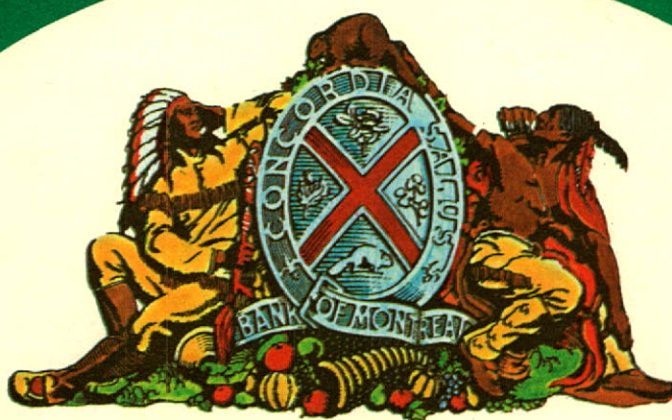


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MONTREAL UNIVERSITY  
PRINCIPAL'S ROOM  
RECEIVED  
JAN 12 1966

# 148th Annual Report of the Bank of Montreal

## 1965



EDMUND HALL

JAN 12 1966

JAN 12 1966







# 148th Annual Report

BANK OF MONTREAL

*CANADA'S FIRST BANK*

*Covers Canada...Spans the World*



*Annual General Meeting, December 6th, 1965 at the Head Office in Montreal*

On peut obtenir sur demande un exemplaire du rapport en français



In its 148th year





# your bank...

expanded its assets by \$329,000,000, or 7 per cent, to set a new year-end record of \$4,997,000,000 . . .

passed the \$3-billion mark in loans at the year-end for the first time in the Bank's history. Total loans stood at \$3,168,000,000, an increase of 16.1 per cent over the previous year . . .

reported a gain of \$265,000,000 in deposits, bringing the total in this category to a new year-end high of \$4,605,000,000 . . .

welcomed 105,000 new business and personal depositors, thus increasing the number of customers making regular use of the Bank's services to 3,368,223 . . .

recorded net earnings of \$18,730,353, representing \$3.08 a share, compared to \$2.94 the previous year . . .

provided \$13,820,625 in dividends to shareholders at the rate of \$2.27 $\frac{1}{2}$  per share, an increase of 7 $\frac{1}{2}$ ¢ per share over 1964 . . .

expanded its branch organization by 17 offices, to a total of 971 in Canada, the United Kingdom and Continental Europe, the United States, Mexico and Japan . . .

continued to expand its operations in the Caribbean area and Latin America by actively participating with its affiliate, Bank of London & Montreal Limited, in the formation of a new bank in Venezuela, Banco La Guaira Internacional, C.A., thus bringing its network of foreign offices to 54 covering four continents.

**Capital: \$60,750,000**

**Rest Account & Undivided Profits: \$164,467,327**

**Total Assets: \$4,997,145,367**



# Board of Directors



**\*G. ARNOLD HART**  
Chairman of the Board  
and President



**R. D. MULHOLLAND**  
Executive Vice-President  
and Chief General Manager

## VICE-PRESIDENTS



**\*HAROLD S. FOLEY**  
*Vancouver*  
Industrialist



**THE HON. LESLIE M. FROST, P.C., Q.C.,**  
*Lindsay*  
Partner, Messrs. Frost, Inrig & Gorwill



**\*R. G. IVEY, Q.C.**  
*London, Ont.*  
Partner, Messrs. Ivey & Dowler



**ROGER LÉTOURNEAU, Q.C.,**  
*Quebec*  
Partner, Messrs. Létourneau, Stein,  
Marseille, Bienvenue, Price,  
Delisle & LaRue



**\*J. A. MacAULAY, Q.C.,**  
*Winnipeg*  
Partner, Messrs. Aikins,  
MacAulay & Company



**\*THE HON. HARTLAND de M. MOLSON, O.B.E.,**  
*Montreal*  
President,  
Molson Breweries Limited



**GORDON H. ALLEN, Q.C.**  
*Calgary*  
Partner, Messrs. Allen,  
MacKimmie, Matthews, Wood,  
Phillips & Smith



**W. A. ARBUCKLE**  
*Montreal*  
Chairman of the Canadian Board,  
The Standard Life Assurance  
Company



**R. C. BERKINSHAW, C.B.E.**  
*Toronto*  
Business Executive



**PAUL BIENVENU**  
*Montreal*  
President,  
Catelli Food Products Ltd.



**HENRY G. BIRKS**  
*Montreal*  
Henry Birks & Sons Ltd.



**\*GEORGE W. BOURKE**  
*Montreal*  
Chairman of the Board,  
Sun Life Assurance Company of  
Canada



**RALPH B. BRENNAN**  
*Saint John, N.B.*  
President and Managing Director,  
G. E. Barbour Company, Limited



**SAMUEL BRONFMAN**  
*Montreal*  
President,  
Distillers Corporation-Seagrams  
Ltd.



**THE HON. ERIC COOK, Q.C.**  
*St. John's, Nfld.*  
Partner, Messrs. Cook, Bartlett,  
Chalker & Marshall



**H. ROY CRABTREE**  
*Montreal*  
Chairman and President,  
The Wabasso Cotton Company  
Limited



**N. R. CRUMP**  
*Montreal*  
Chairman,  
Canadian Pacific Railway Company



**NATHANAEL V. DAVIS**  
*Montreal*  
President,  
Aluminium Limited



Senior General Manager  
and Chief Operating Officer  
**J. LEONARD WALKER**



**THOMAS W. EADIE**  
*Montreal*  
Chairman of the Board,  
The Bell Telephone Co. of Canada



**\*G. BLAIR GORDON**  
*Montreal*  
Chairman of the Board,  
Dominion Textile Company Limited



**SIR NUTCOMBE HUME,**  
*K.B.E., M.C.,*  
*London, England*  
Chairman,  
Charterhouse Investment Trust  
Limited



**LEONARD HYNES**  
*Montreal*  
President,  
Canadian Industries Limited





**\*ARTHUR C. JENSEN**  
*Montreal*  
Former Chairman of the Board,  
Bank of Montreal



**BERNARD M. LECHARTIER**  
*Montreal*  
Vice-President and  
General Manager,  
Crédit Foncier Franco-Canadien



**H. C. F. MOCKRIDGE, Q.C.**  
*Toronto*  
Partner, Messrs. Osler,  
Hoskin & Harcourt



**JOHN G. PRENTICE**  
*Vancouver*  
President,  
Canadian Forest Products Limited



**V. W. SCULLY, C.M.G.**  
*Hamilton*  
President and Chief  
Executive Officer, The  
Steel Company of Canada, Limited



**\*H. GREVILLE SMITH, C.B.E.**  
*Montreal*  
Industrialist



**J. H. MOWBRAY JONES**  
*Montreal*  
President,  
Bowaters Canadian Corporation  
Limited



**ARTHUR R. LUNDRIGAN,**  
*Corner Brook, Nfld.*  
Vice-President and  
General Manager,  
William J. Lundrigan Limited



**J. BARTLETT MORGAN**  
*Montreal*  
President,  
The Morgan Trust Company



**BUDD H. RIEGER**  
*Toronto*  
Vice-President,  
Canadian Corporate Management  
Co. Ltd.



**GEORGE H. SELLERS**  
*Winnipeg*  
President,  
Federal Grain Limited



**GEORGE C. SOLOMON**  
*Regina*  
President,  
Western Tractor Ltd.



**W. S. KIRKPATRICK**  
*Montreal*  
Chairman and President, The  
Consolidated Mining and Smelting  
Company of Canada Limited



**DONALD A. McINTOSH, Q.C.**  
*Toronto*  
Partner, Messrs. Fraser, Beatty,  
Tucker, McIntosh & Stewart



**H. J. S. PEARSON**  
*Edmonton*  
President,  
Prairie Pacific Distributors Limited



**FORREST ROGERS**  
*Vancouver*  
President,  
B.C. Sugar Refinery, Limited



**G. H. SHEPPARD**  
*Toronto*  
Chief Commissioner,  
Liquor Control Board of Ontario



**NOÉ A. TIMMINS, JR.**  
*Nassau*  
Chairman,  
Timmins Investments Limited



**A. SEARLE LEACH**  
*Winnipeg*  
Chairman,  
Searle Grain Company Limited



**\*D. R. McMASTER, Q.C.**  
*Montreal*  
Partner, Messrs. Holden,  
Hutchison, Cliff, McMaster,  
Meighen & Minnion



**JACK PEMBROKE, C.B.E.**  
*Montreal*  
Chairman of the Board,  
The Royal Trust Company



**LUCIEN G. ROLLAND**  
*Montreal*  
President and General Manager,  
Rolland Paper Co. Ltd.



**THE HON.  
JAMES SINCLAIR, P.C.,**  
*Vancouver*  
President, Lafarge Cement  
of North America Ltd.



**HENRY S. WINGATE**  
*New York*  
Chairman,  
The International Nickel  
Company of Canada, Limited



# 148th Year of Canada's First Bank

Record year-end figures for total assets, deposits, loans and earnings were reported by the Bank of Montreal at its 148th Annual General Meeting of Shareholders, held at the Head Office on Monday, December 6th.

On the motion of Mr. J. A. MacAulay, Q.C., Mr. G. A. R. Hart was requested to take the chair.

Mr. H. Greville Smith, C.B.E., moved, seconded by Mr. Paul Bienvenu, that Mr. J. F. Close and Mr. J. A. Laurin be appointed to act as scrutineers, and that Mr. C. W. Harris be Secretary of the Meeting. This was unanimously carried.

The Chairman then called upon the Secretary to read the Report of the Directors to the Shareholders and, following the distribution of the Annual Statement to the Meeting, to read the Auditors' Report.

## Attendance at the Meeting

Shareholders present were: Gordon H. Allen, Q.C.; Mr. and Mrs. W. A. Arbuckle; Mrs. E. Amore; R. L. Bailey; Arthur Barry; Mr. and Mrs. J. L. Barton; L. J. Belnap; R. C. Berkinshaw, C.B.E.; Paul Bienvenu; Henry G. Birks; G. F. Boe; G. T. Bogert; George W. Bourke; H. A. Bragg; Mts. Winthrop Brainerd; R. P. Brennan; Samuel Bronfman; J. E. Brookes; M. S. Brown; Norman M. Campbell; W. H. Campbell, C.A.; R. Caron, Q.C.; F. D. Chapman; T. E. Chapman; Allan Chippindale; Ross Clarkson; E. H. Cliff, Q.C.; J. F. Close; Max Cohen; J. N. Cole; The Hon. Eric Cook, Q.C.; A. T. Corner; H. Roy Crabtree; L. M. Crandall; N. R. Crump; Nathanael V. Davis; Dudley Dawson; Jacques Desaulniers; N. Dennys; J. M. Dever; Mrs. O. Dyas; T. W. Eadie; Lt. Col. I. H. Eakin, O.B.E.; Mrs. B. E. Findlay; L. Finkelstein; S. Finkelstein; Eric B. Finley, M.C.; G. H. Fisk; J. R. Flumerfelt; H. C. Fortier; W. C. Francis; The Hon. Leslie M. Frost, P.C., Q.C.; J. S. Fry; B. C. Gardner, M.C.; G. B. Glassco; C. H. Gordon; G. Blair Gordon; John Graham; W. W. Graham; Colin Gray; G. H. Greening; Dr. J. Guay; P. Lindsay Hall; Derek C. Hannaford; C. F. Harrington; R. C. T. Harris; Mr. and Mrs. Hugh A. Harrison; A. C. Harshaw; Mr. and Mrs. G. Arnold Hart; Harrison Hayes; G. E. Hervey; Charles V. Heward; Miss Heather Hewitt; Rev. J. L. Hodgson; Mrs. A. C. Hull; Sir Nutcombe Hume, K.B.E., M.C., and Lady Hume; Leonard Hynes; R. G. Ivey, Q.C.; Mr. and Mrs. A. C. Jensen; C. H. P. Johnson; C. R. Johnson; J. H. Mowbray Jones; C. P. Keeley; Lionel Kent, C.A.; Eric Kippen; W. S. Kirkpatrick; R. E. Knight; Leo Kolber; Jos. Lagacé, Jr.; Hans Lang; T. A. K. Langstaff; J. A.

