am sorry to see that my friend Mr. Crawford is not here on this occasion. I hope that his mantle has fallen upon somebody (laughter), and that some questions will be asked.

After a minute's pause, there being no questions asked,

The CHAIRMAN said—Gentlemen, if you are determined to ask no questions, I will call upon Mr. Angus to say a few words.

Mr. ANGUS—I have few remarks to offer, and very little information to give beyond what is supplied by the general statement of affairs now submitted to the shareholders. The position of the Bank has not materially changed since the last annual meeting, except in so far as it is affected by the prevailing dullness of business. Comparing the exhibit of 1875 with that now before us, there will be observed but a slight difference in the amount of notes in circulation; there is, however, a decrease in deposits on which no interest is allowed, of \$1,128,156, almost wholly attributable to withdrawal of funds

at disposal of the Provincial and Dominion Governments, and an increase of \$431,748 in interest-bearing deposits. It is questionable whether this increase will be permanent, and I certainly cannot encourage you to draw any general inference from it, except the very obvious one, that the field for the profitable employment of money has become greatly restricted. Our Canadian loans and discounts have been reduced by \$1,061,324, and, as commercial operations are gradually being contracted, a still further diminution may shortly be expected. In this respect, we have not yet experienced the full effect of the lessened production of manufactured goods and the lowered imports of last season. The result of the year's operations is not quite so good as we have been accustomed to of late, but it must be remembered it has been achieved under very unfavorable circumstances. Our previous experience has led us to look for profitable business in one place or in one branch of trade as an offset to want of it in another, but, during the year that is past, all branches of commerce and all districts of country where the Bank is represented have been more or less affected; Canada in all her provinces, Chicago and New York have alike suffered by the universal derangement of trade and the extraordinary shrinkage in values. There is one feature in the year's history which may be regarded by the shareholders of the Bank, as well as its officers, with some degree of satisfaction. We have passed through a period of severe trial, and I think I may say with unimpaired resources and increased credit. The financial ease and strength displayed throughout the monetary stringency of last Fall, and the comparative immunity from serious losses in this season of great depression are fair indications that the reserves of the Institution have been kept well in hand, and its loans are based upon sound commercial principles. (Applause.) I need not say the prospects of the immediate future are by no means bright. Any attempt to force business would be imprudent, and we may be called upon for the exercise of patience and reserve. I cannot believe, however, that we shall have long to wait for a moderate revival. Our agricultural population (where the great strength of this country lies) is fairly prosperous; our merchants are rapidly adapting themselves to the altered conditions of trade, and our lumberers produce an article of such universal consumption that it is only a question of time when it will meet with remunerative returns. I will only add that the Bank is in excellent condition to contribute to such a revival, and profit by any such renewed activity of business. (Applause.)

The CHAIRMAN—If no gentleman present has anything further to say, I will now put the motion to the meeting. Is it your pleasure that the Report be adopted and printed for distribution among the shareholders?

The resolution was adopted unanimously. Mr. ANDREW ROBERTSON—I beg leave to move

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

It will be quite unnecessary for me to say one single word in support of this resolution. The unanimity with which the resolution which has just been passed was received is quite sufficient to show the confidence of the meeting in the management of the Bank. I have only to hope that the resolution I now propose will be passed with like unanimity. (Applause.)

Mr. HENRY LYMAN—I have much pleasure in seconding the resolution. I have listened to the reading of the Report with much satisfaction. In the first place, it is to be remarked that it is drawn up in a very terse manner. I may say that I was very much gratified by the President's remarks with reference to Bank Directors. I am sure that those remarks are very well timed. Reverting to the circumstances to which allusion has been made, every one must have felt that a shock was given to the confidence placed by the public in Banking Institutions. If it was possible for such things to be done in a Bank as it was proved had been done in that instance, it is natural to suppose that people in the country largely interested in this Institution may have felt a degree of uncertainty and disquietude as to what we may call the general management. It is a matter of notoriety that the Bank of Montreal has always been conducted in a manner that could afford no ground for an impression of this sort. At the same time, I think that the remarks of the Chairman were very well made, and I hope the career of the Bank will be as prosperous in the future as it has been in the past, and more than that I cannot say. (Applause.)

The resolution was then adopted by acclamation.

