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# 149th Annual Report of the Bank of Montreal

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On November 3rd, 1967, the Bank of Montreal will celebrate its 150th anniversary. Throughout the anniversary year, this emblem is appearing on all branch premises and correspondence and in all advertising and promotion material as a constant reminder of the founding of Canada's First Bank 50 years before Confederation.





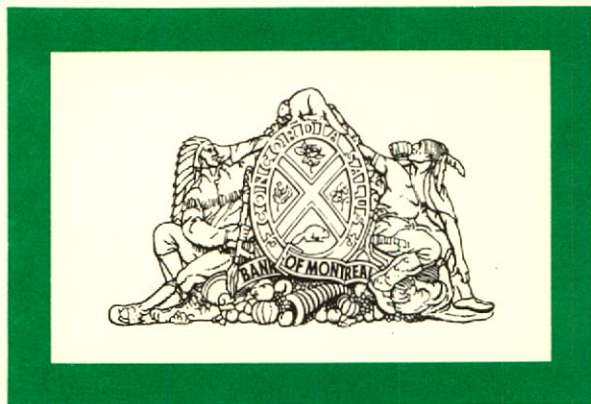
# **149th Annual Report of the Bank of Montreal**

Annual General Meeting, December 5th, 1966 at the  
Head Office in Montreal

On peut obtenir sur demande un exemplaire du rapport en français







## In its 149th year your bank . . .

increased its assets by \$426,000,000, or 8.5 per cent, to a new record of \$5,423,000,000 . . .

reported deposits at a new high level of \$4,995,000,000, an increase of \$390,000,000, or 8.5 per cent over the previous year . . .

set an all-time record for loans with a total of \$3,280,000,000, an increase of \$112,000,000 over 1965 . . .

welcomed 109,421 new business and personal depositors, bringing the total number of customers making regular use of the Bank's many services to 3,477,341 . . .

recorded net earnings of \$19,905,599, or \$3.28 per share, compared with \$3.08 in the preceding year . . .

provided regular and extra dividends to shareholders totalling \$14,428,125 at the rate of \$2.37½ per share, an increase of 10¢ per share over 1965 . . .

opened 28 new offices to pass the 1,000 mark in the number of offices in Canada, the United States, the United Kingdom and Continental Europe, Mexico and Japan . . .

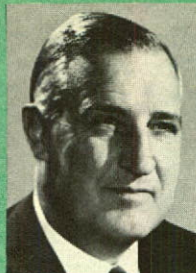
continued its active participation in the expansion of its Caribbean affiliate, the Bank of London & Montreal Limited, which now has 37 offices serving ten Caribbean and Latin American countries, thus bringing the Bank of Montreal's international organization to 55 offices on four continents.

Capital: \$60,750,000   Rest Account and Undivided Profits: \$169,944,801   Total Assets: \$5,422,750,494





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



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



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

# Board of Directors

## Vice-Presidents



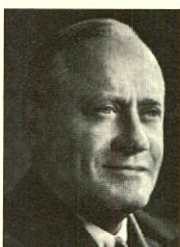
**\*HAROLD S. FOLEY**  
*Vancouver*  
Industrialist



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



**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 deM. MOLSON,  
O.B.E.**  
*Montreal*  
Chairman of the Board,  
Molson Breweries Limited



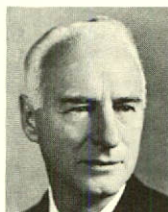
**\*BUDD H. RIEGER**  
*Toronto*  
Vice-President, Canadian  
Corporate Management Co. Ltd.



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



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



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



**F. RYLAND  
DANIELS**  
*Montreal*  
Chairman and Chief  
Executive Officer,  
Dominion Textile  
Company Limited



**CHARLES R.  
BRONFMAN**  
*Montreal*  
President,  
The House of  
Seagram Ltd.



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



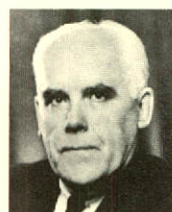
**W. A. ARBUCKLE**  
*Montreal*  
Chairman of the Canadian  
Board, The Standard Life  
Assurance Company



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



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



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



**W. M. VACY ASH**  
*Toronto*  
Company Director



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



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



**DONALD S. HARVIE**  
*Calgary*  
President,  
Canadian Fina Oil Limited





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



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



**VICTOR deB. OLAND**  
*Halifax*  
President,  
Oland & Son, Ltd.



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



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



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



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



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



**RICHARD M. IVEY, Q.C.**  
*London, Ont.*  
Partner,  
Messrs. Ivey & Dowler



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



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



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



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



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



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



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



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



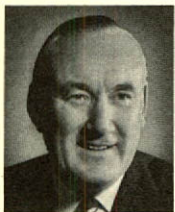
**\*D. R. McMASTER, Q.C.**  
*Montreal*  
Partner, Messrs. Holden,  
Hutchison, Cliff,  
McMaster, Meighen &  
Minnion



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



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



**DAVID KINNEAR**  
*Toronto*  
Executive Vice-President  
and Chief Executive  
Officer, The T. Eaton Co.  
Limited



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



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



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



**W. S. KIRKPATRICK**  
*Montreal*  
Chairman and Chief  
Executive Officer,  
Cominco Limited



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



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



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



## 149th Year of Canada's First Bank

Reporting record figures for total assets, deposits and loans, the Bank of Montreal also revealed record earnings at its 149th Annual General Meeting of Shareholders held at the Head Office on Monday, December 5th.

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

Mr. H. Roy Crabtree, moved, seconded by Mr. Bernard M. Lechartier, that Mr. L. G. MacDougall, Q.C., and Mr. T. R. Meighen, Q.C., 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: W. A. Arbuckle; W. M. Vacy Ash; Arthur Barry; L. J. Belnap; R. C. Berkinshaw, C.B.E.; Paul Bienvenu; Henry G. Birks; Charles E. Boily; Ralph B. Brenan; Maurice Brisebois; Charles R. Bronfman; Samuel Bronfman; M. S. Brown; E. G. Byrne; W. H. Campbell, C.A.; Mrs. Enid A. Carman; Rodolphe Casgrain; F. D. Chapman; Allan Chippindale; A. H. Christensen; Miss R. L. Christensen; E. H. Cliff, Q.C.; J. F. Close; Mr. and Mrs. Ernest Cloutier; J. N. Cole; The Hon. Eric Cook, Q.C.; Leon Cote; H. Roy Crabtree; J. Harold Crang; Raymond Crepault; N. R. Crump; F. Ryland Daniels; Nathanael V. Davis; Maurice Desy, Q.C.; S. H. Dobell; James D. Dodge; Mrs. O. Dyas; T. W. Eadie; Dr. W. W. Eakin; L. and S. Finkelstein; Eric B. Finley, M.C.; W. C. Francis; The Hon. Leslie M. Frost, P.C., Q.C.; J. S. Fry; B. C. Gardner, M.C.; Jack M. German; Alan S. Gordon; G. Blair Gordon; Robert W. Gouinlock; W. W. Graham; G. H. Greening; Mrs. D. A. Gulliver; P. Lindsay Hall; Derek C. Hannaford; D. A. Hanson; C. F. Harrington; R. C. T. Harris; A. C. Harshaw; Mr. and Mrs. G. Arnold Hart; Mr. and Mrs. Donald S. Harvie; Charles V. Heward; Rev. J. L. Hodgson; Sir Nutcombe Hume, K.B.E., M.C. and Lady Hume; Leonard Hynes; R. G. Ivey, Q.C.; R. M. Ivey, Q.C.; A. C. Jensen; J. H. Mowbray Jones; George E. Judge; Lionel Kent, C.A.; David Kinnear; Eric Kippen; W. S. Kirkpatrick; R. E. Knight; Leo Kolber; W. K. Laflamme; Jos. Lagace, Jr.; A. Searle Leach; C. W. Leach, C.A.; Bernard M. Lechartier; V. A. B. LeDair; Maurice Lemieux; Roger Létourneau, Q.C.; Leo Levi; Mostyn Lewis; A. J. Livinson; Arthur R. Lundrigan; J. A. MacAulay, Q.C.; Dr. D. O. Macdonald; G. C. MacDonald; H. C. MacDougall; L. G. McDougall, Q.C.; Donald A. McIntosh, Q.C.; D. R. McMaster, Q.C.; Hobart Martin; T. R. Meighen, Q.C.; H. C. F. Mockridge, Q.C.; The Hon. Hartland deM. Molson, O.B.E.; J. Bartlett Morgan; Henry Morgan; D. L. Morrell; Mr. and Mrs. R. D. Mulholland; Pierce Murphy; S. E. Nixon; Miss Alice O'Heir; Victor deB. Oland; W. P. Olney; R. Panet-Raymond; Col. C. Alex Parker; F. A. Peacock; J. Pembroke, C.B.E.; W. G. Pepall; A. J. Philip; John G. Prentice; P.B. Reid; Budd H. Rieger; R. W. S. Robertson; R. H. Robinson; Harold S. Roche; P. J. Rodriguez; Forrest Rogers; Lucien G. Rolland; D. D. Ross; Trevor Ross; Howard Roiter; G. S. A. Russell; Harold Scott; V. W. Scully, C.M.G.; Mr. and Mrs. George H. Sellers; Miss C. Shanahan; G. H. Sheppard; The Hon. James Sinclair, P.C.; T. R. Smathers; H. Greville Smith, C.B.E.; George C. Solomon; R. C. Stevenson, O.B.E.; D. L. Thomas; R. Thomson; Noé A. Timmins, Jr.; Edgar F. Tolhurst; M. Treitel; Bryan Vaughan; Prof. F. Vezina; Mr. and Mrs. J. L. Walker; C. G. Wallace, C.A.; J. H. Wallace; G. E. Waller; Ernest C. Warner; A. R. Watt; G. W. M. Webb; G. T. Westwater; K. A. White; H. Ross Wiggs; Dr. A. R. Wilkins; A. J. Wishart; S. Yetnikoff.



