

1882.

29<sup>TH</sup> APRIL.

BANK OF MONTREAL.

*Statement of the result of the business of the Bank for the year ended 29th April, 1882.*

Balance of Profit and Loss Account, 30th April, 1881	-	-	-	-	-	\$ 274,067 17
Profits for the year ended 30th April, 1882, after deducting charges of management, and making full provision for all bad and doubtful debts	-	-	-	-	-	1,641,256 51
						<u>\$1,915,323 68</u>
Dividend 4 per cent., paid 1st December, 1881	-	-	-	-	\$479,968 00	
Bonus 1 per cent., " " "	-	-	-	-	119,992 00	
Dividend 5 per cent., payable 1st June, 1882	-	-	-	-	599,960 00	
					<u></u>	\$1,199,920 00
						<u>\$ 715,403 68</u>
Carried to Rest account	-	-	-	-	-	500,000 00
						<u></u>
Balance of Profit and Loss Account carried forward	-	-	-	-	-	<u>\$ 215,403 68</u>

NOTE.—*Market price of Bank of Montreal Stock 29th April, 1882, 212 per cent., equal to \$424 per share.*

# GENERAL STATEMENT.

29th April, 1882.

## LIABILITIES.

Capital Stock paid up (Subscribed 12,000,000 00) .....		\$11,999,200 00
Rest .....	\$ 5,500,000 00	
Balance of Profits carried forward .....	215,403 68	
	<u>\$ 5,715,403 68</u>	
Unclaimed Dividends.....	15,108 22	
Half-yearly Dividend, payable 1st June, 1882 .....	599,960 00	
	<u>\$6,330,471 90</u>	
		<u>\$18,329,671 90</u>
Amount of Notes of the Bank in circulation .....	\$ 5,086,340 00	
Deposits not bearing interest .....	8,785,494 56	
Deposits bearing interest .....	12,330,586 50	
Balances due to other Banks in Canada.....	833,875 97	
	<u>\$27,036,297 03</u>	
		<u>\$45,365,968 93</u>

## ASSETS.

Gold and Silver Coin Current.....	\$ 2,245,016 50	
Government Demand Notes.....	2,908,922 00	
Balances due from other Banks in Canada.....	\$ 134,260 46	
Due from Agencies of this Bank, and other Banks in Foreign Countries .....	6,505,919 47	
Due from Agencies of this Bank, and other Banks in Great Britain.....	<u>1,130,429 76</u>	
	\$ 7,770,609 69	
Notes and Cheques of other Banks.....	978,382 61	
	<u>\$13,902,930 80</u>	
Bank Premises at Montreal and Branches.....		440,000 00
Loans and Bills Discounted ... ..	\$30,639,566 09	
Debts secured by Mortgages and other Securities .....	254,886 42	
Overdue debts not specially secured (estimated loss provided for). ..	<u>128,585 62</u>	
		<u>\$31,023,038 13</u>
		<u>\$45,365,968 93</u>

BANK OF MONTREAL, }  
MONTREAL, 29th April, 1882. }

W. J. BUCHANAN,  
General Manager.

# BANK OF MONTREAL.

(ESTABLISHED 1818.)

INCORPORATED BY ACT OF PARLIAMENT.

CAPITAL AUTHORISED	\$12,000,000
CAPITAL PAID UP	11,999,200
RESERVED FUND	5,500,000

## HEAD OFFICE—MONTREAL.

### BOARD OF DIRECTORS:

C. F. SMITHERS, ESQ., *President.*

HON. D. A. SMITH, *Vice-President.*

EDWARD MACKAY, ESQ.

ALEX. MURRAY, ESQ.

A. T. PATERSON, ESQ.

GILBERT SCOTT, ESQ.

ALFRED BROWN, ESQ.

G. A. DRUMMOND, ESQ.

HUGH M'LENNAN, ESQ.

W. J. BUCHANAN, *General Manager.*

A. MACNIDER, *Assist. Gen. Manager  
and Chief Inspector.*

H. V. MEREDITH, *Assistant Inspector*

A. B. BUCHANAN, *Secretary.*

### BRANCHES IN CANADA.

MONTREAL.....E. S. CLOUSTON, *Manager.*

ALMONTE, Ont.  
BELLEVILLE, "  
BRANTFORD, "  
BROCKVILLE, "  
CHATHAM, N.B.  
CORNWALL, Ont.  
GODERICH, Ont.

GUELPH, Ont.  
HALIFAX, N.S.  
HAMILTON, Ont.  
KINGSTON, "  
LINDSAY, "  
LONDON, "  
MONCTON, N.B.

NEWCASTLE, N.B.  
OTTAWA, Ont.  
PERTH, "  
PETERBORO, "  
PICTON, "  
PORT HOPE, "  
QUEBEC, Que.