Laurin; A. Searle Leach; C. W. Leach, C.A.; Bernard M. Lechartier; V. A. B. LeDain; C. S. LeMesurier; Roger Létourneau, Q.C.; Mrs. Ruth Little; A. J. Livinson; Mr. and Mrs. Arthur R. Lundrigan; J. A. MacAulay, Q.C.; Dr. D. O. Macdonald; H. C. MacDougall; L. G. McDougall, Q.C.; Donald A. McIntosh, Q.C.; D. R. McMaster, Q.C.; A. D. McQueen; J. A. Madill; Hobart Martin; H. M. Mawhinney; H. C. F. Mockridge, Q.C.; The Hon. Hartland deM. Molson, O.B.E.; Dr. A. Massue Monat; J. Bartlett Morgan; Mr. and Mrs. R. D. Mulholland; Pierce Murphy; W. R. Murray; Miss Alice O'Heir; W. P. Olney; Elzear Orchard; James M. Packham; R. Panet-Raymond; Col. C. Alex Parker; Simon G. Parent; F. A. Peacock; H. J. S. Pearson; J. Pembroke, C.B.E.; W. G. Pepall; Mrs. A. L. Perry; F. Picard; Mme J. F. Picard; J. V. R. Porteous; J. G. Prentice; P. B. Reid; Mrs. Ruth Reid; Bernard B. Richmond; Budd H. Rieger; Harold S. Roche; P. J. Rodriguez; Forrest Rogers; Lucien G. Rolland; Lucien Rondeau; D. D. Ross; G. S. A. Russell; G. Saintonge, C.R.; Arthur Sargent; V. W. Scully, C.M.G.; George H. Sellers; G. H. Sheppard; A. Shuve; The Hon. James Sinclair, P.C., and Mrs. Sinclair; T. R. Smathers; A. Smibert, C.A.; H. Greville Smith, C.B.E.; George C. Solomon; R. C. Stevenson, O.B.E.; Dr. Michael Szentandrási; D. L. Thomas; R. Thomson; Noé A. Timmins, Jr.; M. Treitel; Mrs. Kathleen Walker; Mr. and Mrs. J. L. Walker; C. G. Wallace, C.A.; J. H. Wallace; G. E. Waller; W. H. Warmington; A. R. Watt; G. W. M. Webb; G. T. Westwater; K. A. White; G. V. Whitehead; Harold D. Williams; R. J. Wilson; A. J. Wishart.



# Directors' Report

The directors take pleasure in submitting to the shareholders the 148th Annual Report on the result of the Bank's operations for the year ended 31st October, 1965.

## Statement of Undivided Profits

Earnings for the year after making transfers to inner reserves, out of which full provision for diminution in the value of investments and loans has been made, and after provision for depreciation of bank premises and income taxes* .....		\$18,730,353
Deduct:		
Dividends at the rate of \$2.12½ per share .....	\$12,909,375	
Extra dividend at the rate of 15¢ per share .....	911,250	13,820,625
Amount carried forward .....		\$ 4,909,728
Undivided profits at beginning of year .....		1,557,599
		<u>\$ 6,467,327</u>
Transferred to Rest Account .....		5,000,000
Undivided profits at end of year .....		<u>\$ 1,467,327</u>
*Total provision for income taxes .....	\$19,410,311.	

(Signed) G. ARNOLD HART,

President.

(Signed) R. D. MULHOLLAND,

Chief General Manager.

During the year Mr. Budd H. Rieger of Toronto, Mr. George H. Sellers of Winnipeg and Mr. George C. Solomon of Regina were appointed directors.

In the financial year twenty-one offices were opened in Canada and four were closed.

In keeping with customary practice, all the offices of the Bank, including the Head Office, have been inspected during the year by competent officers.

After careful valuation of the assets of the Bank, provision has been made for diminution in the value of investments and loans. The sum of \$5,000,000 has been transferred from Undivided Profits to Rest Account which now stands at \$163,000,000.

The directors record their sincere appreciation of the loyal and capable manner in which all members of the staff have discharged their duties during the past year.

(Signed) G. ARNOLD HART,

President.

Bank of Montreal, 6th December, 1965.

# Statement of Assets and Liabilities

Comparative Statement of the Position of the Bank

ASSETS	1965	1964
Gold and coin .....	\$ 7,633,023	\$ 6,744,335
Notes of and deposits with Bank of Canada .....	251,933,058	235,048,178
Government and bank notes other than Canadian .....	5,609,557	5,635,316
Deposits with other banks .....	267,672,858	266,075,893
Cheques and other items in transit, net	82,670,664	108,202,227
	<u>\$ 615,519,160</u>	<u>\$ 621,705,949</u>
Government of Canada direct and guaranteed securities, at amortized value	741,803,425	804,223,216
Canadian provincial government direct and guaranteed securities, at amortized value .....	69,963,636	70,243,050
Other securities, not exceeding market value .....	163,541,999	268,181,390
Day-to-day, call and short loans to investment dealers and brokers, secured	267,893,643	266,684,575
	<u>\$1,858,721,863</u>	<u>\$2,031,038,180</u>
Other current loans, less provision for estimated loss .....	2,707,195,546	2,250,792,971
Mortgages and hypothecs insured under the National Housing Act, 1954 ....	192,441,969	210,963,072
Non-current loans, less provision for estimated loss .....	459,148	421,412
Bank premises at cost, less amounts written off .....	69,947,668	68,407,714
Shares of and loans to corporations controlled by the bank .....	14,750,772	13,056,627
Customers' liability under acceptances, guarantees and letters of credit, as per contra .....	152,106,729	92,260,024
Other assets .....	1,521,672	1,116,569
	<u><u>\$4,997,145,367</u></u>	<u><u>\$4,668,056,569</u></u>



on October 31st, 1965, and on October 31st, 1964

LIABILITIES	1965	1964
Deposits by Government of Canada..	\$ 102,814,846	\$ 67,529,958
Deposits by Canadian provincial governments .....	87,978,999	90,429,055
Deposits by other banks .....	266,106,828	223,513,840
Personal savings deposits payable after notice, in Canada, in Canadian currency .....	2,166,822,129	2,029,667,387
Other deposits .....	1,981,664,342	1,929,294,608
	<u>\$4,605,387,144</u>	<u>\$4,340,434,848</u>
Acceptances, guarantees and letters of credit .....	152,106,729	92,260,024
Other liabilities .....	14,434,167	15,054,098
	<u>\$4,771,928,040</u>	<u>\$4,447,748,970</u>
Capital:		
Capital authorized— 10,000,000 shares of \$10 each .....	\$100,000,000	
Capital paid-up— 6,075,000 shares—issued and fully paid .....	60,750,000	60,750,000
Rest Account .....	163,000,000	158,000,000
Undivided profits .....	1,467,327	1,557,599
	<u>\$4,997,145,367</u>	<u>\$4,668,056,569</u>

NOTE: The above statement includes the as-  
sets and liabilities of the Bank of Montreal  
(California), a subsidiary of this Bank.

G. ARNOLD HART,  
President.

R. D. MULHOLLAND,  
Chief General Manager.

#### Auditors' Report to the Shareholders of the Bank of Montreal

We have examined the statement of assets and liabilities of the Bank of Montreal as at October 31st, 1965, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The accompanying statement of assets and liabilities is as shown by the books of the Bank. In our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank and the accompanying statement of assets and liabilities presents fairly the financial position of the Bank as at October 31st, 1965.

C. W. LEACH, C.A.,  
of the firm of McDonald, Currie & Co.  
L. P. KENT, C.A.,  
of the firm of Riddell, Stead, Graham & Hutchison

Auditors.

Montreal, November 22nd, 1965.

## Comparative Statement of Undivided Profits

Earnings for the year after making transfers to inner reserves, out of which full provision for diminution in the value of investments and loans has been made, and after provision for depreciation of bank premises and income taxes\* .....

Deduct:

Dividends at the rate of \$2.12½ (1965) and \$2.10 (1964) per share  
Extra dividend at the rate of 15¢ (1965) and 10¢ (1964) per share

Amount carried forward .....  
Undivided profits at beginning of year .....

Transferred to Rest Account .....  
Undivided profits at end of year .....

\* Total provision for income taxes .....

FOR THE YEAR ENDED  
OCTOBER 31st

1965

1964

\$ 18,730,353	\$ 17,854,883
12,909,375	12,757,500
911,250	607,500
<u>\$ 13,820,625</u>	<u>\$ 13,365,000</u>
\$ 4,909,728	\$ 4,489,883
<u>\$ 1,557,599</u>	<u>\$ 1,067,716</u>
\$ 6,467,327	\$ 5,557,599
5,000,000	4,000,000
<u>\$ 1,467,327</u>	<u>\$ 1,557,599</u>
<u>\$ 19,410,311</u>	<u>\$ 18,211,471</u>

## Comparative Statement of Rest Account

Rest Account at beginning of year .....  
Transferred from Undivided Profits .....  
Rest Account at end of year .....

FOR THE YEAR ENDED  
OCTOBER 31st

1965

1964

\$158,000,000	\$154,000,000
5,000,000	4,000,000
<u>\$163,000,000</u>	<u>\$158,000,000</u>

## Controlled Corporations

### Bank of Montreal Trust Company

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31st, 1964  
(U.S. Currency)

#### ASSETS

Due from banks:

Approved reserve depositaries .... \$1,765,964  
Other banks and bankers (foreign) 129,222

\$1,895,186

Investments:

United States government securities \$2,522,236  
Other ..... 289,820

(Quoted market value \$2,790,506) ..... 2,812,056

\$4,746,698

#### LIABILITIES

Deposits:

Demand ..... \$2,454,242  
Time ..... 6,503

Due to banks, bankers and  
trust companies ..... 1,389

\$2,462,134

Income taxes ..... 22,520

Other liabilities ..... 6,573

Capital stock and surplus:

Capital stock — Authorized, issued  
and fully paid —

10,000 shares of \$100 each .... \$1,000,000

Surplus ..... 1,000,000

Undivided profits ..... 255,471

2,255,471

\$4,746,698

NOTE: The charter was acquired in March, 1937, for the purpose of more satisfactorily performing certain functions in New York on behalf of the bank's clients. The capital stock, with the exception of the directors' qualifying shares, is entirely owned by the bank, and is carried in the bank's statement at a value of \$1,489,551.



# Bankmont Realty Company Limited

and its wholly-owned subsidiary companies

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT OCTOBER 31st, 1965

## ASSETS

Cash .....	\$ 116,301
Accounts receivable .....	500
Prepaid expenses .....	74,352
Real estate and buildings — at cost	
less accumulated depreciation .....	13,402,257
	<u>\$13,593,410</u>

### NOTES:

- (1) The capital stock is entirely owned by the bank and is carried in the bank's statement at a value of \$4,050,000. The bank has offered to subscribe for a further 19,000 shares of the company to be issued at a price of \$50 per share. Debentures of a subsidiary company are also entirely owned by the bank and are carried in the bank's statement at a value of \$5,891,221.
- (2) Bankmont Realty Company Limited owns the entire capital stock of its two subsidiary companies, Hochelaga Realty and Development Company and The St. James Land Company Limited.

## LIABILITIES

Accounts payable and accrued expense .....	\$ 178,184
Provision for income taxes .....	11,924
Loan from Bank of Montreal .....	3,320,000
4½% debentures of a subsidiary company due May 1st, 1982 (U.S. \$6,000,000) .....	6,000,000
Capital stock and earned surplus:	
Capital stock —	
Authorized —	
100,000 shares without nominal or par value	
Issued and fully paid —	
81,000 shares, including 41,000 shares issued during the year	\$4,050,000
Earned surplus .....	33,302
	<u>4,083,302</u>
	<u>\$13,593,410</u>

### Auditors' Report to the Shareholders of the Bank of Montreal

We have examined the statements of assets and liabilities of the above controlled companies as at the dates indicated. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

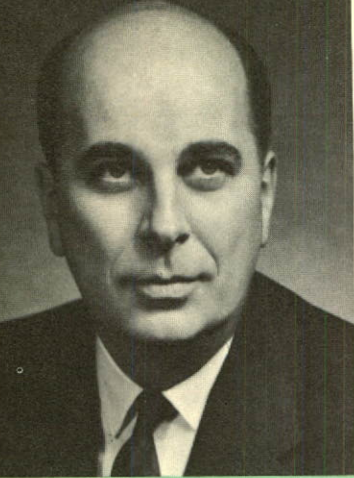
In our opinion, the accompanying statements of assets and liabilities of the companies present fairly the financial position of the companies as at the dates indicated.