## Directors' Report

The directors take pleasure in submitting to the shareholders the 149th Annual Report on the result of the Bank's operations for the year ended 31st October, 1966.

### *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\* . . . . . \$19,905,599

Deduct:

Dividends at the rate of \$2.20  
per share . . . . . \$13,365,000

Extra dividend at the rate of  
17½¢ per share . . . . . 1,063,125 14,428,125

Amount carried forward . . . . . \$ 5,477,474

Undivided profits at beginning of year . . . 1,467,327

\$ 6,944,801

Transferred to Rest Account. . . . . 5,000,000

Undivided profits at end of year . . . . . \$ 1,944,801

\*Total provision for income taxes \$20,988,731

(Signed) G. ARNOLD HART,  
President.

(Signed) R. D. MULHOLLAND,  
Chief General Manager.

During the year Mr. W. M. Vacy Ash and Mr. David Kinnear, both of Toronto, were appointed Directors. In May, The Hon. Gordon H. Allen resigned from the Board on accepting an appointment to the Supreme Court of Alberta, Appellate Division.

In the financial year twenty-eight offices were opened in Canada and five were closed.

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 \$168,000,000.

The Directors record their sincere appreciation and express their thanks to all officers and employees for their loyalty and for their splendid contribution to the progress of the Bank.

(Signed) G. ARNOLD HART,  
President.

Bank of Montreal,  
5th December, 1966.



# Statement of Assets and Liabilities

## Assets

	1966	1965
Gold and coin . . . . .	\$ 7,901,367	\$ 7,633,023
Notes of and deposits with Bank of Canada . . . . .	333,854,418	251,933,058
Government and bank notes other than Canadian . . . . .	6,261,338	5,609,557
Deposits with other banks. . . . .	348,685,455	267,672,858
Cheques and other items in transit, net . . . . .	128,313,059	82,670,664
	<hr/>	<hr/>
	\$ 825,015,637	\$ 615,519,160
Government of Canada direct and guaranteed securities, at amortized value . . . . .	848,622,528	741,803,425
Canadian provincial government direct and guaranteed securities, at amortized value . . . . .	57,538,351	69,963,636
Other securities, not exceeding market value . . . . .	139,545,596	163,541,999
Day-to-day, call and short loans to investment dealers and brokers, secured . . . . .	220,473,011	267,893,643
	<hr/>	<hr/>
	\$2,091,195,123	\$1,858,721,863
Other current loans, less provision for estimated loss . . .	2,879,008,878	2,707,195,546
Mortgages and hypothecs insured under the National Housing Act, 1954 . . . . .	180,104,509	192,441,969
Non-current loans, less provision for estimated loss . . .	410,662	459,148
Bank premises at cost, less amounts written off . . . . .	74,271,785	69,947,668
Shares of and loans to corporations controlled by the bank	14,827,772	14,750,772
Customers' liability under acceptances, guarantees and letters of credit, as per contra . . . . .	180,498,449	152,106,729
Other assets . . . . .	2,433,316	1,521,672
	<hr/>	<hr/>
	<u>\$5,422,750,494</u>	<u>\$4,997,145,367</u>



Comparative Statement of the Position of the Bank on October 31st, 1966, and on October 31st, 1965

**Liabilities**

	1966	1965
Deposits by Government of Canada . . . . .	\$ 103,231,765	\$ 102,814,846
Deposits by Canadian provincial governments . . . . .	165,922,625	87,978,999
Deposits by other banks . . . . .	267,995,202	266,106,828
Personal savings deposits payable after notice, in Canada, in Canadian currency . . . . .	2,306,508,095	2,166,822,129
Other deposits . . . . .	2,151,710,465	1,981,664,342
	<u>\$4,995,368,152</u>	<u>\$4,605,387,144</u>
Acceptances, guarantees and letters of credit . . . . .	180,498,449	152,106,729
Other liabilities . . . . .	16,189,092	14,434,167
	<u>\$5,192,055,693</u>	<u>\$4,771,928,040</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 . . . . .	168,000,000	163,000,000
Undivided profits . . . . .	1,944,801	1,467,327
	<u>\$5,422,750,494</u>	<u>\$4,997,145,367</u>

NOTE: The above statement includes the assets 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, 1966, 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, 1966.

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

Wm. H. CAMPBELL, C.A.,  
of the firm of Campbell, Sharp, Milne & Co.

Auditors.

Montreal, November 21st, 1966.



## 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 \$2.20 (1966) and \$2.12½ (1965) per share . . . . .

Extra dividend at the rate of 17½¢ (1966) and 15¢ (1965) 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 . . . . .

## Comparative Statement of Rest Account

Rest Account at beginning of year . . . . .

Transferred from Undivided Profits . . . . .

Rest Account at end of year. . . . .

## Bank of Montreal Trust Company

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31st, 1965

(U.S. Currency)

### ASSETS

Due from banks:		
Approved reserve depositaries . .	\$1,642,402	
Other banks and bankers (foreign)	60,200	
		\$1,702,602
Investments:		
United States government securities . . . . .	\$3,569,054	
Other. . . . .	248,804	
		3,817,858
(Quoted market value \$3,780,249)		
Other assets . . . . .		41,344
		<u>\$5,561,804</u>

### LIABILITIES

Deposits:		
Demand . . . . .	\$3,255,755	
Time . . . . .	6,498	
Due to banks, bankers and trust companies. . . . .	1,389	
		\$3,263,642
Income taxes . . . . .		22,898
Other liabilities . . . . .		4,999
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 . . . . .	270,265	
		<u>2,270,265</u>
		<u>\$5,561,804</u>

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.