SARNIA, Ont.  
STRATFORD, "  
ST. JOHN, N.B.  
ST. MARY'S, Ont.  
TORONTO, "  
WINNIPEG, Man.

### AGENTS IN GREAT BRITAIN.

LONDON, BANK OF MONTREAL, 9 Birch Lane, Lombard Street.

C. ASHWORTH, *Manager.*

#### LONDON COMMITTEE.

E. H. KING, ESQ., - - *Chairman.*

ROBERT GILLESPIE, ESQ.

SIR JOHN ROSE, BART., G.C.M.G.

### BANKERS IN GREAT BRITAIN.

LONDON, THE BANK OF ENGLAND,  
" THE UNION BANK OF LONDON,  
" THE LONDON AND WESTMINSTER BANK.

LIVERPOOL, THE BANK OF LIVERPOOL.  
SCOTLAND, { THE BRITISH LINEN COMPANY  
AND BRANCHES.

### AGENTS IN THE UNITED STATES.

NEW YORK, WALTER WATSON and ALEX. LANG, 59 Wall Street.

CHICAGO, BANK OF MONTREAL, 154 Madison Street; W. MUNRO, *Manager.*

### BANKERS IN THE UNITED STATES.

NEW YORK, THE BANK OF NEW YORK, N. B. A.  
" THE MERCHANTS NATIONAL BANK.  
BOSTON, THE MERCHANTS NATIONAL BANK.

BUFFALO, BANK OF COMMERCE IN BUFFALO.  
SAN FRANCISCO, THE BANK OF BRITISH COLUMBIA.

### COLONIAL AND FOREIGN CORRESPONDENTS.

ST. JOHNS, NFD., THE UNION BANK OF NEWFOUNDLAND.  
BRITISH COLUMBIA, THE BANK OF BRITISH COLUMBIA.  
NEW ZEALAND, THE BANK OF NEW ZEALAND.

INDIA,  
CHINA,  
JAPAN,  
AUSTRALIA, } ORIENTAL BANK CORPORATION.

MONTREAL, June, 1882.





# 1882.

## BANK OF MONTREAL.

### BOARD OF DIRECTORS—1881-82.

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

### REPORT

OF THE

### DIRECTORS TO THE SHAREHOLDERS

AT THEIR

### 64th ANNUAL GENERAL MEETING,

### HELD JUNE 5TH, 1882.

The Directors have much satisfaction in presenting to the Shareholders the 64th Annual Report, accompanied by a statement of the result of the business of the year ended 30th April:—

The balance of Profit and Loss account on 30th April, 1881, was.....	\$ 274,067 17
The profits for the year ended 30th April, after deducting charges of management and making full provision for all bad and doubtful debts, were.....	1,641,256 51
	<u>\$1,915,323 68</u>

From which have been taken:—

Dividend 4 per cent., paid 1st December, 1881.....	\$479,968 00
Bonus 1 per cent., paid 1st December, 1881.....	119,992 00
Dividend 5 per cent., payable 1st June, 1882.....	599,960 00
Addition to "The Rest".....	500,000 00
	<u>\$1,699,920 00</u>

Leaving a balance of.....	\$ 215,403 68
carried forward at credit of Profit and Loss account for the current year.	

The Directors are pleased that the profits on the year's business have enabled them to carry the above mentioned sum of \$500,000 to "The Rest," as it replaces that Fund where it stood for several years previous to 30th April, 1879, viz., at \$5,500,000.

The Shareholders will learn, doubtless not without regret, of the retirement of Mr. Peter Redpath from the Board, where he had so faithfully and ably served their interests for upwards of 13 years. The vacancy thus created was filled by the election of Mr. G. A. Drummond in March last.

C. F. SMITHERS,  
*President.*

# GENERAL STATEMENT

30th APRIL, 1882.

## LIABILITIES.

Capital Stock paid up (Subscribed \$12,000,000).....	\$11,999,200 00
Rest.....	\$ 5,500,000 00
Balance of Profits carried forward.....	215,403 68
	<u>\$ 5,715,403 68</u>
Unclaimed Dividends.....	15,108 22
Half-yearly Dividend payable 1st June, 1882 .....	599,960 00
	<u>\$ 6,330,471 90</u>
	<u>\$18,329,671 90</u>
Amount of Notes of the Bank in circulation.....	\$ 5,086,340 00
Deposits not bearing interest .....	8,785,494 56
Deposits bearing interest .....	12,330,586 50
Balances Due to other Banks in Canada.....	833,875 97
	<u>\$27,036,297 03</u>
	<u><u>\$45,365,968 93</u></u>