C. W. LEACH, C.A.,  
of the firm of McDonald, Currie & Co.

L. P. KENT, C.A.,  
of the firm of Riddell, Stead, Graham & Hutchison  
Auditors

Montreal, November 22nd, 1965.





G. Arnold Hart

## Sees Freedom for Banks to Compete Essential in Strong Financial System

Canada's financial system will be greatly weakened if the slow erosion of the chartered banks is allowed to continue, G. Arnold Hart, Chairman and President, told shareholders at the annual meeting.

In his presidential address, Mr. Hart called for removal of the six per cent ceiling on loan interest rates and advocated broader lending power for the banks. At the same time, he said, "I am not seeking to build a more powerful banking system at the expense of others in the financial system . . . What is required is the freedom to compete, not to dominate."

Mr. Hart pointed out that "freedom to compete" referred not only to the business of lending but to the gathering of deposits as well. It was anomalous that, while the banks were limited to a six per cent ceiling on the rate they may charge for loans, institutions competing with the banks are paying more than this for deposits — clear evidence of the distortions of financial markets by present Bank Act restrictions and of the need for change.

The changes proposed in the draft legislation introduced earlier this year, he continued, "fail to face up to the fact that, while the legislative restrictions on the operations of the banks were designed primarily to protect the public interest and to facilitate monetary management, they no longer do so."

The task of revising the Bank Act "should surely command a high priority when Parliament reconvenes," the President said. "Moreover, I would hope that we have seen the last of the timid approach to banking legislation displayed in the draft bill introduced this year and that we will have instead a new Bank Act which really meets the demonstrated needs of the community at large.

"Nothing less than this will do if the banks are to play their full part in the growth and development of the Canadian economy," Mr. Hart concluded.

*The text of the President's address follows:*



# The President's Address

Ladies and Gentlemen,

Since we met together a year ago the Board has appointed three additional directors — Mr. Budd H. Rieger, Vice-President, Canadian Corporate Management Co. Ltd., Toronto; Mr. George H. Sellers, President, Federal Grain Limited, Winnipeg; and Mr. George C. Solomon, President, Western Tractor Limited, Regina.

These new members of the Board are leading businessmen in their respective fields and I feel sure you will agree we are fortunate in having them as Directors.

## A Broadly Based Expansion

During the past year, the Canadian economy has once again demonstrated remarkable strength and buoyancy. Business has continued to expand vigorously, boosting most economic indicators to record high levels, and Canadians generally are enjoying greater prosperity, earning more and spending more, than ever before.

It is particularly encouraging that, even with a rapidly expanding labour force, unemployment rates are now lower than at any time since 1956. Indeed, in view of the nearly five years of expansion that we have had and the level of business activity that has been reached, one cannot help comparing the pace of business today to that experienced by the Canadian economy in the resources boom of the mid-1950's.

But if there are similarities with that period there are also important differences. The most important, it seems to me, is the broader base underpinning the current expansion. The advance this year, for instance, has been shared by most industries and all major regions of the country. In agriculture, while some areas have been adversely affected by poor weather, the harvest has been generally good, with crops on the prairies well above average. In industry, strong demand both at home and in export markets has



continued and, as a result, a large number of manufacturers have been adding to their productive facilities.

These investments, together with the vast amount of new construction of other types such as power developments, commercial and institutional building, and work on Expo '67, have resulted in another strong surge of capital expenditures. The rise this year for business alone may well be as much as 19%—a very large increase, especially following a similar rise in 1964.

## Problems of Rapid Growth

One could hardly expect such a rapid expansion in capital spending to take place without some strain on the economy and, inevitably, pressure has been placed on the supply of materials and skilled workers resulting, all too often, in increasing prices and costs.

## Canada's First Bank attends the 54th Inter-Parliamentary Conference in Ottawa



At the invitation of the Federal Government, the Bank provided banking services to delegates attending the 54th Inter-Parliamentary Conference in Ottawa from September 6th to 17th.

Delegates from many lands, often wearing a wide variety of national costumes, made use of the Bank's services.

Located in a section of the Post Office in the Centre Block on Parliament Hill, the temporary bank was directed by J. O. F. Lamoureux, Superintendent of the International Division, and assisted by E. S. Domet, Winnipeg, and Mrs. Muriel Whitley, of Ottawa Main Branch.



The first clear signs of upward pressure on prices began to appear in late 1964 and this has continued during the current year. While the price increases we have seen reflect only mild inflationary pressures compared with the record in most countries, they are, nevertheless, disturbing and we simply cannot afford to be complacent. This would be true if only because of the dangers and inequities commonly associated with inflation. But with so much of Canadian business based on export trade, it is vitally important that our prices stay in line so that our competitive position in foreign markets will not suffer.

Rising prices are but one of the less favourable by-products of the rapid growth we have been experiencing. Another matter on which attention is focussed by the surge in capital expenditures is our international payments position. In periods of rapid growth our trade balance typically tilts in the direction of an increased deficit partly because imports provide a significant share of the new machinery and equipment included in business investment. Thus, while the recently negotiated substantial wheat contracts have certainly strengthened our balance-of-payments position, a continued aggressive search for overseas markets for Canadian products of all kinds remains essential if we are to keep our current account deficit within manageable proportions.

## **A Strong Demand for Loans**

It is to be expected that any year of very high economic activity will bring with it an increased demand for bank loans. This year there were in addition special factors that led to stronger loan demand, the most important undoubtedly being the United States balance-of-payments program. In so far as Canada is concerned the program initiated in February has resulted in a greater reliance on domestic sources of financing, including the chartered banks. The banks also felt the effects of changed money flows in the short-term paper market following the failure of Atlantic Acceptance Corporation.

These special demands on the banking system, together with a desire not to bring the current expansion to a premature halt, were no doubt important in the decision of the monetary authorities to pursue a permissive policy earlier in the year, notwithstanding



the pressure on prices to which I have referred. In the event, loans by all banks in Canadian currency rose by no less than 20% in the year ended October 31st, but nearly all of the increase occurred before August. Since that time the banks have been kept on a tight rein.



To depart from my prepared text for a moment, this past week-end the Federal Reserve Board of the United States announced that it was raising the re-discount rate from 4% to 4½%. This move was, quite properly, followed with an announcement by the Governor of the Bank of Canada raising the Central Bank Rate in this country from 4¼% to 4¾%. Although it is certainly too early to venture an assessment of the effects these moves will have on the general tightness of credit here, they surely indicate that the North American central bank authorities consider that the monetary strings should be kept taut in present circumstances.

As far as Canada is concerned, the situation unfortunately is such that the chartered banks are again faced with the unpleasant task of attempting to achieve an appropriate and suitable rationing of credit without the benefit of a free market system of interest rates. The existence of a 6% ceiling on the rates we may charge simply does not provide enough flexibility, and I shall have more to say about this in a moment.

In any event it is clear that we are once again going through a period when the chartered banks are being restricted in their expansion while other financial intermediaries outside the direct control of the monetary authorities are not. This is a phenomenon which is all too familiar. The whole financial system grows for a time and then when monetary restraints are applied, the bite is felt most severely by the banks with the result that they lose ground to other financial institutions. The extent of the decline in the position of the banks was clearly indicated in figures compiled by The Royal Commission on Banking and Finance covering an extended period up to 1962, and the decline has continued since then.



In practical terms this means that the area of financial activity over which the monetary authorities exercise direct control is being seriously diminished. It also means that an increasing proportion of the deposits and financial assets of the community are now being held by institutions not subject to the strict safeguards which apply to the chartered banks. This situation is surely not in the best interests of the Canadian economy, nor is it calculated to promote confidence in the strength and stability of our financial system.

## **A More Open and Competitive Banking System**

It is principally for these reasons that the banking legislation introduced earlier this year was such a disappointment. Indeed, I have had occasion in recent months to set out publicly a number of serious reservations concerning the government's proposals and to express my concern over the failure to introduce measures which I believe are essential if the banks are to continue to provide the kind of banking service the Canadian public demands — and is entitled to receive — in the changed circumstances of today.

More positively, the suggestions that I have made, and in general those put forward by other bankers, have supported the recommendations of The Royal Commission in calling for “a more open and competitive banking system”. In other words, what is needed is a revision of banking legislation to remove the restrictions on the banks which limit their ability to increase the scope and flexibility of their services to the Canadian public.

The two most important factors that prevent the banking system from playing a larger and more flexible role in the economy are the legislative restrictions on the rate of interest they may charge and the types of security they may take. Notwithstanding the very strong and unqualified recommendation of The Royal Commission that the 6% ceiling on loan rates be removed, the legislation introduced by the government earlier this year gave no relief from this restriction in connection with ordinary bank credit. The



explanations given by the former Minister of Finance are unconvincing, to say the least. In my opinion, for reasons that have been set out many times, retention of the 6% ceiling cannot be defended either on grounds of economic theory or of the public interest. The real effect of the ceiling is to limit the services the banks can provide to the public and to force many Canadians to seek accommodation outside the banking system at much higher rates of interest.

It is true that the draft legislation provides for the removal of the existing mortgage prohibition in the Bank Act, and, under certain limited conditions, would enable the chartered banks to charge the going rate of interest on conventional mortgages. These changes work in the direction of The Royal Commission's recommendations and are welcome. But, in the form presented, they do not go nearly far enough to provide needed flexibility for the banks. In particular, these changes would do little to allow the banks to increase the scope of their lending to small business which, to my mind, is the area most severely handicapped by the restrictions in the present Bank Act.

## Freedom to Compete, Not to Dominate

I should perhaps make it clear that in recommending the removal of the 6% ceiling and in advocating broader lending powers for the banks I am not seeking to build a more powerful banking system at the expense of others in the financial community. However, I must say with equal emphasis that I am convinced the financial system of this country will be greatly weakened if the slow erosion of the position of the banks is allowed to continue. This I believe is the important point at issue. What is required is the freedom to compete, not to dominate. And when I say "freedom to compete" I am of course referring not only to the business of lending but to the gathering of deposits as well.

In this connection it is surely anomalous that while the banks are limited by law to a 6% ceiling on the rates they may charge for loans, our competitors outside the banking system are paying more than this for the use of funds — and it is not only high-



risk operators on the fringe of our financial system who are doing this. What better evidence is there of the distortions in financial markets occasioned by the restrictions in the present Bank Act, and what better evidence of the need for a change?

## A New Approach Needed



In short, the draft legislation put forward earlier this year fails in its essentials to take into account the vast changes that have occurred in recent years in the structure of the Canadian financial system and the environment in which it operates. These draft proposals also fail to face up to the fact that while the legislative restrictions on the operations of the banks were

designed primarily to protect the public interest and to facilitate monetary management, they no longer do so.

Indeed, as I have tried to indicate, in the circumstances of today some of the restrictions tend to work in such a way as to frustrate these very objectives. For example, by inhibiting the growth of the banks relative to other financial intermediaries which are not similarly subject to central control, they weaken and dilute that control. And by preventing the banks from offering a full range of services at competitive prices, they force the public to seek more expensive accommodation elsewhere.

These are the basic considerations that I believe must be squarely faced by the government in revising the legislation under which the chartered banks will have to operate for the next ten years. I might add that in view of all the delays that have been experienced since the Bank Act became due for revision in 1964, this task should surely command a high priority when Parliament reconvenes. Moreover, I would hope that we have seen the last of the timid approach to banking legislation displayed in the draft bill introduced this year and that we will have instead a new Bank Act which really meets



the demonstrated needs of the community at large. Nothing less than this will do if the banks are to play their full part in the growth and development of the Canadian economy.

## **Banking Must Keep Pace**

Here at the Bank of Montreal it is our aim, and we recognize it as our responsibility, to remain in the forefront of a changing banking system.

