

1887.

BANK OF MONTREAL.

ANNUAL GENERAL MEETING

Held 6th June, 1887.

(From THE GAZETTE.)

The annual meeting of the shareholders of the Bank of Montreal was held in the Board Room of the Institution at one o'clock yesterday afternoon and was largely attended. Among those present were Sir Donald A. Smith, K.C.M.G., Messrs. Alex. Murray, Gilbert Scott, W. C. McDonald, A. T. Paterson, Hugh McLennan, George A. Drummond, Hon. John Hamilton, E. B. Greenshields, Alex. Clark, Jesse Joseph, Robert Anderson, John Crawford, Henry Lyman, George Macrae, Q.C., Hector Mackenzie, G. F. C. Smith, J. H. R. Molson, F. S. Lyman, James O'Brien, D. Macmaster, Q.C., A. C. Clark, Hon. D. A. Macdonald, R. B. Angus, Robt. Archer, Henry Joseph, J. Morrison, Angus Hooper, A. F. Clark, Wm. Mackenzie, D. R. Stodart, D. Kinsella, Jas. Burnett, J. B. Learmont, Richard Stark, D. L. McDougall, L. J. Forget, W. J. Buchanan, J. Alex. Strathy, and many others.

On motion of Mr. ROBERT ANDERSON, Sir Donald A. Smith was requested to take the chair.

Mr. JAMES O'BRIEN moved, seconded by Mr. J. H. R. MOLSON,

That the following gentlemen be appointed to act as scrutineers: Messrs. James Burnett and F. S. Lyman, and that Mr. A. B. Buchanan be the Secretary of the meeting.

Carried.

The PRESIDENT then called upon the General Manager, Mr. W. J. Buchanan, to read the

REPORT OF THE DIRECTORS

to the Shareholders at their 69th Annual General Meeting held 6th June, 1887.

The Directors beg to present the 69th Annual Report, showing the result of the Bank's business of the year ended 30th April, 1887:—

The balance of Profit and Loss on 30th April, 1886, was.....	\$525,545.25
The profits of the year, ended on 30th April last, after deducting charges of management and making all necessary provision for bad and doubtful debts, were.....	1,520,195.10
	\$2,045,740.35

From which have to be deducted:—

Dividend 5 per cent. paid 1st December, 1886.....	\$800,000
Dividend 5 per cent. payable 1st June, 1887.....	800,000
Bonus 2 per cent. payable 1st June, 1887.....	240,000
	1,440,000.00

Leaving a balance of.....\$ 605,740.35 to be carried forward at the credit of Profit and Loss Account.

It is very pleasing to the Directors to be able to state that the year's operations have proved so favorable as to admit of a bonus of 2 per cent. being paid to the shareholders in addition to the dividend of 10 per cent., making a total distribution of 12 per cent. for the year, besides adding to the balance of profits carried forward the sum of \$80,195.10, raising that fund to \$605,740.35, a result which they trust will be gratifying to the shareholders.

Taking the general statement herewith and comparing it with that of last year at a corresponding period, the most noticeable feature is a falling off of about \$5,000,000 in deposits, due in a great measure to a reduction in the Dominion and Provincial Government cash balances. Private deposits have also decreased to some extent, owing probably to a more profitable employment being found for such monies in the purchase of or loans on Bank and other Stocks.

The Head Office and all the Branches have passed through the usual thorough inspection.

Since the last Annual Report was issued a Branch of the Bank has been established in Calgary, and so far your Directors have reason to be satisfied with the progress of the business there, and, looking to the growing importance of British Columbia and the greatly increased facilities afforded for communication between the Eastern portions of the Dominion and that Province by the completion to its seaboard of the Canadian Pacific railway, preparations are being made by opening an office at Vancouver, a growing town already connected with China and Japan by a regular line of steamers.

DONALD A. SMITH,
Vice-President.

30th April, 1887.

GENERAL STATEMENT.

30TH APRIL, 1887.