## ASSETS.

Gold and Silver Coin Current .....	\$ 2,245,016 50
Government Demand Notes.....	2,908,922 00
Balances Due from other Banks in Canada.....	\$ 134,260 46
Due from Agencies of this Bank, and other Banks	
in Foreign Countries .....	6,505,919 47
Due from Agencies of this Bank, and other Banks	
in Great Britain.....	1,130,429 76
	<u>\$ 7,770,609 69</u>
Notes and Cheques of other Banks.....	978,382 61
	<u>\$13,902,930 80</u>
Bank Premises at Montreal and Branches.....	440,000 00
Loans and bills Discounted.....	\$30,639,566 09
Debts secured by Mortgages and other Securities .....	254,886 42
Overdue debts not specially secured (estimated loss provided for)	128,585 62
	<u>\$31,023,038 13</u>
	<u><u>\$45,365,968 93</u></u>

BANK OF MONTREAL,

MONTREAL, 30th April, 1882. }

W. J. BUCHANAN,

General Manager.

**PROCEEDINGS**  
OF THE  
**SIXTY-FOURTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS,**  
**HELD AT THE BANKING HOUSE**  
ON

Monday, the 5th June, 1882.

C. F. SMITHERS, ESQ., PRESIDENT, IN THE CHAIR.

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After the Report had been read, the following Resolutions were put and carried unanimously :

Moved by the CHAIRMAN, seconded by HON. D. A. SMITH :

“That the report of the Directors now read be adopted and printed for distribution among the Shareholders.”

Moved by the CHAIRMAN, seconded by MR. GEORGE STEPHEN :

“That the Shareholders here assembled having heard with unfeigned sorrow and regret of the death of their late much esteemed Vice-President, Geo. W. Campbell, Esq., M.D., desire hereby to record their high appreciation of his valuable services and unwearied devotion to the interests of the Bank as a Director for upwards of 13 years, during the last six of which he held office as Vice-President, and they painfully recognize the loss the institution sustains through his decease.”

Moved by MR. GEORGE MACRAE, seconded by MR. ROBERT ANDERSON :

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

Moved by MR. ALEXANDER MURRAY, seconded by MR. ALFRED BROWN :

“That the thanks of the meeting be given to the General Manager, the Assistant General Manager, the managers, and other officers of the Bank for their services during the past year.”

Moved by MR. HENRY LYMAN, seconded by MR. D. R. STODART :

“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.”

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**The Scrutineers reported the following Gentlemen duly  
elected Directors:**

ALFRED BROWN, Esq.	ALEX. MURRAY, Esq.
GEO. A. DRUMMOND, Esq.	ALEX. T. PATERSON, Esq.
HUGH McLENNAN, Esq.	HON. D. A. SMITH.
EDWARD MACKAY, Esq.	GILBERT SCOTT, Esq.

C. F. SMITHERS, Esq.

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At a meeting of the new Board MR. C. F. SMITHERS was elected President, and HON. D. A. SMITH, Vice-President.





# 1882.

## BANK OF MONTREAL.

### ANNUAL GENERAL MEETING,

*Held 5th June, 1882.*

(From THE GAZETTE of 6th June, 1882.)

The annual general meeting of the shareholders of the Bank of Montreal was held yesterday at noon in the Board-room. There was a very large attendance of shareholders, prominent among whom were:—Hon. D. A. Smith, Messrs. George Stephen, George Macrae, Q.C., Alexander Murray, Robert Anderson, Alfred Brown, Henry Joseph, C. F. Smithers, W. B. Cumming, James Burnett, R. A. Lindsay, H. Yates (Brantford), Gilbert Scott, Hugh Mackay, George A. Drummond, Hon. Senator Ryan, James Tasker, Hector Mackenzie, Hon. John Hamilton and Thos. Cramp.

The proceedings were opened by Mr. Henry Joseph moving that Mr. C. F. Smithers take the chair.

The motion was carried, and Mr. Smithers having taken the chair he said that the first business before the meeting was the appointment of scrutineers. He would move that their kind friend, Mr. W. B. Cummings, and Mr. James Burnett be nominated to act in that capacity, and that Mr. R. A. Lindsay be the secretary of the meeting.

Mr. JOSEPH—I would suggest that the scrutineers should be instructed to record the total number of votes cast.

The CHAIRMAN—You had better then make an amendment to that effect.

Mr. JOSEPH then moved that the scrutineers be also instructed to record the total number of votes cast for the directors.

Mr. GILBERT SCOTT seconded the motion.

Mr. MURRAY—I do not know that there is any objection to that course, but I am not aware that it is a customary course to pursue.

Mr. JOSEPH—There is not a meeting of this nature held in the United States at which the total number of votes cast and the number cast for each candidate is not reported by the scrutineers.

Mr. MURRAY—I do not know what is done in the United States, nor was I going there for a precedent. I am more in the habit of attending public meetings in Canada. What I desire to know is, is this proposal the custom of the Bank.

The CHAIRMAN—No, it has never been customary in the Bank.

Mr. CUMMING—I do not think the course proposed would be a desirable one to adopt. Within my experience within the past few months one gentleman only received one vote.