Controlled Corporations



FOR THE YEAR ENDED OCTOBER 31st

1966	1965
\$ 19,905,599	\$ 18,730,353
13,365,000	12,909,375
1,063,125	911,250
\$ 14,428,125	\$ 13,820,625
\$ 5,477,474	\$ 4,909,728
\$ 1,467,327	\$ 1,557,599
\$ 6,944,801	\$ 6,467,327
5,000,000	5,000,000
\$ 1,944,801	\$ 1,467,327
\$ 20,988,731	\$ 19,410,311

FOR THE YEAR ENDED OCTOBER 31st

1966	1965
\$163,000,000	\$158,000,000
5,000,000	5,000,000
\$168,000,000	\$163,000,000

## Bankmont Realty Company Limited

and its wholly-owned subsidiary companies

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT OCTOBER 31st, 1966

### ASSETS

Cash . . . . .	\$ 207,846
Accounts receivable . . . . .	2,736
Prepaid expenses . . . . .	66,162
Real estate and buildings—at cost, less accumulated depreciation . . . . .	13,366,083
	<u>\$13,642,827</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 expenses . . . . .	\$ 184,494
Loan from Bank of Montreal . . . . .	3,397,000
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 . . . . .	\$4,050,000
Earned surplus . . . . .	11,333
	<u>4,061,333</u>
	<u>\$13,642,827</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.

Wm. H. CAMPBELL, C.A.,  
of the firm of Campbell, Sharp, Milne & Co.  
Auditors.

Montreal, November 21st, 1966.





## Calls for Government to Lead Fight Against Inflation

In view of the indications of uncertainty in the current economic outlook, Canada's economy no longer needs additional monetary restraints to fight inflation, G. Arnold Hart, Chairman and President, said in his address to shareholders at the 149th annual meeting.

"But if the government considers that it is necessary to reduce still further the demand pressures in the economy," Mr. Hart continued, "then I think they should take the lead; it certainly does little to assist matters if the government continues to increase its own expenditures.

"One could face the prospect of tax increases and find their purpose in the present situation a good deal more meaningful if one did not fear that increases in taxes would be followed by decisions to spend the additional revenue as fast as it is raised."

Commenting on government monetary and fiscal policy, Mr. Hart expressed concern over expenditures by governments themselves. He noted that almost 19 per cent of Canada's Gross National Expenditure was accounted for by federal, pro-

vincial and municipal outlays on goods and services, with transfer payments including interest on public debt and subsidies equivalent to another 12 per cent, yet the federal and provincial governments have tabled budgets calling for increased expenditures.

Mr. Hart asserted that there was no stronger supporter of anti-inflationary measures than the Bank of Montreal, but he felt that under existing conditions the banks were unduly burdened, while "near-banks" were able to avoid restraining influences in large measure. He said that he welcomed revision to the Bank Act which would bring about removal of restrictions on the chartered banks, allowing them "the freedom to compete effectively and on equal terms with other financial intermediaries".

Summing up Canada's economic climate over the past year, Mr. Hart saw as the most important objective "not to bring the current expansion to a halt but to keep the economy growing, and moreover, to keep it growing without inflation". Any difficulties Canada has faced in the past year have been difficulties that have arisen because of her prosperity.

*The text of the address of the Chairman and President follows:*



## Address of the Chairman and President

Ladies and Gentlemen,

Since our meeting a year ago, the Board has appointed two additional Directors, namely, Mr. W. M. Vacy Ash, until recently Chairman of Shell Canada Ltd., and Mr. David Kinnear, Executive Vice-President, The T. Eaton Co. Ltd., both of Toronto. These gentlemen have brought a wealth of experience to our meetings.

In January, Mr. R. D. Mulholland was appointed Executive Vice-President of the Bank, retaining the appointment of Chief General Manager.

It is with a mixture of regret and pride that I advise you of the resignation from the Board, in May of this year, of the Hon. Gordon H. Allen, on his appointment to the Supreme Court of Alberta, Appellate Division. While we realize that this high office is a well earned recognition of Mr. Justice Allen's eminence in the legal profession, we are very sorry to lose his services.

Mr. G. Blair Gordon has asked that his name be not submitted for re-election, in keeping with his personal desire to curtail his business activities. Mr. Gordon was our senior Director and the combined service as members of the Board of Mr. Gordon and his late father, Sir Charles Gordon, is over 54 years.

It is also with regret I advise you that under a provision of the Bank Act three of our Directors, having reached the age limit set by the Act, are not eligible for re-election. I refer to Mr. R. G. Ivey, Mr. R. C. Berkinshaw and Mr. Samuel Bronfman. Mr. Ivey was first elected to the Board in 1941 and was elected a Vice-President in 1959; Mr. Berkinshaw was elected to the Board in 1945 and Mr. Bronfman in 1962. All of these gentlemen have made notable contributions to the welfare of the Bank and I should like to express to Mr. Justice Allen, Mr. Gordon, Mr. Ivey, Mr. Berkinshaw and Mr. Bronfman our appreciation of their services and extend to them our good wishes for the future.



You will be asked today to elect a number of additional Directors and I shall refer to each of these gentlemen briefly. They are Mr. Charles R. Bronfman, President of The House of Seagram Ltd.; Mr. F. Ryland Daniels, Chairman of the Board of Dominion Textile Company Limited; Mr. Donald S. Harvie of Calgary, President of Canadian Fina Oil Limited; Mr. R. M. Ivey, Q.C., partner, Messrs. Ivey & Dowler, London, Ontario; and Mr. Victor deB. Oland of Halifax, President, Oland & Son, Ltd.

I am sure that we shall benefit from the advice and assistance of these gentlemen.

## Prosperity and Problems

Business conditions during the past year have been such as to permit me to set something of a record for these annual addresses, since I am able, for the sixth year in a row, to open these remarks with some comments on a generally favourable and buoyant economic environment. And buoyant it has certainly been in its overall dimensions. The year started with such a burst of activity that, notwithstanding some later slackening of the pace, total output for the year, in real terms, seems likely to reach levels at least  $6\frac{1}{2}\%$  higher than last year. This is a remarkable performance following such a long period of strong expansion.

The pace of advance has not, of course, been consistently upward in all sectors of the economy. Indeed, some of the important indicators, such as sales of automobiles and other durable goods, faltered in the early summer and it is still too soon to say whether the subsequent recovery will be sustained. On the other hand there has been a continued dynamic growth in exports, which have been running 20% higher than last year's already very high totals. In the agricultural area, while impressive gains were made, with an all-time record wheat harvest on the prairies, it would be too much to say that farmers in all regions have been equally fortunate. And in the field of capital expenditure, while construction activity and outlays for machinery and equipment will certainly carry total investment to levels well above those reached in any previous year, there has been a sharp drop in starts of new housing units. Nevertheless, and despite weak spots, overall demand has continued to increase and this has been reflected in a steady growth of demand for labour. Month by month total

*(Continued on page 16)*



# Canada's First Bank in a vibrant economy

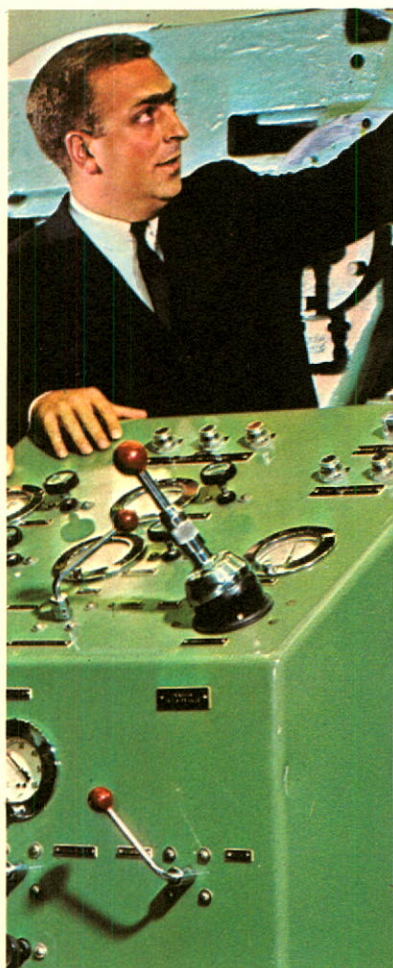
From the days of beaver hats and wooden ships, both products from Canadian forests, Canada's economy has been firmly founded on her bountiful natural resources. Because this country is endowed with so many of the raw materials other nations need, it has enjoyed a favourable position in world trade for a great many years.