	Liabilities.
Capital Stock.....	\$12,000,000 00
Res.....	\$8,000,000 00
Balance of profits carried forward	605,740 35
	\$8,605,740 35
Unclaimed dividends.....	7,005 52
Half-yearly Dividend, payable 1st June, 1887.....	600,000 00
Bonus, payable 1st June, 1887.....	240,000 00
	\$7,452,745 87
	\$19,452,745 87
Am't of Notes of the Bank in circulation....	\$5,204,072 00
Deposits not bearing interest.....	7,075,922 08
Deposits bearing interest.....	10,248,460 11
Balance due to other Banks in Canada.....	93,705 19
	\$22,622,159 38
	\$42,074,905 25
	Assets.
Gold & silver coin current.....	\$1,928,521 83
Government dem'd notes.....	2,431,763 25
Balance due from other Banks in Canada....	\$ 124,258 20
Due from Agencies of this Bank and other banks in Foreign Countries.....	6,772,904 29
Due from Agencies of this Bank and other banks in Great Britain.....	1,593,007 58
	8,490,170 16
Notes and Cheques of other Banks.....	833,719 05
	\$13,682,174 29
Loans and Bills Discounted.....	\$27,468,802 51
Debts secured by mortgage and other security.....	178,916 06
Overdue debts not especially secured (estimated loss provided for).....	145,012 39
	\$27,792,730 96
Bank Premises at Montreal and Branches.....	600,000 00
	\$42,074,905 25
Total.....	\$42,074,905 25
	W. J. BUCHANAN, General Manager.
BANK OF MONTREAL, MONTREAL, 30th April, 1887. }	

Sir DONALD SMITH—Gentlemen, before proceeding to the consideration of the report and the business which brings us here to-day, I would say a few words with reference to an event of which we are all conscious and which has given us very much concern and very great regret. That is the death so recently of our late President, Mr. Smithers. You all, or most of you, knew him so very well and knew how thoroughly he was interested in the affairs of the Bank, his zeal and determination to do for you all that it was possible for him to do, that a very few words indeed are required from me on the subject. We know that he had a long experience in banking and that his judgment was matured and good, and the success of the Bank since 1881, when he assumed the presidency of the Board, and was connected directly and intimately with the management of the Bank's affairs, has been such as to afford proof that his work was well and thoroughly done. The Board have already communicated to the widow and family of the deceased gentleman their sense of the great loss they have sustained, and I have now to put before you a resolution to the same effect. The resolution is moved by myself and seconded by Mr. Gilbert Scott, and is as follows:

Resolved,—That the Shareholders present recognizing the very great loss that the Bank has sustained in the lamented death of their late much esteemed President, Charles F. Smithers, desire hereby to record their high appreciation of the valuable services rendered by him to the Institution, during his tenure of office.

Mr. GILBERT SCOTT—Gentlemen, there is nothing that I can add to what Sir Donald Smith has said, and I will simply content myself, therefore, with seconding the resolution.

Mr. JOHN CRAWFORD—I would like, Mr. Chairman, just to say a word upon that resolution before it is put to the meeting. As one of your old proprietors, I take very great pleasure indeed in contributing my humble mite of confirmation to the very appropriate eulogy which you have been pleased to pass upon the official career of our late respected president, Mr. Smithers. I had known him personally for a great number of years, and whenever I felt any financial perplexity I always found in him a frank, courteous and able counsellor. In any financial difficulty which I had to contend with he was always ready to extend to me his best judgment, and I have every reason to believe, Mr. Chairman, that that has been the experience of many shareholders as well as citizens generally.

The resolution was carried unanimously.

Sir DONALD SMITH—Gentlemen, we have now to proceed with the proper business of the day. You have before you the statement and report of the business of the past year, which we consider to be a very satisfactory one, and one showing a result with which we have no cause to be disappointed. The net profit shown is some \$1,520,000, but the actual profit is even better than this, for there has been an expenditure during the year of some \$55,000 on the buildings of the Bank, principally in Toronto, Kingston and at the head office in Montreal. We all know that estimates cannot be kept down to the very dollar or the cent, but I am sure that looking to what has been done in this building you will be well satisfied that the money spent upon it has been well