The CHAIRMAN—There is a great deal in what Mr. Cumming has said. It should be merely the vote of those elected that is returned.

Mr. GEORGE STEPHEN—I quite agree with what Mr. Cumming has said, and I think if the sense of the meeting is taken it will sustain the old-fashioned plan that we have been in the habit of following heretofore.

Mr. YATES—Why should we adhere to the old fashioned plan if it is not satisfactory? Let us have the vote cast for each gentleman and the total vote reported if it is desired.

Mr. MACRAE—I wish to understand distinctly whether by Mr. Joseph's motion it is intended that every vote recorded shall be reported here to-day. If so, I object to it, because it would not be a very pleasing thing for some individuals who might only get one vote. For my own part I am rather in favor of the reporting of the number of votes cast for the gentlemen elected. (Applause)

The CHAIRMAN—I do not think there is any objection to the motion in that shape.

Mr. JOSEPH agreed to the amendment of his motion in that direction.

Mr. GILBERT SCOTT withdrew his name as seconder of the amended motion, as he had understood that only the number of votes polled should be recorded.

Mr. MACRAE's name was substituted in place of Mr. Scott's, and the motion was carried.

#### THE ANNUAL REPORT.

In response to the request of the Chairman,

Mr. BUCHANAN read the following report:

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS  
AT THEIR 64TH ANNUAL GENERAL MEETING,  
HELD 5TH JUNE, 1882.

The Directors have much satisfaction in presenting to the shareholders the 64th annual report, accompanied by a statement of the result of the business of the year ended April 30:

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	\$1,915,323 68

From which have been taken dividend 4 per cent, paid 1st December, 1881.....	\$479,968
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Dividend 5 per cent., payable 1st June, 1882.....	599,960
Addition to "The Rest".....	500,000
	\$1,699,920 00

Leaving a balance of..... \$215,403 68  
Carried forward at credit of profit and loss account for the current year.

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carry the above mentioned sum of \$500,000, to "The Rest," as it replaces that fund where it stood for several years previous to 30th April 1879, viz: at \$5,500,000.

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29th April, 1882.

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	\$ 5,715,403 68
Unclaimed dividends.....	15,108 22
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	\$ 330,471 90
	\$18,329,571 90

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Due from agencies of this Bank and other banks in G. Britain.....	1,304,429 78
	\$ 7,770,609 69
Notes and cheques of other banks.....	978,382 61
	\$13,902,930 80
Bank premises at Montreal and branches .....	440,000 00
Loans and bills discounted.....	\$30,639,566 09
Debts secured by mortgages and other securities .....	254,886 42

Overdue debts not specially secured (estimated loss provided for).....

128,585 62

\$31,023,038 13

\$45,365,968 93

W. J. BUCHANAN,  
General Manager.

BANK OF MONTREAL,  
MONTREAL, 29th April, 1882. }

The CHAIRMAN then moved, seconded by the Hon. DONALD A. SMITH,

That the report of the Directors now read be adopted and printed for distribution among the shareholders.

#### THE PRESIDENT'S ADDRESS.

The CHAIRMAN, in moving the adoption of the report, said:—Perhaps it would be just as well to add nothing to that report, and allow the figures to speak for themselves. There is nothing like results, and we think that the result must upon the whole be considered satisfactory. We claim nothing more than that, and it is at any rate a matter for congratulation that we have been able to restore the Rest to \$5,500,000, the highest point it ever reached, and at which it stood from 1875 until 1879, when the exigencies of the times required that \$500,000 should be taken from it. There may be, and doubtless is, some difference of opinion among the shareholders as to the policy of building up the Rest to 50 per cent.; but, as far as I am able to judge, it is approved by a large majority, and certainly it is by the gentlemen you have placed upon the Board to manage your affairs. I need scarcely remind you that it is no new departure—it is the goal at which successive administrations have been aiming for a number of years. To glance for a moment at the figures before passing on, remind you that the net profits reported last year were, in round figures, \$400,000 in excess of the previous year, and this year we report a still further improvement of \$188,000, or about 1½ per cent. It is perhaps worthy of notice in this connection that the increased profits were earned to a great extent within the last half of the fiscal year. The accounts show a very large increase in the amount under discount; but, as I have intimated, this occurred largely during the latter half of the year, and therefore did not contribute so much to the year's profits as would have been the case if it had begun earlier. You will understand that there is a corresponding decrease in the amounts employed in foreign countries—not quite that either—because we have made a gain of nearly 2½ millions in deposits, and not much short of one million in circulation—so that to that extent the increase has been accomplished without the necessity of withdrawing funds from other channels. The movement of funds lately serves admirably to illustrate the usefulness of our American agencies, which serve to promote the elasticity of our system. It has not been an uncommon thing for some people to cry out about the amount employed in the United States by the Canadian banks; but by the inexorable laws of finance the money always comes here when it is wanted, and when it is not wanted it returns and earns what it can, at the same time relieving this over-burdened market. But