For 149 of those years, the Bank of Montreal, Canada's first bank, has played a vital role in developing resources at home and facilitating exports abroad.

Today, each of the Bank's more than 1,000 offices can put at the disposal of customers large and small a broad range of domestic and international banking

services. By calling upon our International Banking organization, even the smallest branch can provide unsurpassed facilities, reaching into markets in every corner of the world.

Bank of Montreal experts with specialized knowledge of economics, export financing and foreign exchange daily provide invaluable assistance to Canadian exporters. They investigate markets, arrange to finance transactions, and facilitate payment at the other end. In an economy as vast, varied and vibrant as Canada's, and one as dependent on exports, banking services such as these are essential to the continued growth and prosperity of the nation.





employment has risen to levels about 300,000 higher than a year earlier and, even though the labour force has been expanding very rapidly, the unemployment rate has, until recently, continued to fall.

While the strong growth of employment and total output is a source of genuine satisfaction, the high level of economic activity has not been achieved without an increasing number of problems. The most obvious of these has been a series of major strikes. In fact, time lost through work stoppages in 1966 has already exceeded the total time lost in any previous full year, including the earlier peak years of 1919 and 1946.

Another disturbing factor, and one not unconnected with the widespread labour unrest, has been the trend of prices, which generally speaking have been rising faster than in any period since the Korean War.

Price increases of the size we have been experiencing are a cause for real concern, not only because of the inequities and distortions created within the economy but also because of their potential impact on Canada's international trade. During most of the current expansionary period, which has witnessed a remarkable increase in Canadian exports, prices in this country have on the whole been a good deal more stable than in most other countries. But if prices rise much faster in Canada than abroad, as they have tended to do recently, our competitive position is bound to deteriorate. Indeed the Canadian economy has been built on a firm foundation of export trade, and Canadian goods must be fully competitive in world markets if this country is to continue to grow and prosper.

## **A Restrictive Monetary Policy**

Given the upward pressure on prices, it was to be expected that the monetary authorities would apply restraints, and during the whole of the past year money markets have been experiencing the impact of restrictive central bank action. The change in monetary environment that took place during 1965 is reflected in the differing rates of growth in the money supply during the last two fiscal years. Between October 1964 and October 1965 money supply, that is, currency in the hands of the public and the Canadian dollar deposits



of the chartered banks, was allowed to rise some 13%, whereas in the banks' most recent fiscal year the increase was held to about half this rate.

From a banking point of view there are two sides to "tight money". At the same time as the growth of the money supply is being restrained the continuing needs of an expanding economy inevitably give rise to increasing requests for loans.

Thus, with business activity continuing generally strong, demands from credit-worthy borrowers have been high and the banks have been faced all during this past year with the difficult task of allocating a strictly limited supply of loanable funds. In these circumstances you may be interested in knowing that in the Bank of Montreal we have tried to follow policies that take into account the realities of the economic situation at the present time. For example, we have made a special endeavour to grant loans that would assist output in those parts of the country where unemployment is higher than average. We have also continued to make every effort to meet the requirements of smaller business concerns and we have given a high priority to applications for loans in connection with export business.

Let me emphasize that there is no stronger supporter of anti-inflationary measures than this Bank, but it seems to me that under existing institutional arrangements the banks are called upon to bear an undue share of the burden. In considering the degree of restraint to be imposed, the monetary authorities take into account the expansion of all financial intermediaries and, indeed, credit conditions generally. During the current period of stringency, as in similar situations since the early 1950's, non-bank financial institutions have been able, in large measure, to avoid the restraining influences which have fallen with full impact on the chartered banks.

The consequent disparities in rates of growth are a direct illustration of the awkwardness of the present system. Faced with the problem of limiting credit expansion, the monetary authorities must impose severe enough restrictions on the banks, whose growth they can influence directly, to compensate for the expansion of the so-called "near banks" whose growth is affected only indirectly and, in present circumstances, to a lesser degree.

I do not intend to discuss the revision of the Bank Act, which is now before a parliamentary committee, except to say that while I welcome those changes that will result in the removal of out-dated restrictions on the banks, it seems to me that the gap between the





## Canada's First Bank

## in Mining

Together with agriculture and forest products, mining has traditionally been basic to Canada's economy and healthy export trade. Bethlehem Copper Corporation is a British Columbia mining operation with long-term contracts to supply all of its copper concentrates to Japan.

In this photograph, Patrick Reynolds, President of Bethlehem Copper, points out the limits of the mine to William Forsyth, Assistant General Manager and Manager of the Bank's main Vancouver branch, while

a 4½-yard diesel shovel loads ore onto a 35-ton dump truck.

After shipment by truck and rail to Vancouver, the ore is loaded onto an ore-carrier for its 4,000-mile voyage across the Pacific to the smelter in Japan.

Facilitating banking arrangements in the Far East is the Bank's representative with headquarters in Tokyo. Part of the function of this office of Canada's first bank is to expedite arrangements for Canadian exporters and Far East firms seeking trade with Canada.



proposed revision and the recommendations made in 1964 by the Royal Commission on Banking and Finance remains a serious one. It is important that changes in monetary policy be felt quickly throughout the financial system and I feel strongly that on this ground alone it is in the country's best interests for the banks to have the freedom to compete effectively and on equal terms with other financial intermediaries.

## **Governments Need to Hold Down Expenditures**

In addition to the policy of restriction followed in the monetary field, some steps towards cooling off the economy by fiscal measures have been taken. In the House of Commons at the beginning of September the Minister of Finance listed the following: a reversal of the previous year's cut in income tax, a temporary reduction in capital cost allowances, a refundable tax on business capital expenditures and advance notice of a sales tax cut on machinery and equipment. The government, too, has withdrawn its incentive to winter house-building. Despite indications that these restraints had "worked", according to the Minister, he went on to say: "It is now evident, however, that the total effect of our monetary and fiscal measures has not been enough to keep the total increase in the demands on the economy down to the objective set in the Budget."

There are, of course, limits to the effectiveness of monetary and fiscal policy, particularly in the short run, but one area which causes me grave concern, and would seem to admit of more direct results, is expenditure by governments themselves. When we consider that almost 19% of our Gross National Expenditure is accounted for by federal, provincial and municipal outlays on goods and services, and that transfer payments, including interest on the public debt and subsidies, are equivalent to another 12% of Gross National Expenditure, the weight of their activities is obvious. Yet during the course of this year all ten provincial governments tabled budgets calling for increased expenditures, and the Minister of Finance has predicted higher federal government expenditures than those listed in the spring budget.

We can readily agree that it is often politically difficult to reduce expenditures. Nevertheless, surely in the light of the government's insistence that business cut back outlays,



accompanied by the implementation of policies that reinforce these exhortations, the government should be prepared to do its share.

All of this being said, you will recall that at the outset of my remarks I noted some of the divergent movements in business indicators at the present time. Both the statistics that are available and the comments that come to me in the course of the day's business would seem to indicate enough signs of uncertainty in the economic picture to raise serious doubts about the necessity for any further restrictive measures right now. In any case, additional monetary restraints would not seem appropriate in present circumstances. But if the government considers that it is necessary to reduce still further the demand pressures in the economy then I think they should take the lead; it certainly does little to assist matters if the government continues to increase its own expenditures. One could face the prospect of tax increases and find their purpose in the present situation a good deal more meaningful if one did not fear that increases in taxes would be followed by decisions to spend the additional revenue as fast as it is raised.

## **A Sound Economy**

I am sure we can all agree that the most important objective should be, not to bring the current expansion to a halt but to keep the economy growing, and moreover, to keep it growing without inflation. But what a difficult problem it seems to be to keep the economy growing and yet to avoid excessive wage and price increases as we approach capacity output! I am sure the responsible authorities must feel, at times, as though they were walking a tight-rope high in a circus tent with no safety net below.

While I have spoken today at some length on the difficulties we have faced in this country during the past year these have, in the main, been difficulties that have arisen because of Canada's prosperity.