bestowed. It is so, I am sure also, both in Toronto and in Kingston. But the directors have not thought it well to charge the Bank premises account with this outlay, so that that account remains at \$600,000 as before, although the properties have, no doubt, increased in value to this extent. There is another item of \$43,000 to \$45,000 which has been given as a bonus to the officers of the Bank. This is the first year since 1878 that the directors were able to declare what is equal to a dividend of 12 per cent., 10 per cent. of dividend and 2 per cent. of bonus. Looking to this and seeing also that we are now in the jubilee year of our Gracious Sovereign, (applause), but above all considering your interest and knowing, as the Directors do, that much of the prosperity of the Bank for the last twelve months, as it has been in former years, is owing to the great ability, the zeal, the assiduity and the loyalty of your officers, of the whole of the staff both at the head office and at all of the branches, and that it is due in a great measure to them that we are able to present you with such a favorable statement, we thought, as your trustees, that it was appropriate to mark their services, as has been done on this occasion. I would also ask to be permitted to say that I do think it is always right that those who do give a good service should be properly remunerated. It ought to be a consideration with everyone, not only to have efficient officers, but to retain none who are not giving good service, whether it is in this Bank or in any other institution, so that I believe to-day it will be found that the staff of the Bank of Montreal is all that could be wished. This bonus has absorbed, as I have said, from \$43,000 to \$45,000. The losses during the past year have been considerable, but all you being business men must know that, with operations extending over such a large area both in this continent and in Europe, it would be impossible to prevent losses more or less, no matter how good and how stringent the supervision, and I may add that we your directors for the last year are satisfied that the inspection and supervision has been most thorough throughout. Well, gentlemen, we are not to prophesy what the current year is to bring forth, but looking to the present I think we will all agree in this, that the promises are good. We have a fair and good country; we have also the prospects of a good harvest, as well in the Northwest as in the other provinces of the Dominion. It is so likewise in the Western States of the Union, and with the facilities we have for gathering all this in and for transporting it to such points as are desired by the Grand Trunk and Ontario & Quebec railways in the older provinces and by the Canadian Pacific, stretching from the Atlantic to the Pacific, and giving us at Sault Ste. Marie connection with the system of American railways and connection with the great milling centre, Minneapolis, we surely have cause to look forward with very great hope that much advantage is to accrue from all this to Canada, and especially to the city of Montreal. (Applause.) If we are true to ourselves and if we use those efforts which are within our power to promote our own interests there is every reason for believing that we shall be at least fairly prosperous; and if the country as a whole, and Montreal in particular, is fortunate in this respect, we know that it must accrue to the benefit of the Bank of Montreal under

judicious management. I may just for a moment mention another advantage we have, and that is that we are to have direct communication with the eastern and southern portions of the world. There is now on the sea from Hong Kong and Yokohama the first of a line of steamers from those countries to Vancouver. These are to be continued throughout the season, and, as they are vessels of a first order, we may expect certainly to have a very large addition to our commerce from that quarter. Now, gentlemen, on another point you and all of us may greatly aid in advancing our material interests, and this is a matter which is pertinent especially to ourselves in Montreal. We have heard a good deal lately of the St. Peter's channel; we have also thought a great deal about it, and we are awakening to the necessity of doing something with regard to it and not letting it slide over as has been done to a great extent in the past. Should we get from the Government the money which has been expended by Montreal, some \$1,800,000 or \$2,000,000, for making this canal on the shallows of the St. Lawrence on to Quebec—for it is really a canal—although there was already more or less depth of water in the channel, but not enough for the navigation of the first class vessels that come to this port; if in possession of this amount we should be able to give such further facilities in the port of Montreal as must be of the greatest benefit not only to ourselves here, but also to the country west of us, as well as east of us, because there is produce and merchandise to be borne both westward and eastward. And it is very gratifying to us to know that this view of making the St. Peter's channel debt a charge on the Dominion is now being more readily taken up by the mercantile communities of the other provinces. We have also another great work to be done. We all know what great losses have been sustained year after year by the merchants of Montreal in property, and, above all, of the great suffering, both in means and health, amongst some 30,000 of the people of Montreal residing in the lower levels of the city from the rising of the St. Lawrence year after year. Relieved of the debt just referred to, I have no doubt we shall be able to do what should have been done long ago. Up to this time we have deplored all this and borne it, but I hope it will not be tolerated any longer, and that such proper representations as have been made to the Government will be continued until that which we so much desire has been effected. We are not to predict as to what may happen during the current year. Each of you being business men and intelligent observers of the course of events, can form your own opinion quite as well and even better than it would be possible for me to do. But this we can do, and that is to give the assurance that as in the past, if your confidence is continued to us, we shall endeavor so to administer the affairs of the Bank as will give the utmost accommodation to its clients, consistent with a proper regard for your interests, retaining intact your capital and rest and giving you that dividend which you have a right to expect from a proper administration of your affairs. I have really nothing to add to the very full statement which has been laid be-

fore you, but will move, seconded by the vice-president, Mr. Drummond,

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

Mr. GEORGE A. DRUMMOND—Mr. Chairman, I have great pleasure in seconding the motion which you have presented to this meeting. I hold it to be a very great honor to have been connected in the past with an institution so deeply bound up with the prosperity of this country as the Bank of Montreal. When we know that the Bank of Montreal is the third joint stock bank in the whole British Empire, we can readily see that the prosperity of the Dominion of Canada is intimately bound up with it, that we on the one hand must owe our prosperity largely to the general prosperity of the country; and I think I can say that the great enterprises which the country has seen were for its interest, have owed a great deal in the past, and may owe a great deal in the future, to the Bank of Montreal. I will not enter upon any of the financial questions open for discussion; the report of the Directors is sufficiently explicit to render that unnecessary, but I shall content myself with simply seconding the resolution to adopt the report, which I have now great pleasure in doing.