the increase of business noted is not by any means confined to this Bank; it is general, if not universal, and embraces all the items of discounts, deposits, circulation, &c. The total loans and discounts of all classes upon the 30th April show an increase over the same day in 1881 of \$36,000,000—amounting in all to the enormous sum of \$176,000,000, a sum which I am quite safe in saying they never reached before. In 1875 they touched \$160,000,000, which was thought to be, and doubtless was at that time, a very dangerous expansion; the result proved it, for the banks did not get back to safe limits without passing through a very severe ordeal, which overwhelmed some of them, seriously crippled others, and damaged all to a greater or less degree; and in calling attention to the much larger figures which have now been reached, I do not wish to be considered an alarmist; but, to say the least, the figures are somewhat startling. I am quite sensible that the conditions of the country have greatly changed, and we can perhaps carry a heavier load now; still it is the part of wisdom to look the matter squarely in the face. I do not say that I see trouble in the immediate future, but it is well that we should be on the lookout and be prepared if it does come. It is quite certain that we—that is the banks generally—cannot go on expanding at this rate much longer, and the sooner we understand that the better. Of course, much depends upon the crops, about which there is of course, as yet considerable uncertainty. I do not wish to make any extravagant or exaggerated statements, but I think it is an undeniable fact that trade is not in altogether satisfactory condition. Complaints are very general that profits are light, and it is pretty well understood that considerable stocks of merchandise have had to be carried over, and then it is to be feared that manufactures are being, or are likely to be, overdone, at least in certain directions—for example, I find from information obtained from the most reliable source, that there are 13 cotton mills now running and 6 under construction, making 19 in all, in addition to which we know that many of them have largely increased their capacity, and others are doing so. Another feature of the times which must not be overlooked, is the large falling off in the exports in the face of increasing imports. This has been the case in the United States to an extent which has caused an outflow of gold amounting to twenty millions of dollars since the 1st of January in excess of the amount imported. The same unfavorable balance of trade exists here, but owing to the very imperfect returns published it is difficult to say to just what extent the balance is against us, and impossible to make satisfactory comparisons with former years. It is to be hoped, however, that importations will be light this season. One other point worthy of notice is that it is quite possible that railroad building may be pushed forward in advance of the wants of certain localities, and in that case there will be a halt until the country grows up to it, and that is always a tedious and painful process. We all know what happened in the United States in 1873, and it took until 1878 or '9 for the traffic to overtake the facilities provided for its transportation. With us, in this country, the case is

somewhat different, as, whatever may be the fate of some of the minor enterprises projected, the Canadian Pacific Railway, heavily subsidized as it is by the Government, must go on, and will doubtless be pushed forward with vigor. The energy with which it has been so far prosecuted is the best guarantee of that. And this brings me to the other side of the outlook, a favorable feature of which is the very large expenditure which is going on in connection with the construction of the Canadian Pacific Railway, and other public works, which puts money into circulation, and contributes materially to the development of the country. This may, and doubtless will, help to defer it does not avert trouble. It is difficult to overestimate the part that Manitoba and the Northwest are to play in the future of Canada. Immigrants are flowing in much more rapidly than the most sanguine of us anticipated, and with them an immense amount of money is also coming into the country. I don't know what amount each immigrant is supposed to bring; but I have seen it estimated that those arriving at Castle Garden bring an average of \$90 per capita, and I have been led to believe that those going to the Northwest are of a superior class—they are said to be largely from the middle classes and possessed of means. Perhaps Mr. Stephen may be able to give us some information on this point—I will give him an opportunity shortly. However this may be, it is certain that the money coming into the country in this way is an important addition to the financial resources of the country, and in addition to this, large amounts are constantly being sent out by mortgage and other companies for the purpose of being lent upon real estate. The Northwest will also afford a most important outlet for the consumption of what might otherwise prove to be the overproduction of our mills and factories, and will also absorb a large amount of imported goods. It is, in short, the hope of Canada; but it is as a producer that it is to exercise the most important influence upon our future. It is to this source mainly that we must look for any large increase to our exports. This is what we most need, and if our expectations in this respect are to be realized, it will do more than anything else to enable us to carry with comparative ease the large debt of the Dominion. It is the enormous productiveness of the United States and consequent heavy exports that has made the country what it is to-day. The failure of the crops of 1881 has illustrated this in a way not to be forgotten, resulting in a heavy outflow of gold, as already explained. One word now as regards the fiscal year of the Bank of Montreal upon which we have just entered. You know I never make promises, and can only say that if you re-elect us, we will continue to serve you to the best of our ability, as we have heretofore done. It has become increasingly difficult of late years to make money at banking in Canada. Competition is always on the increase, and additional taxes have just been imposed in the province, though it remains to be seen whether they are constitutional, a question which will undoubtedly be tested. However, notwithstanding all this, if we are favored with a good harvest, which will do more than anything else to stave off trouble,