The CHAIRMAN, in reply to the resolution, said:—Gentlemen, on behalf of my colleagues and myself, I beg to thank you for this mark of your confidence. There is a memorandum here which I think may be of interest to the shareholders, and I will take this opportunity of reading it.

|  |        |
|--|--------|
| Number of shareholders, June, 1875.....                                | 1,331  |
| Number of shareholders, June, 1876.....                                | 2,011  |
| Increase.....  | 180    |
| Number of shares of stock held by bankers and brokers, June, 1875..... | 6,075  |
| Number of shares of stock held by bankers and brokers, June, 1876..... | 4,920  |
| Decrease.....  | 1,155  |
| Montreal Register, shares.....   | 59,139 |
| Toronto Register, shares.....  | 487    |
| London Register, shares.....   | 174    |
| Total.....   | 60,000 |
| Average number of shares held by shareholders, say.....                | 30     |

Dr. GEO. W. CAMPBELL—I have great pleasure in moving the following resolution:—

"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."

I have only to say that the prosperity of the Bank must always be chiefly due to the General Manager, the managers, and other officers of the Bank, and the stockholders no doubt feel from the report which has been laid before them to-day, that this resolution is very well timed, and that the thanks of the meeting and of all the stockholders are justly due to these gentlemen for their services.

Mr. R. ESDAILE seconded the resolution, which was carried by acclamation.

Mr. ANGUS said—Gentlemen, I feel deeply grateful to the shareholders for the confidence they have reposed in me in the past, and I can assure them they will have my faithful services in time to come. On behalf of my colleagues and fellow-officers, I thank you also for this recognition of their services. We have had throughout the whole of our establishment a remarkable display of fidelity and faithfulness to their trust and zeal in the service on the part of the officers of the Bank. We now number the considerable figure of 231 (applause).

Mr. EDWARD MACKAY—The following motion has been placed in my hands, and does not need any remark:—

"That the ballot now open for the election of Directors be kept open until three 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."

Mr. ROBT. ANDERSON seconded the motion, which was adopted unanimously.

The meeting then proceeded to ballot for Directors for the ensuing year, and the following Report was afterwards handed in by the Scrutineers:—

Montreal, 5th June, 1876.

SIR,—

We declare the following gentlemen duly elected Directors this day:

G. W. CAMPBELL, M. D.  
SIR A. T. GALT, K.C.M.G.  
EDWARD MACKAY.  
PETER REDPATH.  
THOMAS W. RITCHIE, Q.C.  
HON. THOMAS RYAN.  
GILBERT SCOTT.  
HON. DONALD A. SMITH.  
GEORGE STEPHEN.

We are, Sir,

Your obedient servants,

THOS. DAVIDSON,  
W. B. CUMMING.

To the General Manager,  
Bank of Montreal.



# 1876.

## BANK OF MONTREAL.

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### Board of Directors.

GEORGE STEPHEN, Esq., PRESIDENT.

G. W. CAMPBELL, Esq., VICE-PRESIDENT.

HON. T. RYAN,

SIR A. T. GALT, K.C.M.G.,

P. REDPATH, Esq.,

EDWARD MACKAY, Esq.,

HON. D. A. SMITH,

GILBERT SCOTT, Esq.,

T. W. RITCHIE, Esq., Q. C.

R. B. ANGUS, Esq., GENERAL MANAGER.

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## R E P O R T

OF THE

DIRECTORS TO THE SHAREHOLDERS,

AT THEIR

58th ANNUAL GENERAL MEETING,

HELD 5th JUNE, 1876.

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\$2,244,058 39

Out of which two dividends of seven per cent. each have been paid;—

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On 1st June, 1876..... 838,233 58

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Leaving a balance of..... \$567,926 81  
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**GEORGE STEPHEN,**  
*President.*

# GENERAL STATEMENT.

30th APRIL, 1876.

## LIABILITIES.

|   |                 |
|---|-----------------|
| Capital Stock paid up (Subscribed \$12,000,000 00)..... | \$11,979,400 00 |
| Rest. ....  | \$5,500,000 00  |
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|   | 18,613,719 46   |
|   | \$37,512,960 07 |

## ASSETS.

|   |                 |
|---|-----------------|
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| Government Demand Notes.....  | 2,117,520 00    |
| Balances due from other Banks and Institutions.....                             | 4,895,716 23    |
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BANK OF MONTREAL, }  
MONTREAL, 30th April, 1876. }

R. B. ANGUS,  
*General Manager.*