Sir DONALD SMITH—Before putting the motion, I would ask our General Manager to say a few words.

Mr. W. J. BUCHANAN—Before making any remarks concerning the statement I would beg leave to be permitted also to say a few words in regard to our late President. I have been so closely associated with him that I perhaps feel his loss more than anyone else, outside his own family of course. Every one who came in contact with him knows how kind and considerate he invariably was—nothing seemed ever to disturb his equanimity—his perceptions were keen, and his judgment, matured by long years of varied experience in matters of business and finance, was invariably sound. He gave every question which came before him the most careful consideration—indeed he was incapable of slurring over anything or forming hasty conclusions. His death has left a blank not easily filled. And now in regard to the Report; as stated in it, the deposits have fallen off during the year \$5,000,000, but as a considerable portion of it occurred in the first six months, during the most of which period money was not so valuable, our present earning capacity is not practically so much below what it was last year, while the demand for money is more active in New York and Chicago, as well as in Canada, now than twelve months ago, and rates are decidedly better; consequently we can at present keep our means more fully and profitably employed. But it won't do to run away with the idea that, therefore, we are certain to give you a better return than last year, as we then had a specially active demand, and at good rates, for fully eight months out of the last twelve, for every dollar we could spare, and in addition we reaped a fair profit from the sale of our Government and other Bonds, which were disposed of when we found more active employment for our money; but now we have very few bonds left to realise, and there is not the same margin for profit in them either. Indeed, the profits for the

past year have in my opinion been almost exceptionally good, and will compare very favorably with many preceding years. Going back for six years, the Reports have only twice shown better net earnings, viz., April 30, 1882, \$1,641,000, and following year, \$1,557,000, as against \$1,520,000 in the present report, and during both those years there were large profits derived from Railway loans in addition to a very handsome sum from the Bank's interest in the Canadian Pacific Railway Land Grant Bonds, and it must not be forgotten that the regular rate of interest in Canada was higher then than now. And the expenses of management have from various causes increased. Then, as Sir Donald has stated, there has been an exceptional expenditure during the past year in connection with Bank Premises, and the directors very liberally gave the staff a Bonus. These two items, if added to our showing of net profits, would bring them to within about \$25,000 of April, 1882. I should be very pleased if I felt able to say we are sure to do as well in the year we have entered on. It is not an impossibility; we may, but it is taking a rather sanguine view to expect it. The general trade of the country is, I believe, fairly good. The immense snowfall of last winter doubtless interfered with business a good deal, and left dry goods merchants with too many imported goods on their hands, as well as rendered payments rather tardy. A curtailment of importations will therefore be in order. The Cotton and Woollen manufacturers have been pretty fully employed, and are, as a general thing, making money, but the merchants tell us there is very little margin of profits left for them. There is a general cry that Profits are too small, but that is nothing very new, although there may be more reason for it now; that there are, possibly, too many people in business, is not peculiar to this country. I am afraid I have trespassed too much on your time, and will only now add that I shall be happy to answer, to the best of my ability, any questions which you may desire to put to me.

Sir DONALD SMITH—If any other gentleman present has anything to say we shall be happy to hear him.

After some remarks from Mr. Morrison,

Mr. JOHN CRAWFORD said: I would like to say, Mr. Chairman, with reference to the result of the year's transactions, that I should not have been averse to have added \$200,000 or \$300,000 in addition to the \$80,000 added to the Profit and Loss account. It is true, as you have said, that you have made a very satisfactory statement to your shareholders. A clear 12 per cent. on a capital of \$12,000,000 is not to be realized every day. I am quite sensible of that. Nevertheless you cannot ignore the fact that the Bank of Montreal enjoys very exceptional privileges, and I would not be surprised even if you were in a position in the near future to improve upon the figure of 12½ as represented by your last year's earnings. You were good enough to say that if the present Directors were re-elected, you would do the best you could in the interests of the institution. That goes without saying, but with reference to the recent executive elections, I take this opportunity of offering my warmest congratulations, not only to you, sir, but to the vice-president, Mr. Drummond. I think the Board made a choice that could not be improved upon. And with reference to your co-director, Mr. McDonald, I be-