I am not without hopes that we may have a tolerably successful year. I think the outlook is in favor of fair employment of our funds at moderately remunerative rates, and there are one or two encouraging features. For example, I may mention the passage of what is known in the State of New York as Kiernan's Usury bill, which permits call loans on collateral security to be made at any rate agreed upon, and will be very advantageous to the borrower as well as the lender, as it will certainly tend to modify the enormous rates hitherto paid in seasons of stringency, and it will, at the same time, enable us to receive our share of the benefit to be derived from dear money in times of scarcity. In addition to this, there is still some hope that before Congress adjourns the internal revenue tax upon bank capital and deposits may be repealed, which, coupled with the measure just referred to, will afford signal relief. Before closing you will expect me to say something about the Canadian Pacific bonds. Soon after they were taken the money markets of both London and New York took an unfavorable turn, which made them rather too high for investors, though they still remained a very desirable purchase for parties requiring them to pay for land, as you are all no doubt, aware that they are available for that purpose at 110, and that therefore no one will dream of paying for land in cash so long as these bonds can be purchased at anything below 110. In the face of all difficulties, however, I am happy to say that we have succeeded in placing somewhere in the neighborhood of \$3,000,000—perhaps not quite that amount, but very little short of it; and I have also the pleasure of informing you that negotiations are going on for the sale of a very large block of land by the Railway Company, which, if carried out, will make a market for a correspondingly large amount of bonds, and tend to enhance the value of all that will be left. You will therefore understand that the prospect for the successful placing of the whole issue is to-day much more encouraging than it has been at any previous time. (Applause.)

#### THE LATE DR. CAMPBELL.

The CHAIRMAN—I have, before proceeding further, a very painful duty to discharge. The resolution I am about to propose is entirely out of our ordinary course, and I wish to bring it up here before we take another step. I do not propose to say anything in reference to this resolution; in fact, I could not find words to say what I would like to say. It would be utterly impossible for me to do it justice. I refer to the great calamity that has befallen us all as a community, but that has fallen especially upon this Bank. I need not tell you that I allude to the sad news we received but a few days ago of the death of our late Vice-President, Dr. G. W. Campbell. The news came after our report had been drawn up and after all arrangements had been made for the general meeting. The late Dr. Campbell was beloved and honored by everybody in the community. His name is a household word in almost every family, and anything I could say in addition would only, I fear, tend to weaken the force of the resolution. Personally, I had the highest regard for him and I can assure you, as a stockholder of the Bank of Montreal, that there never was a director

or any concern who took so much interest in its affairs as did the late Dr. Campbell in the affairs of the Bank of Montreal. I feel that I cannot do justice to this resolution. I will now merely move it, and I ask the seconder, Mr. Stephen, to do that which I am utterly incapable of doing:—

*Resolved*,—That the shareholders here assembled, having heard with unfeigned sorrow and regret of the death of their late much esteemed Vice-President, George W. Campbell, Esq., M.D., desire hereby to record their high appreciation of his valuable services and unwearied devotion to the interests of the Bank as a director, for upwards of thirteen years, during the last six of which he held office as Vice-President, and they painfully recognize the loss the institution sustains through his decease.

Mr. STEPHEN—I think I shall but discharge my duty upon this melancholy occasion by simply saying that I second Mr. Smithers' motion and then sitting down. I would, however, add that the Bank, in the decease of Dr. Campbell, has lost a very efficient officer. He was connected with the Bank long before I was, but from my knowledge of him I can only say and repeat what Mr. Smithers has said to you as to his devotion to the interests of the Bank. Independently, however, of the Bank, there is scarcely a family in this community that does not mourn his loss as an old, kind and considerate friend on all occasions.

The motion was then carried.

It was then moved by GEO. MACRAE, Esq., seconded by ROBERT ANDERSON, Esq.,

That the thanks of the meeting be presented to the President and directors for their attention to the interests of the Bank.

He said: It is hardly necessary to say anything in addition to this except a word or two. I think you must all have been struck with the report of the affairs of the bank, and especially with the address of the President. What struck me was that in style it was very much the same as his address of last year. It was very cautious, but at the same time very hopeful, and I think we have not been disappointed in any of the hopes he threw out last year. I trust the hopes expressed in this address will be carried out with equal success during the coming year. There is only one thing I regret very much, especially after the remarks that have fallen from the President and Mr. Stephen, that in this motion could not be included the name of one who has usually been here. I am not an officer of this Bank, and therefore I can speak as an outsider. I fully agree with everything that has been said of the late Dr. Campbell. His name was truly a household word, and more than that: his personal character, his learning and his whole position in this city created a certain want in this board which probably no other individual engaged in commercial pursuits could have done. I regret his name could not be included in this motion. His memory is revered by all, and I am sure that the sympathy of all is with his friends in their sad bereavement. In concluding these remarks, I would say this: I think it would be more satisfactory to most shareholders—I have heard a good many say so, but of course we yield to the superior wisdom of the managers of the Bank—it would be highly satisfactory if the Rest could rest (to use a repetition of the

word) here, and if the rest could all go to the profits. But of course the affairs of the Bank have been managed with such wisdom that I think it would be out of place for me to find fault with it. I beg, therefore, to renew my motion.