Since 1960 Gross National Product has climbed almost 40% in real terms, employment is 20% higher and output per capita has risen 23%. The development of our resources has moved swiftly. Not only have new mineral discoveries been opened up — of lead and zinc,



nickel, oil and potash, to mention but a few — but further giant steps have been taken in harnessing our vast potential of hydro power, secondary manufacturing has been expanded, and important new industrial enterprises have been established, often in areas where the added employment is a vital contribution to the community.

## **A Showcase to the World**

Canada's achievements will be very much in the world's eye during 1967, our centennial year, when millions of visitors will be attending Expo 67. While the exhibition itself promises to be one of the most exciting ever seen, I feel sure the host city of Montreal is going to create an equally vivid impression. In the past few years its face has been changed and modernized to an extent unrivalled by any other city of its size, and there is now a mixture of old and new that can hardly fail to intrigue and interest any visitor.

But it is not only Montreal and Expo 67 that will be on display during Canada's centennial year. Celebrations will be taking place in centres from coast to coast and many events and projects have been planned which will not only recall our rich heritage but in many cases will also make a strong contribution to our future progress.

## **Bank to Mark its 150th Anniversary**

As our country prepares to mark the centennial of Confederation, we in the Bank of Montreal are looking forward to our 150th Anniversary, for it was on November 3rd, 1817, that Canada's first bank was established. As the senior banking organization in this country we decided to commemorate our anniversary as well as Canada's centennial in several ways: in 1960 we set up our Centennial Scholarship Plan to assist a number of promising students not only to gain a university degree but to continue their education at the graduate level; last year we introduced two more projects: our Centennial Tableau under which the well-known artist, R. D. Wilson, is touring the country with his sketch-book to preserve a record of Canada as it is today; and our Farm Leadership Awards program



through which fifty exceptional men and women from the field of agriculture are being given the chance to attend symposia and to develop approved projects of their own choosing for the benefit of their localities and the farming industry in general.

In October of this year, the first of a two-volume history of the Bank by Merrill Denison was published in both English and French under the title "Canada's First Bank", and it is expected that the second volume will be available in the fall of 1967. We are pleased that the first volume, which vividly describes the key role the Bank played in the evolution of Canadian commerce before Confederation, has been so well received.

## **A Forward Look**

But while we are proud of our past history all of us realize full well that a bank cannot depend on yesterday's achievements but must continue to operate in such a way as to warrant the support of its customers and shareholders.

At our Annual Meeting a year ago I gave advance indication of important changes designed to enable the Bank to move forward with a new vitality. Shortly thereafter we commenced to implement this program, and it has continued throughout the year. The streamlining of our organization is placing particular emphasis on the development of better equipped and more thoroughly trained men and women so that, through increased responsibility and greater autonomy among our divisions in Canada and abroad, we can bring the decision-making process closer to the customer and potential customer. While the Chief General Manager will be discussing the program at greater length, I should like to say that the enthusiastic response of our personnel to the organizational changes, despite the extra work-load entailed during the transitional period, has been both stimulating and gratifying. We are confident we shall reach our 150th birthday a year from now with a new and dynamic look, and with a renewed determination to play a full and vigorous part in the continued development of our great country.

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## Canada's First Bank

## in Iron and Steel

The dazzling glare of the open hearth at the moment when steel is born symbolizes dramatically the burgeoning heavy manufacturing industries based on Canada's abundant natural resources. Here, while white-hot metal in liquid state is poured from a gigantic bucket, Edward A. Royce, the Bank's General Manager for Ontario, listens to an explanation of the process from J. P. Gordon, Vice-President of the Steel Company of Canada, at Hamilton, Ont.

Canadian natural-resource based industries have shown steady growth over the 21 post-war years, with iron and steel output increasing by more than 300 per cent in the period.

From mining camp to industrial city to markets abroad, the Bank of Montreal provides the banking services which play such a vital part in the continued growth and prosperity of the resource-based industries that make this country great.

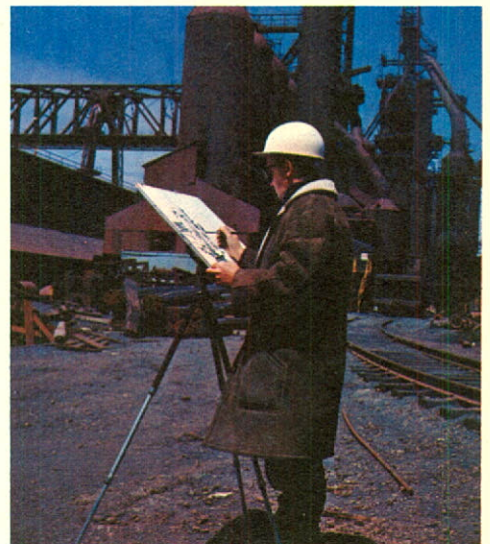


## Canada's First Bank

*History comes alive . . .* Within a week of its appearance in book stores across Canada, the first volume of the two-volume history, "Canada's First Bank", written by Merrill Denison and published by McClelland and Stewart, had made this country's best-seller lists for non-fiction. One of the first to receive de luxe English and French copies of the first edition was His Worship Jean Drapeau (left), Mayor of Montreal, who accepted the books on behalf of the City from G. Arnold Hart, Chairman and President of the Bank.



*History recorded . . .* Since being commissioned as artist for the Bank of Montreal Canada Centennial Tableau, Richard D. Wilson has travelled over 30,000 miles with pen, brush and easel recording for future Canadians the face of Canada at the time of the 100th anniversary of Confederation. His travels have taken him from Newfoundland to Vancouver Island and from the U.S. border to beyond the Arctic Circle. Here his easel is set up at an industrial plant in Sault Ste. Marie, Ont.





## in the Community



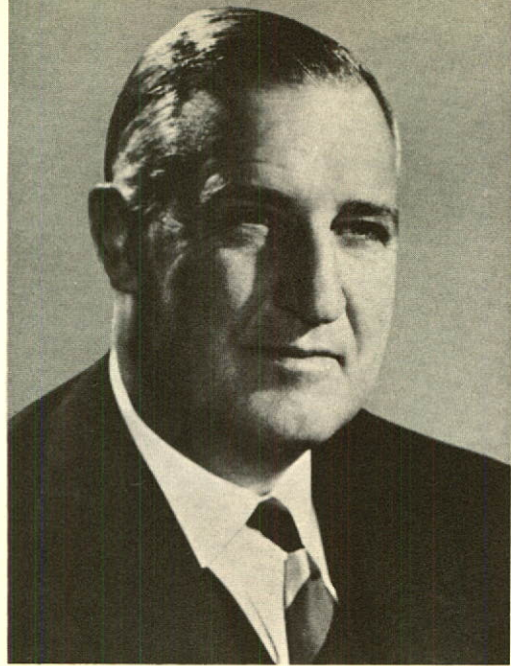
*History grows . . .* From a single small branch serving 20,000 people half a century ago to nine offices serving 200,000 today — that's the story of the Bank of Montreal in Windsor, Ont. Meanwhile, however, as this picture illustrates, the Bank is constantly enlarging and modernizing its branches. Officiating at the ribbon-cutting ceremonies for the opening of a new building for Windsor Main Branch is His Worship Mayor John Wheelton, seen here with Edward A. Royce (left), the Bank's General Manager for Ontario, and Richard Battle, Branch Manager.



*History begins . . .* For Roger Quintal, one of 50 winners from across Canada in the Bank of Montreal Farm Leadership Awards programme, the future holds untold rewards for himself and for his community. Under the plan this young dairy farmer from Varennes, P.Q., will travel to France, Holland and Denmark to study farmers' organizations and land-use planning in order to apply the lessons learned as a leader in developing his own community. Here he shows plans for his own farm to Paul Laurin of the Bank's Head Office.