lieve that there is a consensus of opinion of his being the right man in the right place. His energy and marvellous success in the commercial world will, it is hoped, not desert him in his new sphere of usefulness as a bank director. I will only say with reference to that that it would be a gracious act on the part of the Board on future occasions, just on the eve of a general election, to share the privilege of electing a Director with the Shareholders who constitute that meeting. I say that that privilege will be much appreciated, and doubly so, as they will have an opportunity of endorsing such an eligible Director as Mr. McDonald will no doubt prove himself to be. Now, with reference to the bonus system, you have been in the habit of declaring 5 per cent. semi-annually. I do trust that as the profit and loss account has now reached \$600,000 or over, you will be able to adopt the principle of not only a 5 per cent. semi-annual dividend, but also a semi-annual bonus of 1 per cent. in lieu of the 1 and 2 per cent. bonuses which you have been in the habit of giving during the last few consecutive years. And I have no doubt that you will be able to add so much to the profit and loss account that it will soon reach a million dollars. When that point is reached I do trust that you will see your way clear to abate the bonus system to one side and give us a straight 6 per cent. semi-annual dividend. I think there is not a man in the room who will not second that. There is one other subject to which I wish to allude, and that is that I have heard it mentioned on the street, or the question asked: "Has the recent appointment of President been made to have a temporary or a permanent character?" I see the Report has not touched upon that subject. Assuming, sir, that the late system which has been in vogue for the last seven or eight years, of the President and General Manager acting conjointly, has been eminently successful, I might fairly ask if it is your intention to supersede that practice without getting some one to assist the General Manager. We all know, Sir Donald, that in the discharge of your executive duties, your business acumen would certainly bring substantial advantages to the Bank, but would it be reasonable or right to expect you to make the personal sacrifices which would be indispensable to the performance of the responsible duties of the Chief Executive of this Bank? There must be a line drawn somewhere. It is well known that you have many other engagements of a business character which will require all your time, and, therefore, in the interests of the Bank, I trust you will see your way clear to be relieved of your arduous duties, to be the chief executive officer of this Bank. We cannot afford to lose you. I might say, however, that I fully realize the probable inexpediency of your giving a reply to this question, and under these circumstances I would be quite content if no reply should be given to my question.

Sir DONALD SMITH—No other gentleman desiring to make any further remarks, I would just state with regard to what my friend, Mr. Crawford, has said in reference to the election which took place the other day of a Director to fill the vacancy caused by the lamented death of Mr. Smithers that the Directors acted in accordance with the by-laws which require that they shall fill up a vacancy. The Directors would be delighted at any time to share that responsibility with the Shareholders. They are always most

anxious to do so, and to take the proprietors into their confidence. But they have simply acted in accordance with the By-laws of the Bank in doing so. With regard to the proposition that a 1 per cent. bonus should be given to the shareholders in the autumn and another in the following June, I am sure the Directors would be very glad at all times to divide every sixpence that they can, but, looking, as they are bound to look, to your interests as they understand them, it might be awkward indeed to give a bonus or an increased dividend in the autumn, if anything came up in the meantime which would make it necessary for them to reduce the dividend at the close of the financial year. We do not look forward to anything of the kind, but the Directors have been very conservative. It has been their desire to put the affairs of the Bank before their shareholders in their true aspect. Of course, the Directors will, as in everything else, be guided by circumstances, as they transpire, but I do not think Mr. Crawford wishes to commit us to the giving of a bonus in the autumn. The vice-president, Mr. Drummond, will answer the other questions put by Mr. Crawford.

Mr. DRUMMOND—Mr. Crawford has put one or two questions, and very proper questions they are, because the Board of Directors have no secrets from the Shareholders with reference to such matters. I may say that the Board of Directors have not been able to lose sight of the fact that their term of office terminates to-day, and that any arrangements they might make were more or less of a temporary character, as their successors might take a different view of the situation. I may say, however, that we decided to return, at least for the time being, to the old order of things, in which the President and Vice-President were not executive officers of the Bank, but the Chairman and mouthpiece of the Board of Directors, and the idea was to change to that extent the system which prevailed during the late Mr. Smithers' tenure of the office of President. No one expects you, Mr. Chairman, to devote the whole of your time, or to receive such emolument as the late Mr. Smithers. It is in fact a return to the order of things which existed prior to the late Mr. Smithers becoming President of the Bank. Of course what view the new Board may take is another matter; that will be a question for them to decide.

Mr. CRAWFORD—Has the Board considered at all the expiry of the present charter as being in the near future?

Sir DONALD SMITH—That has not been lost sight of; at the same time it was not thought necessary to give the subject any special consideration.

The motion to adopt the report was adopted unanimously.

THANKS TO THE PRESIDENT AND DIRECTORS.

Mr. JOHN CRAWFORD moved,

That the thanks of this meeting be given to the President and Directors for their attention to the interests of the Bank.