Mr. ROBERT ANDERSON—I have great pleasure in seconding the motion.

Mr. YATES—I desire to say a few words in reference to the Rest. I am not a resident of Montreal. I live in the country, and when I come here I always tell the shareholders of the Bank of Montreal that it would be a good thing if we could close up this Rest, proceed on a straightforward basis, and know what we are earning. I am neither a banker nor a professional accountant, but I think it would be more satisfactory to the present shareholders if the rest is set down at \$6,000,000; that they should contribute *pro rata* the sum necessary to bring it up to \$6,000,000. (Laughter.) Then we would know what we are about, and the shareholders would feel more comfortable, and an end would be put to speculation, and the shareholders would feel more comfortable. There is another matter to which I wish to allude. I understand that we have a clean sheet now, and that we do not owe anything to anybody. What I mean is we have no bad debts.

The CHAIRMAN—We have cleared off all those we supposed to be bad or doubtful.

Mr. YATES—Now, with regard to our directors. There are a great many gentlemen ambitious of being directors. Nearly every man you meet thinks he is qualified for that position. (Laughter.) Now, I think that we ought to set an example to other banks in proportion to our capital. We have in this Bank a capital much greater than that of the joint capital of all the banks of Philadelphia, with its population of 900,000. There is a general ambition on the part of the shareholders to become directors, and I think that a new departure should be made—this Board should be required to hold itself responsible for all the bad debts they incur. (Laughter.) I think if every director came upon the board with that understanding and remedied the mistakes he made, that the result would be more satisfactory to the shareholders. (Renewed laughter.) If this were done, I believe the shares of the Bank, would advance 25 per cent. (Hear, hear and laughter.) Not only that: it would have the effect of preventing our customers coming back to us and urging us to settle their accounts at something less than 100 cents on the dollar. Now, there is another matter with regard to which I should like to offer some practical suggestions. I remember that some 13 years ago railway accounts were kept the same as your accounts are kept now. They were so complicated that the father of sin himself could not fathom them. It is something the same with the bank accounts. I cannot fathom them or get at the details. I would suggest that the accounts of every agency and branch should be kept separate, so that we can tell who does the best business. To those who do the best business we should be able to give good wages and good bonuses. I object to men receiving bonuses who have not been making any money for us.

The CHAIRMAN—Some of your suggestions would be gladly concurred in by other



shareholders if they could be carried out. I am afraid that if the directors were made responsible for the bad debts of the Bank it would be a difficult matter to find a board. That I think is an answer to that point. So far as salaries and bonuses are concerned they are matters of detail which must be left to the directors, as it is for just such purposes that they are elected. I can say that no bonuses or salaries were given to anybody by this board who do not deserve them. Every matter of that kind was criticized closely, and I think we give this money where it is best deserved. The accounts spoken of have all to go before the board. It is impossible to put all these things before the shareholders. The Board knows exactly how much is made at each office and how much is lost at each office and what the salary and bonus of each officer is. This gives me an opportunity of saying what otherwise I might not have thought necessary. It would be impossible to find a board that would give better attention to the affairs of the Bank than the expiring board have done. I never in my life had anything to do with a board that took so deep and intelligent an interest in the affairs of the Bank.

MR. YATES—You did not, Mr. President, touch upon the question of the Rest. I am of opinion that the shareholders should be put in possession of the same amount of information as that possessed by the board.

THE CHAIRMAN—It is almost impossible in a short meeting which lasts only an hour or two to tell all that has been under our notice for twelve months. The accounts of some offices show that there is very little done in the way of discounting, but then they may have large deposits and the money is used elsewhere and the profit made in other places. It is utterly impossible that the large body of shareholders should be familiar with all these details. It is just for such purposes that the directors are appointed. As to the Rest I have only to tell you, of course, what I stated in my opening remarks, that I had no doubt there might be differences of opinion on the subject, but I said I still thought the majority approved of the course adopted. The policy of the Bank for the future in this respect rests with the board you elect to-day. They have yet to be elected and we do not know who they will be. (Laughter.)

MR. LYMAN—I hope Mr. Stephen will be able to give us some information about the money brought into the country by the emigrants coming here now.