*History in the making . . .* Last September the Bank passed another milestone in its expanding branch organization when it opened the 1,000th office at Sussex, N.B. To mark the event, depositors at the branch during the first two months were entered in a \$1,000 contest for ten prizes of \$100 each. Here, J. Louis McKenna (left), Editor and Publisher of the Kings County Record, is seen drawing one of the winners' names, assisted by Raymond Hynes, Manager. Looking on is His Worship Dr. H. R. Bryant, Mayor of Sussex.





## **Record Year Brings New Peaks in Assets, Loans, Deposits and Earnings**

Record high figures in assets, loans, deposits and earnings were reported by the Chief General Manager, R. D. Mulholland, in presenting the Bank's 149th Annual Financial Statement to shareholders at the meeting.

Net profits after taxes were \$19,905,599, of which \$14,428,125 was provided for payment of dividends to shareholders on the basis of \$2.37½ per share. This left a balance of \$5,477,474 to be added to Undivided Profits for the year, bringing the total in that account up to \$6,944,801. From this amount, \$5,000,000 was transferred to the Rest Account, bringing the Bank's total capital funds, including Rest Account and Undivided Profits, to \$230,694,801.

Mr. Mulholland reported assets of \$5,423,000,000, a new record. Deposits stood at \$4,995,000,000; loans at \$3,280,000,000.

"It is characteristic of a period of monetary strin-

gency," Mr. Mulholland commented, "that competition for deposit funds is extremely keen, not only among banks themselves but also, and indeed particularly so, on the part of other financial institutions which are not subject to the restrictions which pertain to banking in Canada.

"Notwithstanding the attractions of higher rates elsewhere, deposits in a bank still occupy pride of place in point of safety and liquidity, together with the related availability of the wide range of banking services which non-bank financial institutions cannot provide."

Mr. Mulholland noted that monetary restraint prevailing in many countries had intensified competition for Euro-dollar deposits. "The fact that a good volume of these deposits still finds its way to Canadian banks," he said, "is evidence of the confidence in which they are held abroad."

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



## Address of the Chief General Manager

Mr. Chairman, Ladies and Gentlemen,

The 149th Annual Statement of the Bank which I have the honour to present to you, records the attainment of new high figures in year-end assets, loans and deposits. Our volume of business has reached record levels and the year has been extremely busy and challenging.

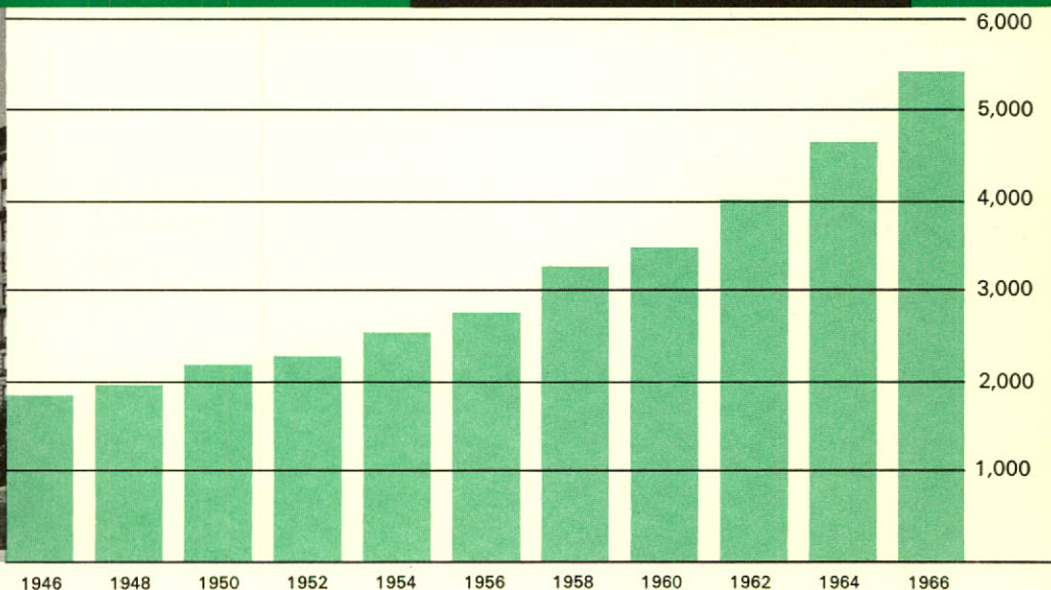
### Earnings

Our net profits for the year amounted to \$19,905,599. after provision for depreciation of premises and equipment, transfers to inner reserves and income taxes. This reflects an increase of 6.3%, compared to 4.9% a year earlier. An amount of \$14,428,125. has been provided for regular and extra dividends, equivalent in total to \$2.37½ per share, compared with \$2.27½ per share for the preceding year.

After these provisions, a balance of \$5,477,474. was carried to Undivided Profits, bringing the total in that account up to \$6,944,801. From this amount a transfer of \$5,000,000. was made to Rest Account, increasing our total capital funds, including Rest Account and Undivided Profits, to \$230,694,801. Gross revenues showed a very satisfactory gain attributable, in particular, to an improvement in yields on practically all earning assets. On the expense side, almost every category of cost increased.

## Twenty years of Progress in ASSETS

MILLIONS OF DOLLARS





## General Statement

At 31st October, total assets of the Bank stood at a year-end record of \$5,423,000,000., an increase of \$426,000,000., or  $8\frac{1}{2}\%$  over the end of the previous year. Total assets have been over the \$5 billion mark at the end of each month in the fiscal year and the increase was well spread among the principal categories of assets. In line with sound banking practice, 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.

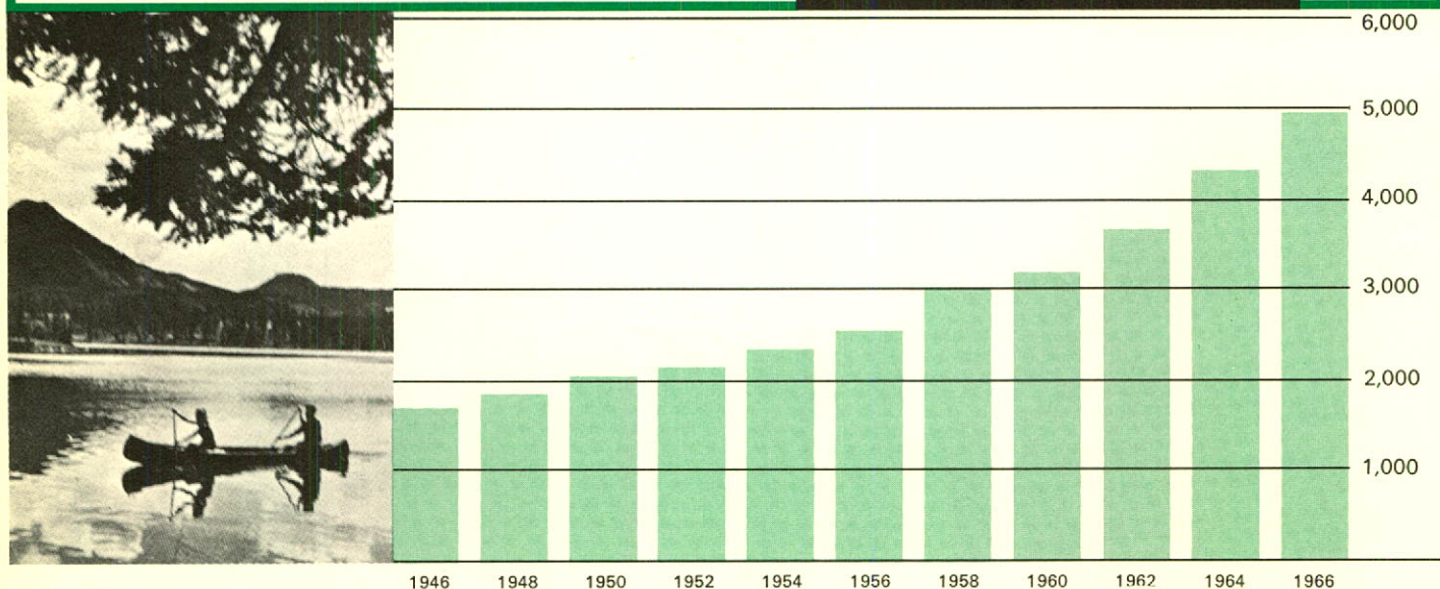
## Deposits

Total deposits of the Bank at the end of the year were \$4,995,000,000., an increase of \$390,000,000. or  $8\frac{1}{2}\%$  over the previous year end. Our personal savings deposits rose by \$140,000,000. to \$2,307,000,000. Other Canadian notice deposits increased by \$23,000,000. and Canadian demand deposits rose by \$103,000,000. There was a substantial increase of \$78,000,000. in Provincial Government deposits. In currencies other than Canadian, deposits increased by \$55,000,000. and while there was a slight decline in deposits with us by other banks, this was more than offset by increases from other sources.