He said: If I had the vocabulary at the end of my tongue I could not do more to commend to the Shareholders the administration of the affairs of the Bank by the President and Directors during the past year than by referring them to the statements upon the table. I think these statements give a very effective endorsement to this resolution of thanks, and I therefore shall say nothing further, but simply present the resolution for your adoption.

Mr. R. B. ANGUS—I very heartily second the motion of Mr. Crawford. All the Shareholders I am sure, without exception, must have been highly gratified at the very satisfactory statements that have been presented, together with the explanations that have been given. The office of Director of the Bank of Montreal is a very important one; in fact I know of no greater trust in the commercial world. There are very few more important positions in Canada at any rate. Not only does the prosperity of the institution largely depend upon them, but the prosperity of that institution is also an indication of the workings of the commercial affairs of the country, and on it depends largely the general progress and prosperity of commercial affairs. We (the Shareholders) are fortunate in being represented by a President of large, statesmanlike views, a Vice-President who has so large an experience in commercial affairs, and who is so able to represent the Bank on all important public occasions, and a number of gentlemen of wide influence and experience in manufacturing and commercial affairs. Judging by their past career and knowing their integrity, their zeal and ability, we can look forward with great confidence to the future. I am sure that the arrangements which have recently been made will command the respect and approval of the Shareholders of the bank, and the result of this day's election will, I am sure, confirm what the Directors have seen fit to do during the last few weeks.

The resolution was carried unanimously.

The PRESIDENT—On behalf of the Board of Directors for the last year, I beg to return you my very sincere thanks for the kind words which you have used with regard to their management. We had always looked forward with very great confidence to have had our President with us, but it was not to be. We can only say that we shall do our utmost if returned as your Directors again to merit the approval of the shareholders.

THANKS TO THE GENERAL MANAGER AND OTHER OFFICERS.

Mr. ALEX. MURRAY moved,

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

He said: After the high manner in which you spoke of the conduct of all the officers of the Bank, Mr. Chairman, it is not necessary to say anything further. I would say, however, that we do not wish this to be accepted by the Shareholders as a

mere matter of form, but as a testimony to the zeal, loyalty to the institution, and generally efficient services of the officers of the Bank, from the General-Manager downwards. Out of over 300 employees in this institution it is really amazing to me that there are so few to the conduct of which exception can be taken.

Mr. E. B. GREENSHIELDS—I have very great pleasure in seconding this resolution. The Directors all feel that the staff of the Bank have performed their duties in a very efficient manner, and we want this resolution to convey our conviction that such is the case, and not to be a mere matter of form. We have a most efficient and careful General Manager, and with a staff under him who carry out their instructions and perform their duties in a most satisfactory manner; in fact, the Bank of Montreal is a good ship, made of good timbers; she has a good pilot and a good crew, and I hope she will long continue her prosperous voyage.

The motion was carried unanimously.

Mr. W. J. BUCHANAN—After the eulogiums passed on the staff by the mover and seconder, I feel a difficulty in replying to them, as they are, perhaps, warmer than we deserve. However, I thank you most heartily, on behalf of my associates and myself, for the kind way in which this resolution has been put and received. The Bank, I may confidently say, has in its service a great number of capable and trustworthy men, who are thoroughly devoted to your interests. The Directors invariably deal with them liberally; and as they have in the past given their best efforts for the good of the Institution, so I am sure they will in the future continue to do.

Mr. HECTOR MACKENZIE moved, seconded by Mr. GEO. MACRAE, Q.C.,

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.

Carried.

On motion of Mr. JOHN MORRISON Sir Donald Smith vacated, and Mr. A. T. Paterson took the chair.

Mr. MORRISON—I beg to move—

That a hearty vote of thanks is due to the President for his conduct in the chair.

Mr. GILBERT SCOTT seconded the motion, which was carried unanimously.

Sir DONALD SMITH—I have to thank you, gentlemen, for your kind consideration.

A formal adjournment then took place.

The scrutineers reported the following gentlemen as duly elected Directors:

George A. Drummond, E. B. Greenshields, Hon. John Hamilton, W. C. McDonald, Hugh McLennan, Alex. Murray, A. T. Paterson, Gilbert Scott, Sir Donald A. Smith.

At a meeting of the new Board, Sir D. A. Smith was elected President, and Mr. G. A. Drummond, Vice-President.

1887.

BANK OF MONTREAL.

BOARD OF DIRECTORS, 1886-87.