In my remarks at our last Annual Meeting I commented on the fact that in the Bank of Montreal we were becoming more and more decentralized in our operations and that our several regional offices were, in effect, "head offices" in their respective geographical areas. This increasing decentralization has enabled us to respond even more quickly and efficiently at the local level to the needs of our customers.

Along with this program of increasing the responsibility and authority of divisional officers, we have undertaken a major re-examination of our whole organization, not only on a regional basis but nationally and internationally as well. Within a short time we will be announcing the first of a series of important organizational changes. We believe these changes will have a far-reaching impact on our ability to make the most of the opportunities that lie ahead for the Bank in a vigorous, progressive and expanding Canadian economy.



# Canada's First Bank

is on the ground floor

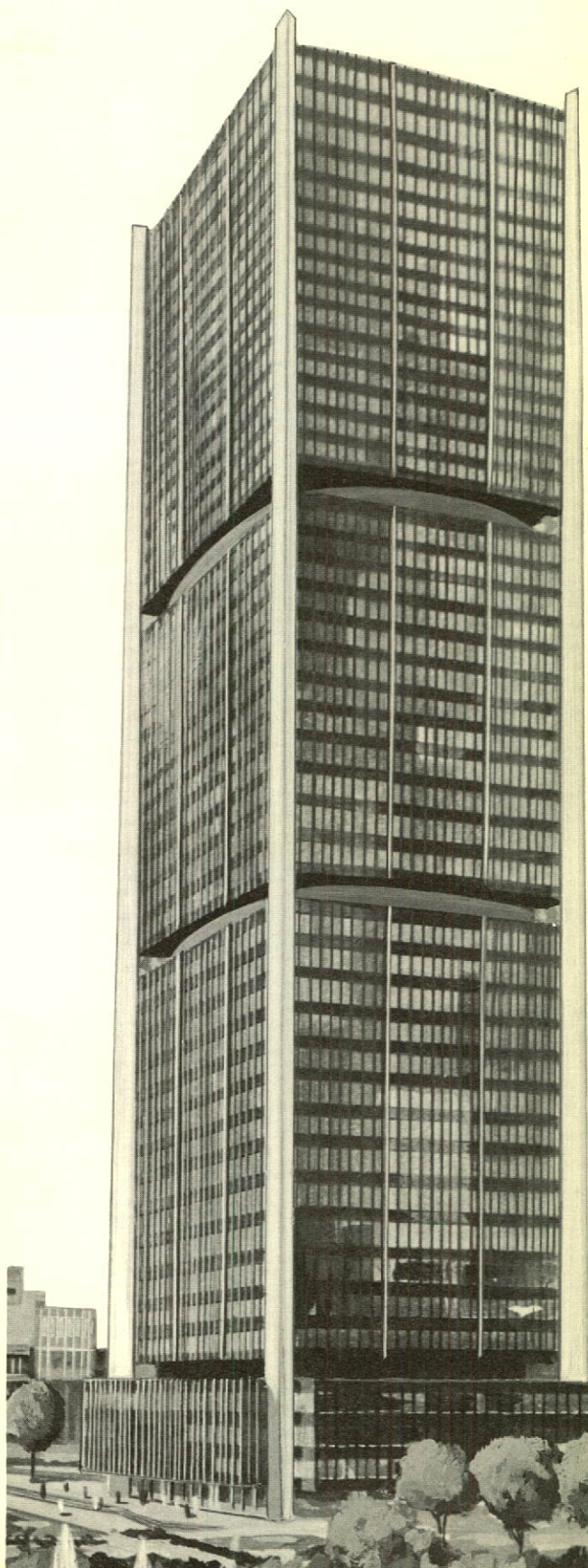
## in Place Victoria

Just a few hundred yards west of the Bank's Head Office on historic Place d'Armes, the massive new Place Victoria complex towers 625 feet into the sky. Here is the magnificent new home of the Montreal and Canadian Stock Exchanges in the 47-storey Stock Exchange Tower, described recently by Sir Basil Spence, one of Britain's foremost architects, as "elegant, awe-inspiring, beautiful from any angle".

And here, too, is the 83rd of the Bank's present 85 offices in Greater Montreal. Established in May as one of Place Victoria's first tenants, "Stock Exchange Branch" provides a comprehensive service to every type of customer from stenographer to storekeeper — from shopper to stockbroker.

Occupying 21,000 square feet of space, the branch includes no fewer than 14 tellers' wickets, and there is an extensive securities department complete with safekeeping facilities, plus a special "brokers' depository".

In the heart of the city's commercial and financial district, Place Victoria provides a vital link between the new Dorchester Boulevard area and old St. James Street. An integral feature: one more unit in the chain of Bank of Montreal offices serving every phase of the life of the new Montreal.







**1** As hundreds of thousands of Canadians do every day, our customer mails a cheque to a business concern to pay for purchases or services rendered. The company receiving the cheque, in turn, deposits it at its own branch.



**2** With hundreds of other cheques received at the branch that day, our customer's cheque is sped to the "Genie" Centre in Vancouver for processing back to the customer's account.



**3** Arriving at the "Genie" Centre, the cheque is first encoded on this manually-operated equipment. It prints the amount—plus the branch transit and account numbers if necessary—at the bottom in magnetic ink characters.

# Canada's First Bank works

Canadians with other people in million in 196 the Canadian 1970.

How to maintain a problem tha tion. Hence th three largest c



**4** This is where "Genie" takes over... in the blinking of an eye, the electronic cheque sorter reads the magnetic characters, feeds the information to the central processor and sorts the cheque into a pocket with other

\*GENerates Information Electronically



## magic with



## in Greater Vancouver

more cheques per capita than any other world. In fact, they wrote over 825 million cheques in 1970, and at the present rate, will call upon banks to process well over a billion by 1980.

To ease the load in human terms while keeping service charges at a reasonable level was a problem that could only be solved through automation. The introduction of "Genie" Centres at the Bank of Montreal served by Canada's First Bank —

Montreal, Toronto and Vancouver — where highly complex computers are now at work to free the Bank's staff of much routine work, enabling them to devote more of their time to the customers' needs than ever before.

The pictures on these pages take us along on the journey of a customer's cheque from the time it is mailed, through the magic maze of Vancouver's "Genie" Centre, to its final appearance as a transaction on the customer's statement.



items for the same branch. This machine can handle up to 1,600 cheques a minute. Machine in the background prints up to 1,100 full lines a minute and provides branches with daily balances in individual accounts.

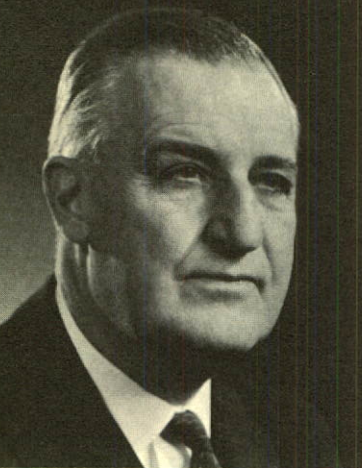


**5** While the cheque is still in the electronic sorter, the amount is being posted electronically to the customer's account maintained on a magnetic "memory" tape. One reel of tape records up to 25,000 individual bank accounts.



**6** Meanwhile, back at the branch...our customer is provided with a complete printed monthly account statement which records all transactions during the month transferred from the "memory" tapes at the "Genie" Centre.





R. D. Mulholland

## Reports New Year-End Highs for Assets, Loans and Deposits with Earnings at Record Levels

Marked increases in assets, loans, deposits and net earnings, to new year-end levels, were highlights of the 148th Annual Financial Statement presented to the shareholders at the meeting by the Chief General Manager, R. D. Mulholland.

Net profits after taxes were \$18,730,000, of which \$13,821,000 was set aside as dividends to shareholders on the basis of \$2.27<sup>1</sup>/<sub>2</sub> per share. This left \$4,910,000 to be added to the balance of undivided profits for 1964, bringing the total of that account to \$6,467,000. From this amount a transfer of \$5,000,000 was made to Rest Account, bringing the Bank's total capital funds, including Rest Account, to \$223,750,000.

Discussing the current extremely keen competition for deposits in this country, Mr. Mulholland said, "A point of view has been growing up, even among those who should know better, that . . . about the only thing that really mattered was the rate of interest offered". It was, he said, too comfortable an assumption that all so-called "financial institutions" were equally creditworthy.

Mr. Mulholland emphasized that deposit rates, exceeding the "quite attractive rates now offered by banks", do not reflect the liquidity and quality made possible by the carefully structured pattern of assets of the chartered banks. "I suggest that just because short-term funds have been freely available outside the banking system, too many borrowers have ended up with a disproportionate amount of their indebtedness at too short a term in relation to the nature of their operations.

"Such borrowers have also become overly dependent upon the vagaries of the short-term money market which basically lacks the continuity of accommodation which is provided by bank financing, on the one hand, and by proper placement of long-term securities in the public market, on the other.

"Thus, tight-rope investing for the lenders is also tight-rope financing by borrowers," Mr. Mulholland stated.

*The text of the Chief General Manager's address follows:*



# Chief General Manager's Annual Address

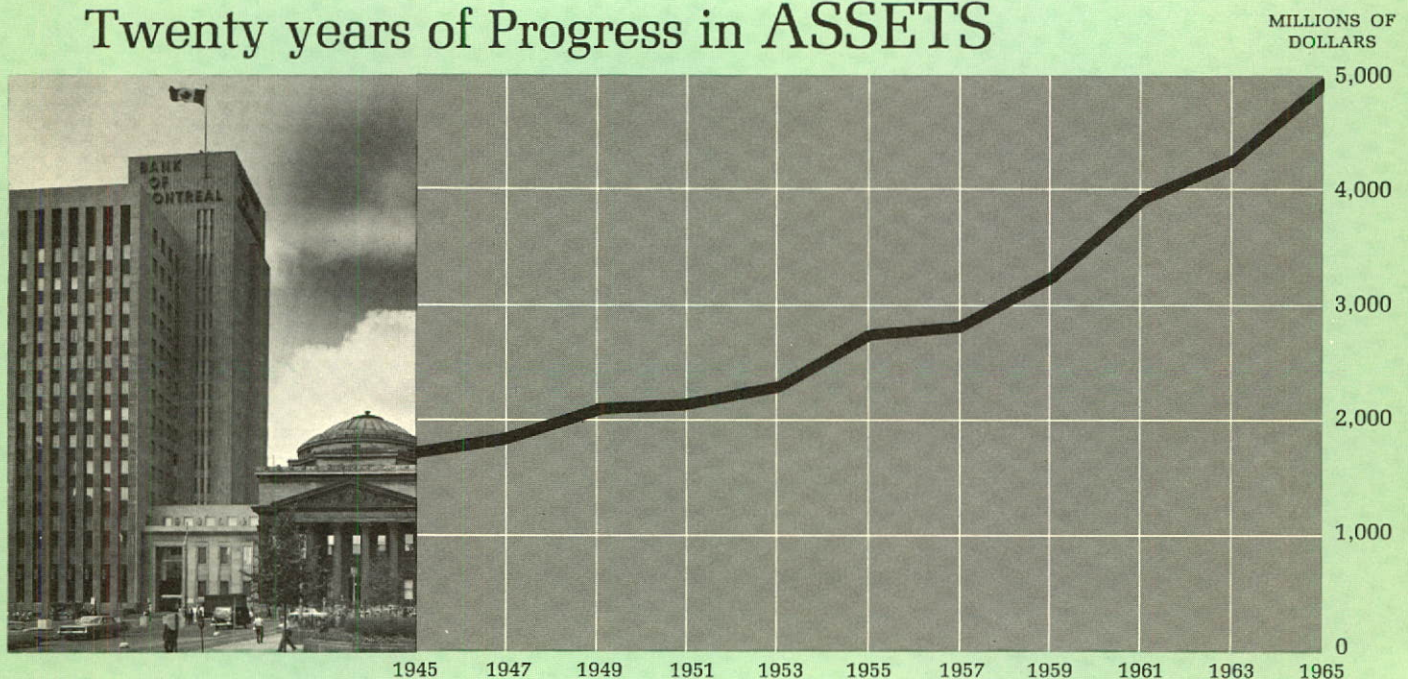
Mr. Chairman, Ladies and Gentlemen,

The 148th Annual Statement of the Bank which I have the honour to present to you covers a year's operations in which every significant figure represents a record for the history of the Bank.