The opening of the 1966 fiscal year saw the introduction of Bank of Montreal Savings Certificates, designed to provide customers with an instrument yielding a preferred rate on fixed savings. The Certificates are issued for a term of six years and are sold in multiples of

## Twenty years of Progress in DEPOSITS

MILLIONS OF  
DOLLARS







## Canada's First Bank

## in Farming

While the production of wheat has earned the Prairie Provinces the title of "breadbasket of the world", raising livestock is big business in the region, too.

In the photograph above, the rolling grasslands of south-western Saskatchewan form a magnificent backdrop for a cowhand rounding up part of the herd of the Ross Haigh Ranch before driving the cattle to a feed lot for finishing. Mr. Haigh, a customer of the Bank's Maple Creek Branch for more than a quarter

of a century, works hundreds of head of beef on a spread of over 10,000 acres.

Abroad, as family incomes rise, people are eating more meat than ever before. Thus Canadian exports of meat have shown rapid growth in recent years, almost doubling in value between 1961 and 1965. And daily the Bank of Montreal plays a key part in facilitating the flow of Canadian meat to family tables around the world.



\$10. at a discount of 25%; that is to say, over a period of six years, an investment of \$7.50 is redeemed at \$10., equal to a yield of 5.55% on the original investment.

It is characteristic of a period of "tight money" that competition for deposits is extremely keen, not only among banks themselves but also, and indeed more particularly so, on the part of other deposit gathering institutions which are not subject to the restrictions which apply to the chartered banks in Canada. One of the most difficult problems of banking today is to attract large term deposits at rates which are consistent with the yields obtainable on earning assets. Notwithstanding the attractions of higher rates elsewhere, deposits in a bank still occupy pride of place in point of safety and liquidity, together with the related availability of the wide range of banking services which non-bank financial institutions cannot provide.

## Loans

At the year end, our total loans stood at \$3,280,000,000., an increase of \$112,000,000., or 3½% over the previous year. Reflecting background monetary conditions, the amount by which loans rose is small in relation to the increase experienced in the preceding year.

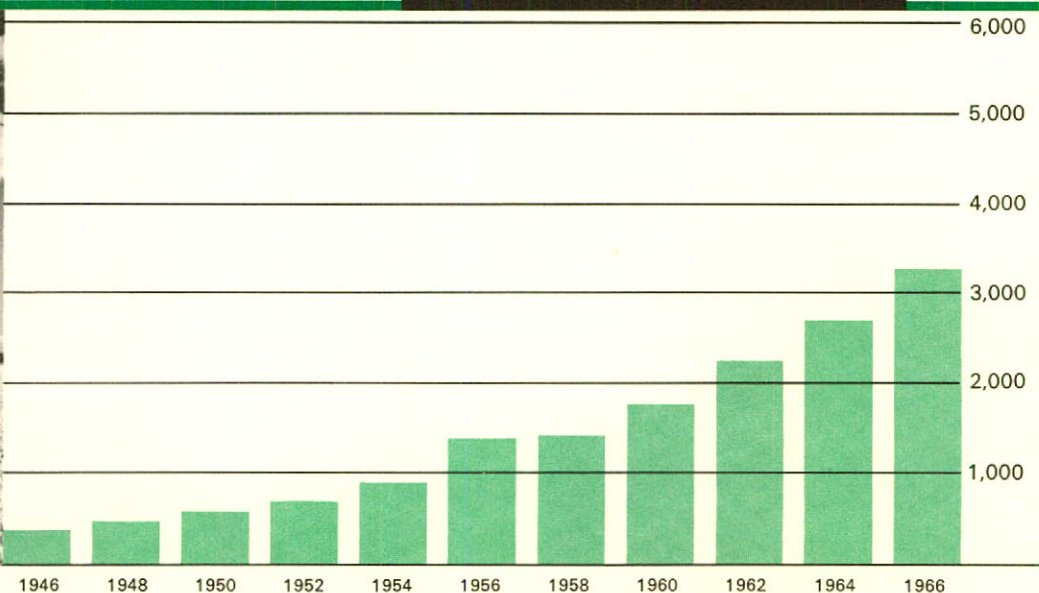
Business and personal loans as well as loans to provincial governments, municipalities and schools rose somewhat, while call loans were lower.

Our holdings of mortgages under the National Housing Act showed a decline of \$12,000,000. due to repayments on outstanding loans. The resumption of lending under the National Housing Act will be dependent, not only on the terms of the Bank Act, when revised, but also on prevailing monetary conditions.

We are pleased to report that our advances to farmers showed a significant increase

## Twenty years of Progress in **LOANS**

MILLIONS OF  
DOLLARS





notwithstanding the scarcity of loanable funds. The Farm Improvement Loans Act came into force in 1945 and at that time a statutory rate of 5% was set by Parliament. In recent years this rate has had little or no relation to the cost of money and this has been even more pronounced in the last year or so. Nevertheless, and the lending rate notwithstanding, the Bank has been fully aware of its responsibility to co-operate with the Government in the furtherance of this special lending facility. I am glad to state that at the end of September, Farm Improvement loans outstanding on our books totalled approximately \$79,000,000. representing accommodation to over 45,700 farmers.

Similar remarks would also apply to the loans that the chartered banks make under the Small Business Loans Act. This act came into force in 1961 at the Federal statutory rate of 5½%. Almost since inception this rate has been unrealistic but again the chartered banks have considered the public interest and have accepted applications under this act. Apart from these loans, it is the desire of the banks to be able to lend money more generally to small business enterprises at rates less than these borrowers are now paying elsewhere but, to do this, the chartered banks must be able to compete on an equal footing with non-banking financial institutions, under a more flexible interest rate structure both as to rates charged and interest paid on deposits.

Because of conditions already mentioned there was a levelling off in the rate of increase in advances made under our Family Finance Plan for personal loans. Nevertheless, the percentage increase was substantially higher than that applicable to our loans as a whole.

## **Investments**

As at 31st October, our total holdings of securities stood at \$1,046,000,000., which was \$71,000,000. higher than the figure at the end of the previous year. The increase in holdings was in obligations of the Government of Canada with particular emphasis on treasury bills. Holdings of Provincial Government bonds declined somewhat.

In the operation of our investment portfolio careful attention is paid to the spacing of maturities. This policy has worked particularly to our advantage in the past year, since it has enabled re-investment of maturing obligations at substantially increased yields. It is reasonable to expect further advantages from this policy in the forthcoming year.

## **International Business**

The continued growth of Canada's exports and imports was reflected in the further expansion of the Bank's international business; the volume of foreign transactions handled during the year once again passed all previous figures.



With monetary restraint prevailing in many countries, competition for Euro-dollar deposits has grown more than usually keen. The fact that a good volume of these deposits still finds its way to Canadian banks is evidence of the confidence in which they are held abroad. The growth of the Euro-dollar market has been one of the significant developments in the international field of finance in the past seven or eight years.

The Bank's direct foreign representation has remained unchanged over the past year. Our affiliate, the Bank of London & Montreal Limited, is steadily expanding and a vigorous programme of branch extension has been taking place in a number of countries. A branch was opened in Panama City and several new offices were established in Colombia, Honduras and Nicaragua. In all, the Bank of London & Montreal Limited now has 37 offices in 10 countries in addition to Venezuela, where it is represented by the Banco La Guaira Internacional, in which BOLAM has a substantial share interest.