C. F. SMITHERS, <i>President.</i>	SIR D. A. SMITH, K.C.M.G., <i>Vice-President.</i>	
GILBERT SCOTT, Esq.	ALEX. MURRAY, Esq.	A. T. PATERSON, Esq.
G. A. DRUMMOND, Esq.	HUGH McLENNAN, Esq.	HON. JOHN HAMILTON.
	EDWARD B. GREENSHIELDS, Esq.	

REPORT

OF THE

DIRECTORS TO THE SHAREHOLDERS

AT THEIR

89th ANNUAL GENERAL MEETING,

HELD JUNE 6th, 1887.

The Directors beg to present the sixty-ninth Annual Report, showing the result of the Bank's business of the year ended 30th April, 1887:—

The balance of Profit and Loss on 30th April, 1886, was.....	\$ 525,545 25
The Profits of the year, ended on 30th April last, after deducting charges of management and making all necessary provision for bad and doubtful debts, were.....	1,520,195 10
	\$2,045,740 35
 From which have to be deducted:—	
Dividend 5 per cent. paid 1st December, 1886.....	\$600,000 00
Dividend 5 per cent. payable 1st June, 1887.....	600,000 00
Bonus 2 per cent. payable 1st June, 1887.....	240,000 00
	1,440,000 00
Leaving a balance of.....	\$ 605,740 35
to be carried forward at the credit of Profit and Loss Account.	

It is very pleasing to the Directors to be able to state that the year's operations have proved so favorable as to admit of a bonus of 2 per cent. being paid to the shareholders in addition to the dividend of 10 per cent., making a total distribution of 12 per cent. for the year, besides adding to the balance of profits carried forward the sum of \$80,195.10, raising that fund to \$605,740.35, a result which they trust will be gratifying to the shareholders.

Taking the general statement herewith and comparing it with that of last year at a corresponding period, the most noticeable feature is a falling off of about \$5,000,000 in deposits, due in a great measure to a reduction in the Dominion and Provincial Government cash balances. Private deposits have also decreased to some extent, owing probably to a more profitable employment being found for such monies in the purchase of, or loans on, Bank and other Stocks.

The Head Office and all the Branches have passed through the usual thorough inspection.

Since the last Annual Report was issued a Branch of the Bank has been established in Calgary, and so far your Directors have reason to be satisfied with the progress of the business there, and, looking to the growing importance of British Columbia, and the greatly increased facilities afforded for communication between the Eastern portions of the Dominion and that Province by the completion to its seaboard of the Canadian Pacific Railway, preparations are being made for opening an office at Vancouver, a growing town already connected with China and Japan by a regular line of steamers.

DONALD A. SMITH,
Vice-President.

BANK OF MONTREAL, 30th April, 1887.

GENERAL STATEMENT.

30th April, 1887.

LIABILITIES.

Capital Stock.....	\$12,000,000 00
Rest	\$ 6,000,000 00
Balance of profits carried forward.....	605,740 35
	\$ 6,605,740 35
Unclaimed dividends.....	7,005 52
Half-yearly Dividend, payable 1st June, 1887.....	600,000 00
Bonus, payable 1st June, 1887.....	240,000 00
	\$ 7,452,745 87
	\$19,452,745 87
Amount of Notes of the Bank in circulation.....	\$ 5,204,072 00
Deposits not bearing interest.	7,075,922 08
Deposits bearing interest....	10,248,460 11
Balance due to other Banks in Canada.....	93,705 19
	\$22,622,159 38
	\$42,074,905 25

ASSETS.

Gold and Silver Coin Current.....	\$ 1,926,521 83
Government Demand Notes.....	2,431,763 25
Balances due from other Banks in Canada.....	\$ 124,258 29
Due from Agencies of this Bank and other banks in Foreign Countries.....	6,772,904 29
Due from Agencies of this Bank and other banks in Great Britain.....	1,593,007 58
	\$ 8,490,170 16
Notes and Cheques of other Banks.....	833,719 05
	\$13,682,174 29
Loans and Bills Discounted.....	\$27,468,802 51
Debts secured by mortgage and other security.....	178,916 06
Overdue debts not specially secured (estimated loss provided for).....	145,012 39
	\$27,792,730 96
Bank Premises at Montreal and Branches.....	600,000 00
	\$42,074,905 25
Total.....	

BANK OF MONTREAL, }
MONTREAL, 30th April, 1887. }

W. J. BUCHANAN,
General Manager.

PROCEEDINGS
OF THE
69TH ANNUAL GENERAL MEETING OF SHAREHOLDERS
HELD AT THE BANKING HOUSE,
ON
Monday, the 6th June, 1887.
SIR DONALD A. SMITH, PRESIDENT, IN THE CHAIR.