## Earnings

Our net profits for the year amounted to \$18,730,353. after provision for depreciation of premises and equipment, transfers to inner reserves and income taxes. A sum of \$13,820,625. has been set aside for regular and extra dividends, equivalent in total to \$2.27 $\frac{1}{2}$  per share compared with \$2.20 per share for the preceding year. The remaining balance of \$4,909,728. was carried to Undivided Profits, which then amounted to \$6,467,327. From this amount, a transfer of \$5,000,000. has been made to Rest Account, as compared with \$4,000,000. last year. Our total capital funds, including Rest Account, now amount to \$223,750,000.

## Twenty years of Progress in ASSETS





Our overall revenues for the past year showed a satisfactory gain, reflecting both an increase in funds employed and a somewhat higher rate of return. Miscellaneous revenues again showed an increase.

Operating expenses continued to rise, notwithstanding considerable progress in the more efficient deployment of staff. The item of interest expense is of particular importance, due to the continued combination of rising rates of interest paid and an increasing proportion of funds bearing interest. For example, the interest we paid this year was more than double the amount expended for this item five years ago.

## General Statement

Total assets, at the end of the fiscal year, stood at \$4,997,000,000., an increase of \$329,000,000., or 7.0%, from the end of the previous year. The expansion of assets was largely due to a substantial rise in our Canadian loans, there having been a decline in our security holdings and a small decrease in our foreign assets. Notwithstanding the effects of the monetary stringency which has prevailed since early summer, our liquid position has been well maintained. Our daily holdings of cash, day-to-day loans to the short-term money market and Government of Canada treasury bills have been, on the average, considerably in excess of 15% of deposit liabilities in Canadian dollars in each month throughout the year.

## Deposits

At October 31st, total deposits of the Bank were \$4,605,000,000., an increase of \$265,000,000., or 6.1%, during the year. Our personal savings deposits stood at \$2,167,000,000., an increase of \$137,000,000., and other Canadian notice deposits showed an increase of \$103,000,000. Our Canadian demand deposits rose by \$51,000,000. Government of Canada deposits were up by \$35,000,000. Deposits in foreign currencies by other banks increased, but there was a decline in other foreign currency deposits during the year.

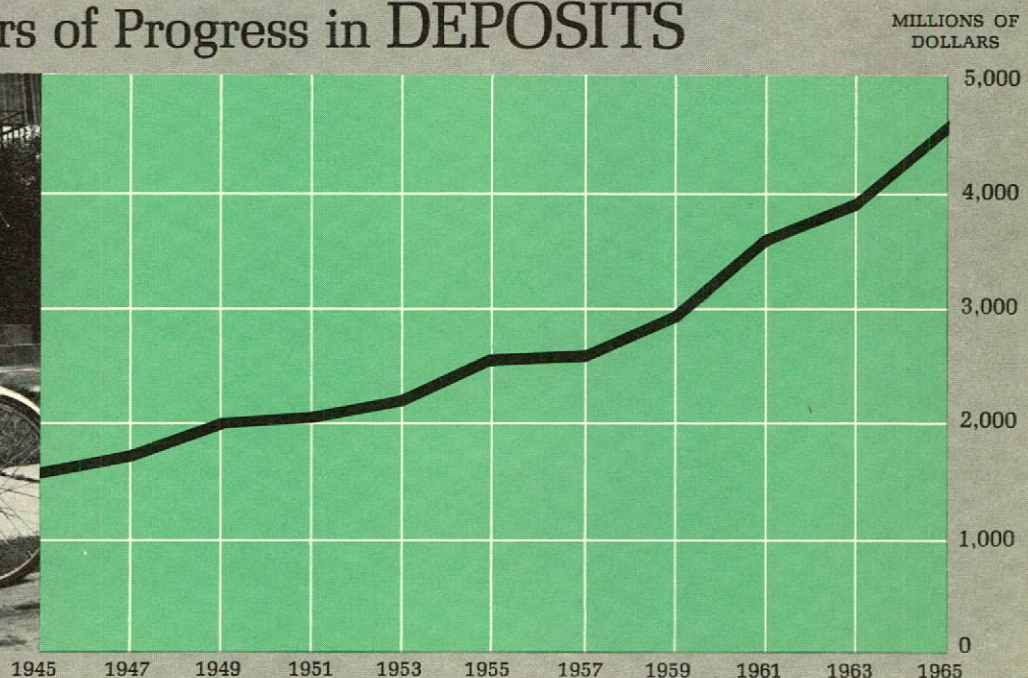
Last year I referred to the extremely keen competition for deposits from a variety of financial concerns which are free from important legal restrictions surrounding banking. Such competition, this year, has been even more intense, and at the same time there has been increased activity in a related field, namely, that of the short-term money market, which offers "buy-back" and other related facilities for the



employment of short-term funds. I am quite sure that, faced with such an apparently glittering variety of alternatives for the employment of short-term money, many corporate treasurers have, until recently, come to regard comparable deposit facilities offered by banks as rather stodgy, old-fashioned and insufficiently remunerative.

Furthermore, I do not think it too much to suggest that a point of view has been growing up, even among those who should know better, that in the choice of alternative avenues for the employment of money at short term, about the only thing that really mattered was the rate of interest offered. This viewpoint reflected, of course, the comfortable assumption that after all, one piece of paper expressing an obligation to pay a sum of money by a certain date was just as good as any other, and indeed that all companies coming within that broadly vague and legally undefined category of "financial institution" were equally creditworthy. Several extremely unfortunate developments in mid-year provided an abrupt and painful refutation of this facile belief. And while I would not argue that for the short-term depositor "money in the bank" is the only safe avenue for employment of funds, I would suggest that rate differentials reflect, or should reflect, among other things, differentials in risk which are inherent in the fundamental nature of the types of activity in which a wide variety of short-term borrowers are engaged. Thus it may be timely to emphasize once more what many have now found out to be true, namely, that rates for deposits which exceed the quite attractive rates now offered by banks do not, in every case, and without question, represent the liquidity and quality made possible by the chartered banks' carefully

## Twenty years of Progress in DEPOSITS





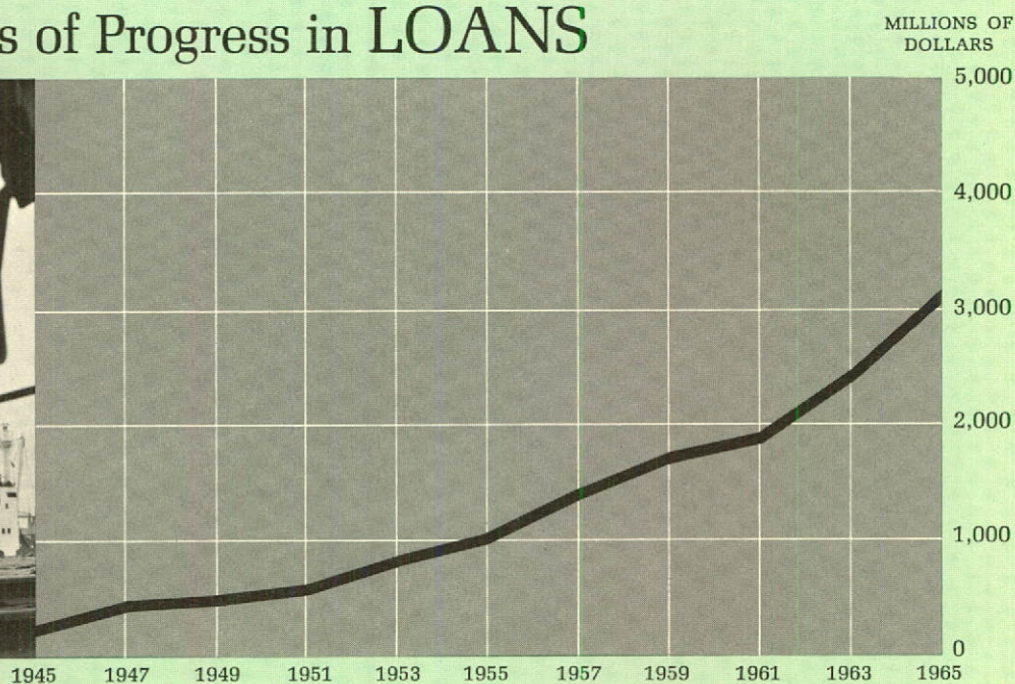
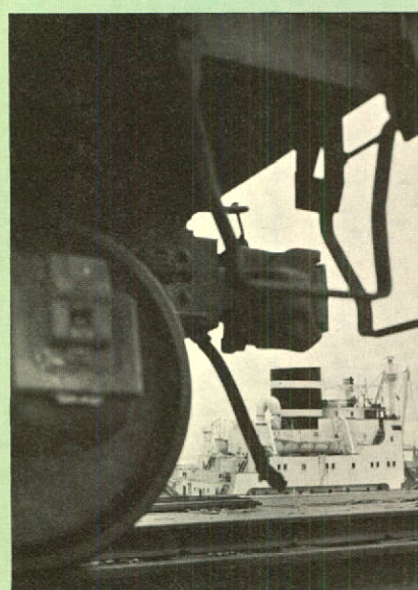
structured pattern of assets. In this context, I may assure you that the matter of a sound and liquid asset mix is, at all times, a primary consideration in this Bank. At to-day's rates "money in the bank" is not only worry-free money but also a most practical and attractive form of corporate cash management.

## Loans

As at October 31st, our total loans amounted to \$3,168,000,000., an increase of \$439,000,000., or 16.1%, over the previous year. Loans to provincial and municipal governments showed an increase. Our total loans in foreign currencies rose by \$49,000,000. Call loans to stockbrokers and investment dealers, excluding day-to-day loans, in Canadian currency, were \$21,000,000. higher. Mortgages under the National Housing Act declined by \$19,000,000., largely representing repayment of principal. Other loans to business, agriculture and individuals rose by \$342,000,000. to the amount of \$2,290,000,000., representing an increase of 17.6% during the year.

Our loans to farmers showed a considerable increase during the year and, in particular, there has been a greater utilization of Farm Improvement Loans, for which the maximum loan amount was raised from \$7,500. to \$15,000. by legislation which became effective last March. We find this gratifying because we are particularly conscious of the important part played by agriculture in the progress of our country. In evidence of this, we have just instituted our Bank of Montreal Canada Centennial Farm Leadership Awards which will provide 50 awards of \$2,000. each for those engaged in

## Twenty years of Progress in LOANS





full-time farming, in whatever capacity. Those eligible could include tenant farmers, farm wives and farm employees, among others. The purpose is to bring forward those who may be able to make a contribution, at the community level, to the solving of the various problems of agriculture. Such awards will be spread across the farming areas of Canada from coast to coast. The award winners will be chosen by two selection committees — one for Eastern Canada and one for Western Canada — each consisting of five authorities on agriculture, chosen so as to represent, to the maximum extent possible, the various geographical areas of Canada in which agriculture is important.

In the light of the difficulties which have overtaken several well-known companies in recent months, I am glad to be able to report that the Bank's relatively minor participation in these situations is indirect and adequately secured, and no loss is anticipated.

But, while our connection with these specific situations is inconsequential, our concern with the general conditions giving rise to their occurrence is not. Earlier in this address I mentioned certain lessons in respect of the choice of alternative deposit media. On the lending side of the equation, these events also point up the fact that the business of lending money requires, not only skill and experience, but also the time and money needed to investigate the risk plus acceptance of the fact that investigation is indeed necessary. The rather carefree assumption that the risk has been investigated adequately has led some corporations and some people with money to spare, and sometimes with money that ought not to be spared, to become, in effect, unofficial and uninformed bankers. The obverse of this is, of course, that uninformed provision of funds encourages equally uninformed borrowing. To be more specific, I suggest that just because short-term funds have been relatively freely available outside the banking system, too many borrowers have ended up with a disproportionate amount of their indebtedness at too short a term in relation to the nature of their operations. Such borrowers have also become overly dependent upon the vagaries of a short-term money market which basically lacks the continuity of accommodation which is provided by bank financing, on the one hand, and by proper placement of long-term securities in the public market, on the other. Thus, tight-rope investing for the lenders is also tight-rope financing by borrowers.