MR. STEPHEN—I am sorry to say I cannot give you any information upon that subject.

THE CHAIRMAN—It is estimated that the emigrants coming to Castle Garden bring \$90 a piece.

MR. STEPHEN—The last time I was in Winnipeg the streets were more crowded than Broadway, New York. They were for the most part the finest looking lot of young fellows I have ever seen in my life. How much money they brought with them I do not know. A banker recently told me that there were \$3,000,000 on deposit there, for investment, I suppose.

The motion was carried.

It was then moved by ALEX. MURRAY, Esq., seconded by ALFRED BROWN,

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

He said: I think we are very fortunate in our staff of officers, and since I have had the honor of being a director of the Bank, my attention has been frequently called to this gratifying circumstance. We have large and important offices established at different points outside of the city of Montreal, where a great deal of money is earned. I think we are very fortunate in having able and intelligent men at the head of these establishments. The whole staff so far as I am aware do their duty well and ably towards the Bank. For a great number of years past the Bank has pursued the policy of taking on young men and allowing them to rise by seniority, which I believe is the best policy. The total number employed is some 350, and we are almost always sure of being able to fill vacancies satisfactorily from that number. There were some practical remarks made by Mr. Yates, with reference to bonuses and salaries. I believe that the board in this respect have done what was fair. We recognized the increasing cost of living in Canada, and we wish that our employes shall be fairly remunerated.

The motion was carried.

MR. BUCHANAN, in responding on behalf of the officers, said:—I have to thank you very much for the handsome way in which you have spoken of the services of myself and my fellow-officers. I am sure you have our thanks, one and all. I think I can say, without fear of contradiction, that the best energies of the staff are devoted to the service of the Bank. I know also that there is not only great loyalty but great affection for the Bank in the hearts of most of them. It is a service in which they take a pride. Of course, we occasionally have men leave us, more especially this last year. With a magnificent country opening in the Northwest, it is not to be wondered at that some of our plucky and adventurous men should seek their fortunes there, but there are always plenty to supply their places. With regard to the Great Lone Land, I think it probable the new board will have before long to consider the advisability of planting ourselves in some of the posts advancing towards the Rocky Mountains. We have not, so far, found sufficient inducement to go beyond Winnipeg, as some of our neighbors have done, but the time is doubtless coming. Mr. Smithers has left very little for me to say. He has not, however, alluded to the question of inspection, in regard to which some of our lady stockholders—none of whom I see here to-day—have been very particular about in the past. (Laughter.) But I may say the branches of the bank in Canada, including Montreal of course and those in the United States, have been inspected by the inspector and assistant inspector, and our London office by our able chairman, Mr. King, with the aid of the

other gentlemen of the committee. I had an opportunity within the last few weeks of seeing these gentlemen, and I can vouch for the interest taken in the Bank generally, and the ability of our manager, Mr. Ashworth. Another thing not spoken of is the stock of the Bank and the number of our family, so to speak. The number of shareholders this year is 2,012, or an average held by each of 30 shares. Last year the number of shareholders was 2,191, or an average of 29 shares held by each. So it will be seen that our family has slightly diminished. Each one holds on an average one share more. The precise number of shares on the street it is difficult to ascertain. Last year we had in the hands of bankers and brokers 6,086; this year the number is 5,687. That would appear as though regular investors held more, but I think after an examination of our list that there are more shares on the street now than last year, as some of our rich men make temporary use of a portion of their accumulations by lending on the stock. I thank you again for the kind manner in which you have recognized the services of the officers.

MR. HENRY LYMAN said: I have a very formal resolution to move which does not require any display of eloquence on my part to enforce it. It is as follows:—

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.

Carried.

I may be pardoned, perhaps, in making a remark which does not at all come within the scope of my resolution. It is with reference to the pleasure I have experienced in listening to the remarks from the chair. I consider the remarks made by the President upon this occasion to be of exceeding value. I do not know that an exposition has been made of banking in my hearing of so able and valuable a character as that we have listened to to-day. In fact I think a very great improvement has been made if I might speak in reference to former years. Hitherto it was not considered necessary to go so thoroughly into these questions, which are so interesting. But I think in this regard as in many other respects the Bank of Montreal sets an example which may be followed with very great advantage by other institutions, and I am sure all bankers and financiers throughout the country and probably in the neighboring republic will have very great regard to the utterances which have been made upon this occasion and which are so well carried out by the action of the board and their conduct of the business of this institution.

MR. D. R. STODDART seconded the resolution, which was adopted.

After a formal adjournment until 3 o'clock, the scrutineers, Messrs. W. B. Cumming and James Burnett, reported the following gentlemen duly elected directors:—Alfred Brown, George A. Drummond, Hugh McLennan, Edward Mackay, Alex. Murray, A. T. Paterson, Hon. D. A. Smith, Gilbert Scott, C. F. Smithers.