On motion of Mr. R. ANDERSON, SIR DONALD A. SMITH took the chair.

Moved by Mr. JAMES O'BRIEN, seconded by Mr. J. H. R. MOLSON :

"That the following gentlemen be appointed to act as scrutineers: Messrs. JAMES BURNETT and F. S. LYMAN, and that Mr. A. B. BUCHANAN be the Secretary of the Meeting."

After the report had been read the following resolutions were put and carried unanimously :

Moved by SIR DONALD A. SMITH, seconded by Mr. GILBERT SCOTT,

"That the Shareholders now present, recognizing the very great loss that the Bank has sustained in the lamented death of their late much esteemed President, Charles F. Smithers, desire hereby to record their high appreciation of the valuable services rendered by him to the Institution during his tenure of office."

Moved by SIR DONALD A. SMITH, seconded by Mr. GEO. A. DRUMMOND,

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

Moved by Mr. JOHN CRAWFORD, seconded by Mr. R. B. ANGUS,

"That the thanks of this meeting be given to the President and Directors for their attention to the interests of the Bank."

Moved by Mr. ALEX. MURRAY, seconded by Mr. E. B. GREENSHIELDS,

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

Moved by Mr. HECTOR MACKENZIE, seconded by Mr. GEO. MACRAE, Q.C.,

"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."

On motion of Mr. JOHN MORRISON, Sir Donald A. Smith vacated, and Mr. A. T. Paterson took the chair.

Moved by Mr. MORRISON, seconded by Mr. GILBERT SCOTT:

"That a hearty vote of thanks is due to the President for his conduct in the chair."

SIR DONALD A. SMITH—I have to thank you, gentlemen, for your kind consideration.

The Scrutineers reported the following gentlemen duly elected Directors :

GEORGE A. DRUMMOND, ESQ.	E. B. GREENSHIELDS, ESQ.
HON. JOHN HAMILTON.	W. C. McDONALD, ESQ.
HUGH McLENNAN, ESQ.	ALEX. MURRAY, ESQ.
A. T. PATERSON, ESQ.	GILBERT SCOTT, ESQ.

SIR DONALD A. SMITH, K.C.M.G.

At a meeting of the new Board, on Tuesday, 7th inst., Sir D. A. SMITH was elected President, and Mr. G. A. DRUMMOND, Vice-President.

1887.

31ST OCTOBER.

BANK OF MONTREAL.

*Statement of the result of the business of the Bank for the half-year ended
31st October, 1887.*

Balance of Profit and Loss Account, 30th April, 1887	\$605,740 35
Profits for the half-year ended 31st October, 1887, after deducting charges of management, and making full provision for all bad and doubtful debts	665,058 04
	<hr/>
Dividend 5 per cent., payable 1st December, 1887	\$1,270,798 39
	<hr/>
Balance of Profit and Loss carried forward	<u>\$670,798 39</u>

NOTE—*Market Price of Bank of Montreal Stock 31st October, 1887, 222%_c, equal to \$444 per share.*

GENERAL STATEMENT.

31st October, 1887.

LIABILITIES.

Capital Stock		\$12,000,000 00
Rest	\$6,000,000 00	
Balance of Profits carried forward	670,798 39	
	\$6,670,798 39	
Unclaimed Dividends	5,989 52	
Half-yearly Dividend, payable 1st December, 1887	600,000 00	
	\$ 7,276,787 91	
		\$19,276,787 91
Amount of Notes of the Bank in circulation	\$ 6,054,425 00	
Deposits not bearing interest	8,005,737 03	
Deposits bearing interest	11,509,002 43	
Balances due to other Banks in Canada	154,147 01	
	\$25,723,311 47	
		\$45,000,099 38

ASSETS.

Gold and Silver Coin Current		\$1,647,771 13
Government Demand Notes	1,865,162 25	
Balances due from other Banks in Canada	\$ 170,001 17	
Due from Agencies of this Bank, and other Banks, in Foreign Countries	7,302,343 15	
Due from Agencies of this Bank, and other Banks, in Great Britain	1,170,479 58	
	\$ 8,642,823 90	
Notes and Cheques of other Banks	1,535,473 03	
	\$13,691,230 31	
Loans and Bills Discounted	\$30,429,780 72	
Debts Secured by mortgage and other security	165,602 00	
Overdue debts not specially secured (estimated loss provided for)	113,486 35	
	\$30,708,869 07	
Bank Premises at Montreal and Branches	600,000 00	
	\$45,000,099 38	
		\$45,000,099 38

BANK OF MONTREAL,
MONTREAL, 31st October, 1887. }

W. J. BUCHANAN,
General Manager.