## Investments

The Bank's portfolio of securities at October 31st totalled \$975,000,000. compared with \$1,142,000,000. a year earlier. There was a decline in our holdings of Government

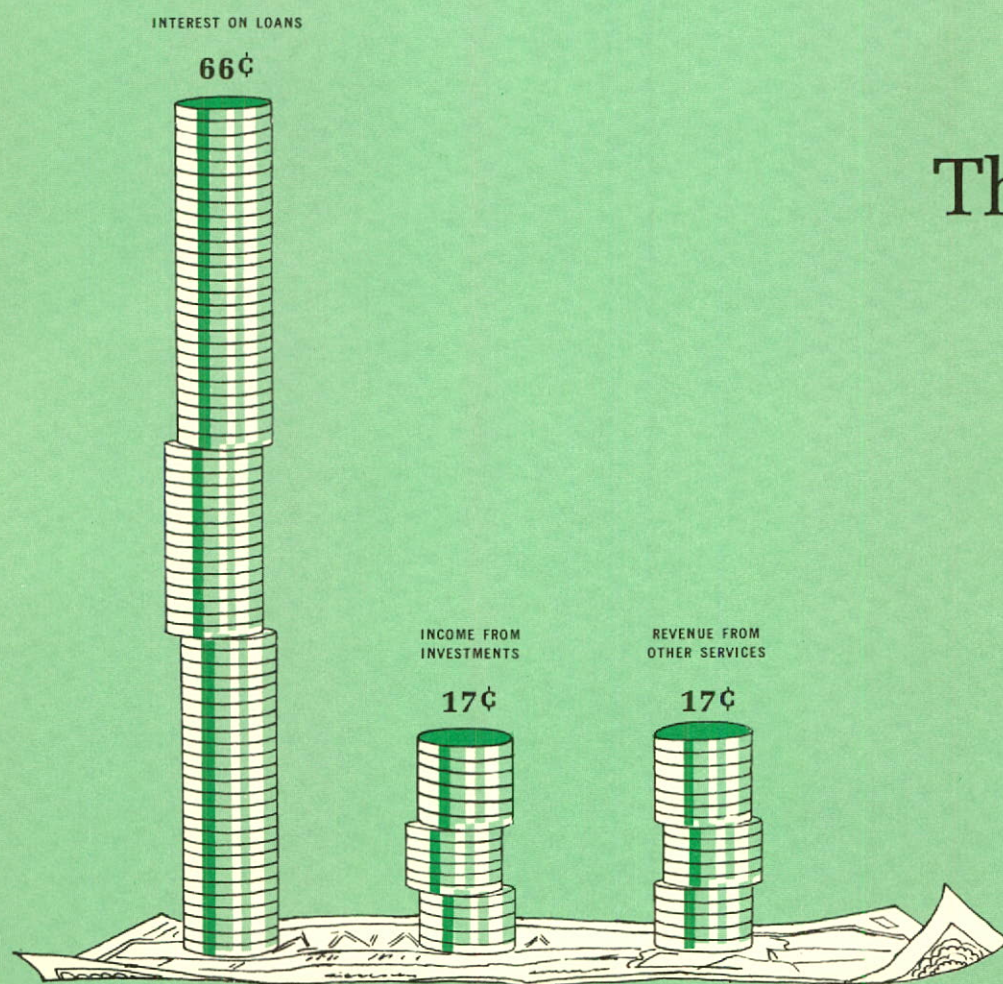


of Canada treasury bills and Government of Canada direct and guaranteed bonds aggregating \$62,000,000. Securities other than Canadian declined by \$104,000,000. There was little change in other categories of our investments. Yields on our securities were higher than during the previous year on an almost unchanged average amount outstanding.

## International Business

The Bank's volume of international business showed a further growth during the year in line with the increase of Canada's external trade. Our foreign currency deposits, which have shown very considerable expansion in the past few years, reached an all-time high earlier this year, but there has been some decline during recent months.

With respect to the position of international currencies, there were two par-



# The B of M

## Where It Came From

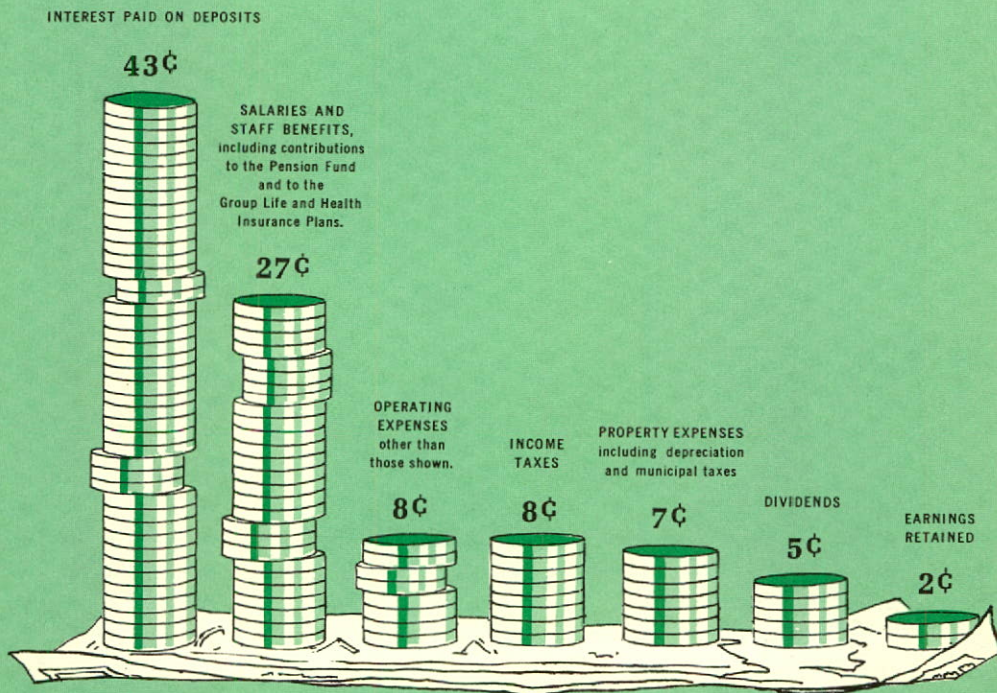


ticularly important events during the year. One was an announcement, in February, of proposals by the United States designed to correct its balance-of-payment difficulties, which proposals included a curtailment of U.S. capital outflows to foreign countries. The other event was the announcement, in September, by a group of world central banks, of a massive standby fund to protect the pound from further speculative attack.

While there has been a drop in the flow of U.S. capital to Canada, particularly in the short-term investment category, a sufficient amount of Canadian corporate and provincial borrowing has been done through new long-term issues in U.S. capital markets, (under the special exemption from the U.S. Interest Equalization Tax) to enable Canada to maintain reasonable stability in the level of its official foreign exchange reserve. Canada's position has been helped latterly by the announcement of very large contracts for the sale of wheat and flour to the Soviet Union and China.

# Income Dollar\*

\* After making transfers to inner reserves, out of which full provision has been made for diminution in value of investments and loans.



## Where It Went



During the year, the Board of Directors of Bank of London & Montreal Limited decided that it would be advantageous for that bank to associate its operations in Venezuela with local interests. To this end, arrangements were made to form a new bank known as Banco La Guaira Internacional, C.A., which will operate 5 branches in that country, including the 2 taken over from our affiliate. The new bank will be owned by the present shareholders of Banco La Guaira, C.A. and by Bank of London & Montreal Limited, the latter having a substantial, but minority, interest.

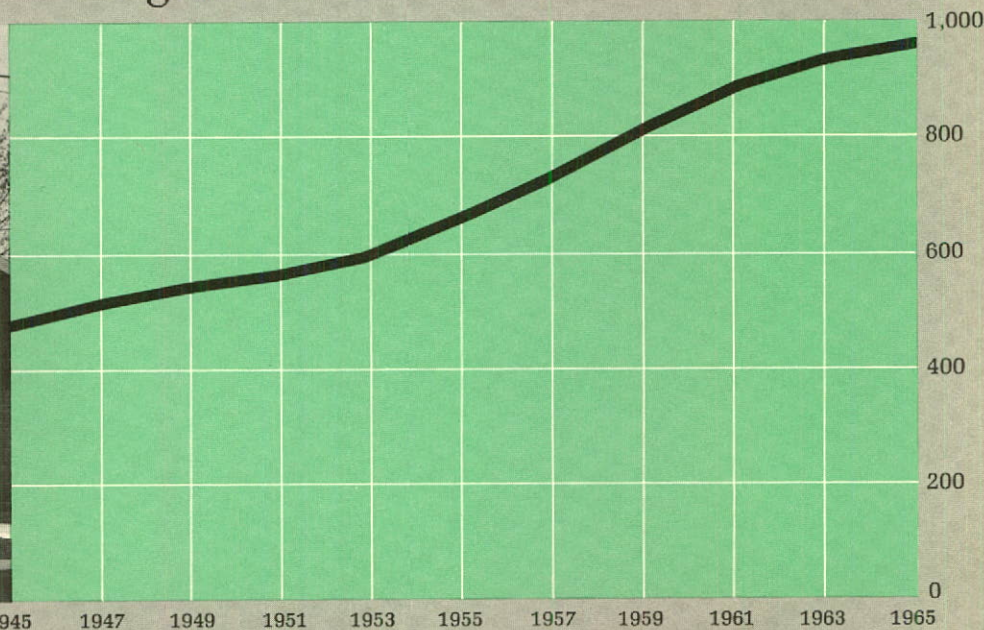
Exclusive of the above, Bank of London & Montreal Limited now has 31 offices serving Latin America, the West Indies and the Bahamas. Our foreign network, including both these affiliated banks, now consists of 54 offices offering international services to our customers abroad.

## Bank Premises

Bank Premises Account, as at October 31st amounted to \$69,948,000. after depreciation, compared with \$68,408,000. at the end of the previous year. During the year, 9 properties were sold to Bankmont Realty Company Limited, a wholly-owned realty holding company of the Bank, for \$2,076,000.

During the year, 11 buildings that had outlived their usefulness were replaced and a total of 28 new buildings are under construction or in various stages of development

## Twenty years of Progress in BRANCHES





across Canada. In May last, we opened our Stock Exchange Branch in Place Victoria, situated in the downtown financial district of Montreal. This Branch is designed to accommodate the activities of brokers at the new location of the Montreal and Canadian Stock Exchanges. We have continued our programme of establishing new branches and replacing, enlarging and renovating premises that have become inadequate by present-day standards. It should be mentioned that the important increase in construction costs and shortages of labour and materials place a limitation on the number of major projects that can be undertaken in any one year.

In the 12 months ended October 31st, 1965, 13 new branches and 8 sub-agencies were opened and 2 branches and 2 sub-agencies were closed. Our banking offices in Canada and elsewhere now number 971, of which 871 are regular branches and 100 are sub-agencies.

## Staff

The record figures shown for our earnings and assets will automatically bring to your minds the staff of the Bank, without whose efforts this performance could not have been achieved. We have made considerable strides during the year in improving our operating methods and, as the President has indicated, we are in the process of re-examining our system of organization in the interests of still greater efficiency.

It is our belief that the changes which have occurred and which are in prospect will greatly increase the number and variety of opportunities for those willing to apply themselves to the acquisition of knowledge and the mastery of new techniques.

As evidence of our concern for the progress of our staff, we instituted, last February, a Bank of Montreal Scholarship Plan, to provide those of our younger officers who could qualify with a university education to degree level. The curriculum is related, as directly as possible, to the operations of the Bank and leave of absence with full salary is granted during attendance at university. During absence at university, such officers will not lose increases that would otherwise have been received.

I am supremely confident that the men and women of our staff will rise to these opportunities and challenges in the same wholly admirable way in which they have performed in making their contribution during the year to the results I have put before you. To all these members of the Bank family we offer our sincere thanks.



# Other Business of the Meeting

## **Adoption of Directors' Report**

## **Appointment of Auditors**

## **Appointment of Proxies for Controlled Companies**

## **Amendment to Shareholders' By-Law No. IV**

## **Vote of Thanks — Election of Directors and Officers**

Following the addresses, the Chairman moved, seconded by Mr. T. W. Eadie, that the Report of the Directors, as read, be adopted and that the Report, which includes the Statement of Undivided Profits, together with the Statement of Assets and Liabilities, be printed and distributed among the Shareholders. The motion was carried unanimously.

Mr. Roger Létourneau, Q.C., moved, seconded by Mr. A. C. Jensen, that Messrs. Campbell W. Leach, C.A., and Wm. H. Campbell, C.A., be appointed auditors of the Bank for the ensuing year, and that a ballot for the auditors be taken at the same time as the ballot for directors is taken.

The motion was carried.

Mr. D. R. McMaster, Q.C., moved, seconded by Ralph B. Brennan, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies. These were unanimously adopted.

Mr. H. C. F. Mockridge, Q.C., moved, seconded by Sir Nutcombe Hume, K.B.E., M.C., "That By-law No. IV of the By-laws enacted by the shareholders be and it is hereby repealed, and that the following by-law be and

it is hereby enacted by the shareholders in substitution therefor:

'IV (a) The number of the Directors shall be not less than 28 and not more than 50;

(b) Until and subject to the extent to which the provisions of clause (c) hereof shall become effective, the number of Directors shall be 48;

(c) From time to time, upon the passing of a resolution of the Board of Directors declaring that it is expedient that this clause (c) should take effect to the extent of so many additional Directors as the resolution may specify, the number of the Board shall be and it is hereby increased by the number so specified, and the vacancy or vacancies in the Board thereby created may be filled in accordance with the provisions of By-law No. V of the By-laws enacted by the Shareholders, provided that in no event shall the total number of the Directors exceed 50;

(d) Three of the Directors shall constitute a quorum'."

The motion was passed.

Mr. A. Searle Leach moved, seconded by The Hon. Eric Cook, Q.C., that "the thanks



of the Meeting are hereby tendered to the Chief General Manager, the General Manager, the Divisional General Managers and all other members of the staff, for their services during the past year."

Speaking to the motion, Mr. Leach said:

"Mr. Chairman, Ladies and Gentlemen: All shareholders, whether present or not, will join I am sure in the appreciation of this meeting for the efforts on the Bank's behalf of the Vice-President and Chief General Manager, the General Manager, their many efficient colleagues with whom they are surrounded, the Managers and Officers of nearly one thousand branches and the various staff members—a total in all of over 15,300 earnest and keen people.

"In these times of increasing competition for deposits on one hand, and the increasing necessity of judgement, tact and finesse in the handling of loan applications on the other, it must be recognized that the production of year-end results such as we have examined is not a simple, routine and mechanical matter. 'Res ipsa Loquitur' — 'the figures speak for themselves', and truly indicate the task that has been performed by these many people. This area of accomplishment we are pleased to recognize.

"But there is likewise another area where our staff is so important — particularly when one contemplates the future. Possibly the best recruiting advertisement for new young blood is the demeanour and bearing of our present staff members. Likewise the best training of our younger people comes from their close day-to-day associates. Perhaps Mr. Chairman, in this vein we should be gratefully appreciating today the staffs of 1923, 1927 and 1931 who were the first contacts experienced, but not in the order named,

by yourself, the Chief General Manager and the General Manager. Likewise perhaps a tribute should be extended to the many Managers along the way who played a hand in the molding of today's Chieftains.

"The public image of 'My Bank' doesn't come from the dignity of today's meeting. Rather it comes from the courtesies and efficiencies of many thousands of men and women, young and old, who are meeting the public every day from coast to coast. Within the Bank itself, these thousands pass on to the new recruit the first guidelines in the application of the highest of moral and ethical values in the field of banking. Perhaps from the newcomers of this year there will later emerge capable senior officers, and someone then performing this pleasant privilege will think back to the staff of 1965 and will equally bless them on that future date.

"In the meantime, however, Mr. Chairman, I am sure that this meeting would not wish to delay until then, and therefore I today, in respect of today's staff and officers, have great pleasure in moving that our appreciation be extended to them with all the fullness and warmth that is possible."

Senator Cook said:

"Mr. Chairman, Ladies and Gentlemen:— In banking circles the word 'endorse' has a grave and ominous sound, nevertheless, it does give me great pleasure to endorse, without incurring any personal liability, the remarks of the proposer of this resolution.

"It is indeed appropriate and shows the great scope of the bank's activities, that the proposer comes from Manitoba in the glorious west and, that in second place, and at a proper distance behind him, the seconder comes from Newfoundland and Labrador which I best know as the 'Exotic East.' This

*Continued on page 37*





New premises for the Bank's Corner Brook, Nfld., branch are a show place of convenience and modern, functional design.

## Canada's First Bank sets the banking pace in Corner Brook

It was a gala occasion for the Bank — and a happy homecoming — one afternoon in January at Corner Brook, Newfoundland's bustling west coast paper centre. More than 300 guests were on hand to witness a ribbon-cutting ceremony there when The Honourable Joseph R. Smallwood, Premier of Newfoundland, officially inaugurated the Bank's new premises.

The new building was erected to replace an earlier building destroyed by fire towards the end of 1963. The new branch, providing 11 tellers' wickets and space for a staff of 55 is one of Newfoundland's finest and a fitting addition to go-ahead Corner Brook.



Phoenix-like amid the ruins of his branch, F. J. Edwards, Manager at Corner Brook, was photographed the morning after the fire of December, 1963.



Participating in the opening ceremonies were J. L. Walker, General Manager, Head Office; T. R. Francis, General Manager for the Atlantic Provinces, Halifax; Arthur R. Lundrigan, of Corner Brook, a Director of the Bank; and Mr. Edwards. Helping the Premier are James Callahan, left, and David Byrne, representatives of the younger generation of Corner Brook customers.



fact illustrates the tremendous task of the staff who deal with Canadians in every walk of life everywhere in Canada—not only in the east where the Bank's customers are kind and gentle, but also in the west, where, for the short yearly periods when the customers are home from Florida, their transactions are large and more complex. Before leaving the subject of geography, and the scope of the business of the Bank, I have also to remind you of the excellent work of the staff in the international field outside Canada, and to draw to your attention the fact that our staff has penetrated Canada from coast to coast.

"Ladies and Gentlemen, I have perhaps said enough. But, speaking seriously, for a moment, I am sure that we all appreciate the work of the staff and we all join, very sincerely, in this resolution to say once again a genuine THANK YOU to all members wherever they may be serving."

Mr. Mulholland, responding, said:

"Mr. Chairman, on behalf of my colleagues and fellow workers, as well as on my own behalf, it is my pleasant duty to thank Mr. Leach and Senator Cook for the warmth of their expression in speaking to this motion. The manner in which the resolution has been received by our shareholders speaks for itself. In these days of constant change, it is indeed encouraging to know, as I do, that the esprit de corps of our staff at all levels maintains our finest traditions. I can assure you that this expression of confidence from the shareholders will be appreciated by all in the Bank's service."

The Chairman then said: "The remaining business before the meeting is the balloting for the appointment of auditors and for the election of directors for the ensuing year.

The ballot is now open for these purposes and I will ask the Secretary to read the names of those proposed for election as directors."

The Secretary read to the meeting the list of proposed directors as follows:

Gordon H. Allen, Q.C.; W. A. Arbuckle; R. C. Berkinshaw, C.B.E.; Paul Bienvenu; Henry G. Birks; George W. Bourke; Ralph B. Brenan; Samuel Bronfman; The Honorable Eric Cook, Q.C.

H. Roy Crabtree; N. R. Crump; Nathanael V. Davis; T. W. Eadie; Harold S. Foley; The Honorable Leslie M. Frost, P.C., Q.C.; G. Blair Gordon; G. Arnold Hart; Sir Nutcombe Hume, K.B.E., M.C.

Leonard Hynes; R. G. Ivey, Q.C.; A. C. Jensen; J. H. Mowbray Jones; W. S. Kirkpatrick; A. Searle Leach; Bernard M. Lechartier; Roger Létourneau, Q.C.; Arthur R. Lundrigan; J. A. MacAulay, Q.C.

Donald A. McIntosh, Q.C.; D. R. McMaster, Q.C.; H. C. F. Mockridge, Q.C.; The Honorable Hartland deM. Molson, O.B.E.; J. Bartlett Morgan; R. D. Mulholland; H. J. S. Pearson; J. Pembroke, C.B.E.; John G. Prentice; Budd H. Rieger.

Forrest Rogers; Lucien G. Rolland; V. W. Scully, C.M.G.; George H. Sellers; G. H. Sheppard; The Honorable James Sinclair, P.C.; H. Greville Smith, C.B.E.; George C. Solomon; Noé A. Timmins, Jr.; Henry S. Wingate.

Mr. Raymond Caron, Q.C., nominated the gentlemen whose names had been read by the Secretary as proposed directors of the Bank for the ensuing year.

The balloting was then proceeded with and Mr. Hart made the following remarks:

"While awaiting the Scrutineers' reports, I perhaps may be permitted the opportunity to

*Continued on page 39*





Photograph by the Saskatchewan Government

## Canada's First Bank holds historic Directors' Meeting in Regina

Regina Branch was the Bank's first anywhere west of Winnipeg — and remains the oldest permanent bank in the rich and thriving Province of Saskatchewan today. But when the branch opened for business on January 2nd, 1883, the name of Regina had officially replaced the historic "Pile o' Bones" only a few months earlier and Saskatchewan's emergence as a province was not to take place for 22 more years — in 1905.

To mark this 60th anniversary of Saskatchewan's provincial status in 1965, the Bank scheduled a full Board of Directors'

Meeting in Regina on May 25th. The session was conducted as a regular weekly meeting of the Board and dealt with the normal business of the Bank.

The Regina meeting was held in line with the Bank's policy of providing common ground for its directors to meet with local businessmen across Canada away from the Head Office. Earlier such sessions have been held in Toronto, Winnipeg, Vancouver, Quebec City and Charlottetown.

Bank of Montreal directors represent a broad cross-section of business and industry from across Canada and abroad.



extend a welcome to some special guests who are here today and while not shareholders of the Bank, have a close association with us. Firstly, Mr. John R. Mage, prominent in the business community of Los Angeles, who was elected to the Board of the Bank of Montreal (California) during the year and who is with us for the first time. Also from the Bank of Montreal (California) are directors Mr. Mackenzie and Mr. Watson who attended our meeting in 1963.

"Representing our affiliate, the Bank of London and Montreal Limited are Mr. Jack Ashworth, a director, resident in Lima, Peru; Mr. Cadogan Gordon, Vice-President of the Bank of London and South America, New York; and Mr. Dennis G. Mitchell, the General Manager of the Bank of London and Montreal Limited, Nassau. The latter three gentlemen were in Montreal for a meeting of BOLAM and we asked them to be with us on this occasion. We hope Mr. Mage, Mr. Mackenzie, Mr. Watson, Mr. Ashworth, Mr. Gordon and Mr. Mitchell will enjoy their stay in our city.

"I am also very happy to make mention of the fact that we have with us today a shareholder of very long standing and a customer

of the Bank since 1887 — Mr. Arthur Barry. Mr. Barry has permitted me to disclose that his age is 92. The significant feature, however, is that Mr. Barry has been attending our annual meetings regularly and this, believe it or not, is his 56th consecutive attendance. I think this is indeed a record of which one might be proud and I am sure you would wish me, on your behalf, to extend to Mr. Barry our warm good wishes and the hope that he will be with us on many more such occasions."

The Scrutineers submitted their reports on the balloting and the Chairman declared that Messrs. Campbell W. Leach, C.A., and Wm. H. Campbell, C.A., were duly appointed auditors, and that the gentlemen named in the list read by the Secretary and nominated by Mr. Caron had been elected directors.

The meeting then terminated.

At a subsequent meeting, the Board of Directors re-elected G. Arnold Hart, Chairman of the Board and President, and R. D. Mulholland, Harold S. Foley, The Honorable Leslie M. Frost, P.C., Q.C., R. G. Ivey, Q.C., Roger Létourneau, Q.C., J. A. MacAulay, Q.C., and The Honorable Hartland deM. Molson, O.B.E., as Vice-Presidents.







# Bank of Montreal

FOUNDED IN 1817

## Officers at Head Office

*Chairman of the Board and President*  
G. ARNOLD HART

*Executive Vice-President and Chief General Manager*  
R. D. MULHOLLAND

*Senior General Manager and Chief Operating Officer*  
J. L. WALKER

<i>General Manager - Investments</i>	<i>General Manager - Securities</i>	<i>General Manager - Personnel Planning</i>	<i>General Manager - Personnel Administration</i>
W. T. G. HACKETT	T. D. LEWIS	F. H. McNEIL	W. A. HOTSON

*Secretary*  
C. W. HARRIS

*Planning Coordinator*  
J. E. TOTEN

*Economic Adviser*  
N. E. CURRIE

*Superintendent of Personnel*  
E. F. BOSIGER

*Superintendent, Securities Department*  
W. D. SMALL

*Assistant to the President: J. D. GIBSON*  
*Supervisor, Shareholder Services: L. M. BAYLY*

### DOMESTIC BANKING

*General Manager - Domestic Banking*  
R. L. SHEARD

*General Manager - Development*  
D. W. CASEY

*General Manager - Credit*  
G. N. SCOTT

*Deputy General Manager: F. S. HARRISON*

*Assistant General Manager: W. H. COLLIE*

*Superintendents*

R. R. T. ADAMS

C. G. JOHNSON

W. E. OHBERG

G. H. PINK

*Supervisor, Mortgage Department: O. F. NIEBERGALL*

### INTERNATIONAL BANKING

*General Manager - International Banking*  
E. R. ERNST

*Assistant General Manager: S. T. STRATHY*

*Superintendents*

F. B. CLARKE

J. O. F. LAMOUREUX

*Supervisor, Foreign Exchange Department: E. C. WINROW*

### ADMINISTRATION

*General Manager - Administration*  
B. W. POWER, C.A.

*Assistant General Managers: S. A. SHEPHERD, J. V. WALTERS*

*Chief Inspector*

*Chief Accountant*

A. S. C. BLACK

J. F. CLIFF

*Supervisor, Bank Premises Department: W. D. PITTS*



# Officers at Canadian Divisional Points

## BRITISH COLUMBIA DIVISION

### Vancouver

A. J. ELLIS . . . . . General Manager  
E. J. KELLEHER . . . . . Superintendent  
W. FORSYTH . . . . . Assistant General Manager  
and Manager, Main Vancouver Branch

## ALBERTA DIVISION

### Calgary

J. B. JONES . . . . . General Manager  
R. R. CURTIS . . . . . Superintendent  
E. C. J. WILSON . . . . . Manager, Main Calgary Branch

## MANITOBA and SASKATCHEWAN DIVISION

### Winnipeg

H. L. MCKAY . . . . . General Manager  
F. S. SHARPE . . . . . Superintendent  
F. P. BAINES . . . . . Manager, Main Winnipeg Branch

## ONTARIO DIVISION

### Toronto

E. A. ROYCE . . . . . General Manager  
M. WINDOW . . . . . Assistant General Manager  
J. B. LESSLIE . . . . . Assistant General Manager  
C. E. GRIESDALE . . . . . Superintendent  
R. L. W. SOFTLEY . . . . . Superintendent  
J. S. HUGHES . . . . . Superintendent  
J. R. McLEAN . . . . . Assistant General Manager  
and Manager, Main Toronto Branch

## MONTREAL DIVISION

### Montreal

D. B. PETERS . . . . . General Manager  
G. A. RHÉAUME . . . . . Assistant General Manager  
E. R. HOGG . . . . . Superintendent  
R. SMILLIE . . . . . Assistant General Manager  
and Manager, Main Montreal Branch

## QUEBEC DIVISION

### Quebec, P.Q.

LAURENT GELLY . . . . . General Manager  
M. A. MASSÉ . . . . . Superintendent  
J. E. JACQUES . . . . . Manager, Main Quebec City Branch

## ATLANTIC PROVINCES DIVISION

### Halifax

T. R. FRANCIS . . . . . General Manager  
F. H. G. WRIGHT . . . . . Superintendent  
B. E. ROGERS . . . . . Manager, Main Halifax Branch



## Officers Outside Canada

### EUROPEAN DIVISION

*General Manager*

J. A. HOBSON (London, England)

### GREAT BRITAIN

London—Main Office, 47 Threadneedle Street, London, E.C.2;

*Manager*, D. R. McCallum

*Deputy Manager*, H. N. Little

*Assistant Managers*, S. S. Harris, P. A. Browning, A. M. de Vinny

West End Office, 9 Waterloo Place, London, S.W.1;

*Manager*, E. M. West

*Assistant Manager*, J. D. L. Gibbs

### CONTINENTAL EUROPE

#### FRANCE

Paris—10, Place Vendôme, Paris 1<sup>er</sup>,

*Assistant General Manager for Europe*, C. E. Noblet

*Representative*, J. G. Paré

#### FEDERAL REPUBLIC OF GERMANY

Düsseldorf—Königsallee 6,

*Representatives*,

R. J. R. Bonneland, H. C. Hartmann

Offices for Armed Forces at Marville and Metz in France, and at

Baden-Baden, Zweibrücken, Soest, Hemer and Werl in Germany.

### UNITED STATES

New York, N.Y. — Agency, Bank of Montreal, Two Wall Street, New York 10005.

*Assistant General Manager and Chief Agent*

G. V. ADAMS

*Agents*

J. C. H. Kenner

N. Kjeldsen

R. J. Allen

W. M. Mader

*Assistant Agents*

T. P. Grimes

W. F. Hudkins

Bank of Montreal Trust Company, Two Wall Street, New York 10005.

*President*, G. V. Adams; *Vice-Presidents*, J. C. H. Kenner, C. E. Neuebaumer;

*Secretary*, D. Gillies; *Treasurer and Assistant Secretary*, G. W. Jackson

Chicago, Ill.

*Resident Representative's Office*,

Suite 2700, Board of Trade Bldg.,

141 West Jackson Blvd., Chicago 60604:

*Representatives*, H. B. Francis, T. A. O'Donnell

Houston, Texas

*Resident Representative's Office*,

Suite 413,

1021 Main Street, Houston 77002:

*Representative*, R. C. Howard

### BANK OF MONTREAL (California)

San Francisco

333 California Street, San Francisco 94104:

*President*, C. R. M. Allan

*Vice-Presidents*, D. B. Jewell, Derek Whittle

Los Angeles

508 South Spring Street, Los Angeles 90013:

*Senior Vice-President*, F. R. Southee

*DIRECTORS*: C. R. M. Allan, San Francisco;

Harold S. Foley, Vancouver; D. B. Jewell, San Francisco; R. D. Mackenzie, San Francisco;

John R. Mage, Los Angeles; F. R. Southee, Los Angeles; Donald Watson, San Francisco;

Derek Whittle, San Francisco



## **MEXICO**

*Mexico City Representative's Office*

Avenida Isabel la Catolica 43-704, Mexico 1, D.F.

Representative, Dr. Luis A. Gonzalez

Assistant Representative, William J. Carr



## **JAPAN**

*Far East Representative's Office*

Tokyo—New Tokyo Bldg., Room 419, No. 2, 3-chome, Marunouchi, Chiyoda-ku.

Representative, R. J. P. Pierce



**977 OFFICES IN CANADA, THE UNITED KINGDOM AND CONTINENTAL EUROPE,  
THE UNITED STATES, MEXICO AND JAPAN**



## **CARIBBEAN AREA**

Affiliate: BANK OF LONDON & MONTREAL LIMITED

Head Office: Nassau, Bahamas

(Owned jointly by Bank of Montreal, Bank of London & South America, Limited,  
and Barclays Bank D.C.O.)

31 Offices in The Bahamas, Colombia, Ecuador, El Salvador,  
Guatemala, Honduras, Nicaragua, Jamaica and Trinidad.

In Venezuela the Bank is represented through its  
shareholdings in Banco La Guaira Internacional C.A.

## **DIRECTORS**

*Chairman: G. Arnold Hart*

*Deputy Chairmen: Sir George L. F. Bolton, K.C.M.G., Sir Julian S. Crossley;*

*W. A. Arbuckle; Jack Ashworth, F.C.A.; J. Graham; Brian F. Macdona;*

*The Hon. Hartland deM. Molson, O.B.E.; George G. Money;*

*Frederic Seebohm; S. T. Strathy; Henry F. Tiarks;*

*Noé A. Timmins, Jr.*

## **EXECUTIVE OFFICERS**

*Head Office — General Manager: D. G. Mitchell;*

*Assistant General Managers: E. J. Grimsditch, L. V. Laxton*



# Canada's First Bank

introduces new Canada Centennial Projects

## Coast-to-Coast

### Tableau of Contemporary Canadian Scenes

To mark Canada's Centennial and the 150th anniversary of the Bank in 1967, well-known artist R. D. Wilson has been commissioned to undertake a coast-to-coast sketching tour of this country. The project is known as the Bank of Montreal Canada Centennial Tableau.

Mr. Wilson began his assignment in October with sketching trips to Alberta and Saskatchewan, provinces which celebrated their 60th anniversary in 1965. Here he is seen sketching St. Josaphat's Ukrainian Cathedral in Edmonton.

The artist's objective on the full-time undertaking is to produce a tableau of contemporary Canadian scenes from all parts of the country, that will provide for generations to come an indication of some of the atmosphere and colour around the time of Canada's first great birthday celebration in 1967.



### Farm Leadership Awards

On November 15th, announcement was made of the Bank of Montreal Canada Centennial Farm Leadership Awards, a competitive \$100,000 programme to develop 50 leaders in farming communities across the country.

The competition is open to all men and women engaged in full-time farming and the candidates selected will receive \$2,000 each to pursue worthwhile travel and study projects based on their own ideas, thus increasing their knowledge of modern rural development techniques. In addition to the awards, winners will attend expense-paid, two-day seminars at centres in eastern and western Canada in the spring of 1966 and again in the spring of 1967.

In making the announcement, the Bank pointed out that the aim of the plan is not to produce better farmers, as such, but to produce better citizens who can assume leadership in developing rural communities.

• • •

The Centennial Tableau project and the Farm Leadership Awards are the second and third of the Bank's undertakings to mark Canada's Centennial and its own 150th Anniversary. First was the Bank of Montreal Canada Centennial Scholarship programme which was also the first Centennial project to be announced by any Canadian business. Beginning in 1960 with 48 awards to high school graduates of that year, subsequent awards of increasing value have been made to a reducing number of students for graduate and post-graduate study and the programme will culminate with two top awards, each of \$5,000, in 1967. In all, the project provides 126 scholarships for a total of \$200,000.

### DO YOU QUALIFY...

for a  
**Bank of Montreal  
Canada Centennial  
FARM LEADERSHIP AWARD?**

50 awards of \$2,000 each to Canadian farm citizens—  
No age limit — No minimum educational requirements  
(applications must be submitted not later than January 28, 1966)



THIS HANDBOOK  
CONTAINS COMPLETE DETAILS  
ON THE AWARD PLAN,  
AS WELL AS  
APPLICATION FORMS.  
■ PICK UP YOUR COPY  
AT ANY BANK OF MONTREAL BRANCH  
TODAY!

**BANK OF MONTREAL**  
CANADA'S FIRST



**ANNOUNCING**  
Bank of Montreal  
Canada Centennial  
**Farm Leadership Awards\***

50 awards of \$2,000 each to Canadian farm citizens—  
No age limit — No minimum educational requirements  
(applications must be submitted not later than January 28, 1966)

Bank of Montreal  
Canada Centennial

**Farm  
Leadership  
Awards**

Bank of Montreal  
Canada Centennial

Handbook for Candidates

\*The award of \$2,000 each will enable the winner to pursue worthwhile travel and study projects based on their own ideas, thus increasing their knowledge of modern rural development techniques. In addition to the awards, winners will attend expense-paid, two-day seminars at centres in eastern and western Canada in the spring of 1966 and again in the spring of 1967.

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