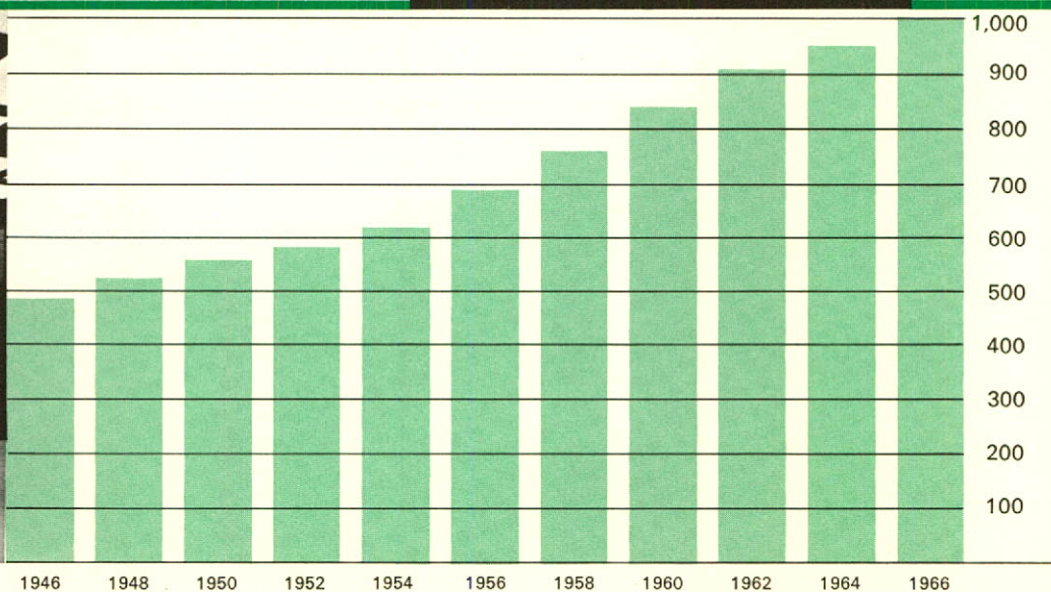
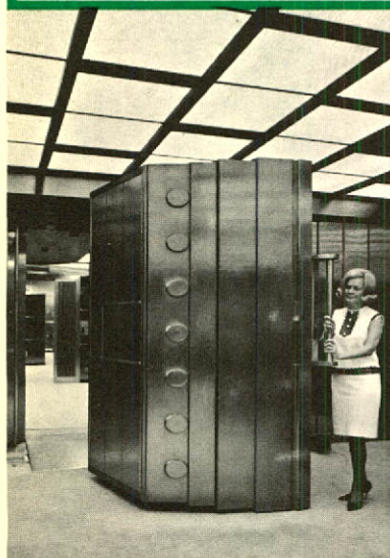
## Bank Premises

As at 31st October, our Bank Premises account stood at \$74,272,000., after depreciation, compared with \$69,948,000. at the end of the previous year. An additional property was sold for \$305,000. during the year to Bankmont Realty Company Limited, our wholly-owned realty holding company, making a total of 24 properties, valued at slightly more than \$6,650,000., which have been transferred to that Company. These changes are reflected in the balance sheet figures.

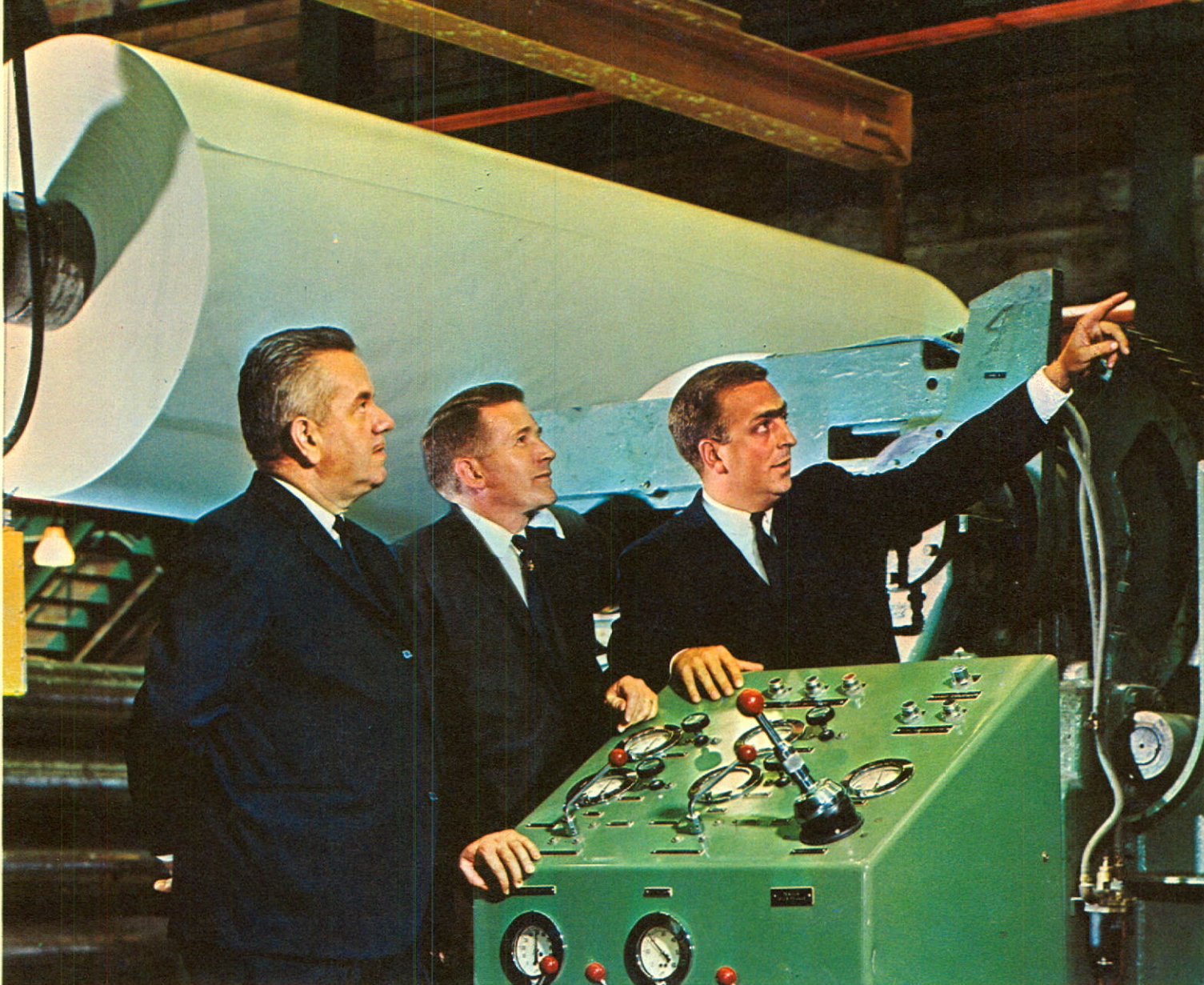
As in 1965, spiralling costs of labour and material in the construction industry have had a significant effect on our programme of work and certain projects have been deferred.

(Continued on page 34)

## Twenty years of Progress in BRANCHES







## Canada's First Bank

## in Pulp and Paper

From Canada's vast forest reserves comes the wood that makes pulp and paper — this country's leading industry. More than half the newspapers of the world are printed on Canadian newsprint, and fine paper, tissue, wrapping-paper and paperboard combine to make Canada the world's leading producer and exporter of pulp and paper.

The first paper mill in Canada was established near Lachute, P.Q., in 1803, and today La Belle Province continues to be the leading producer, accounting for

almost half of the country's total production.

Rolland Paper Co. (which produced the paper for this report) is expanding its exports of fine papers.

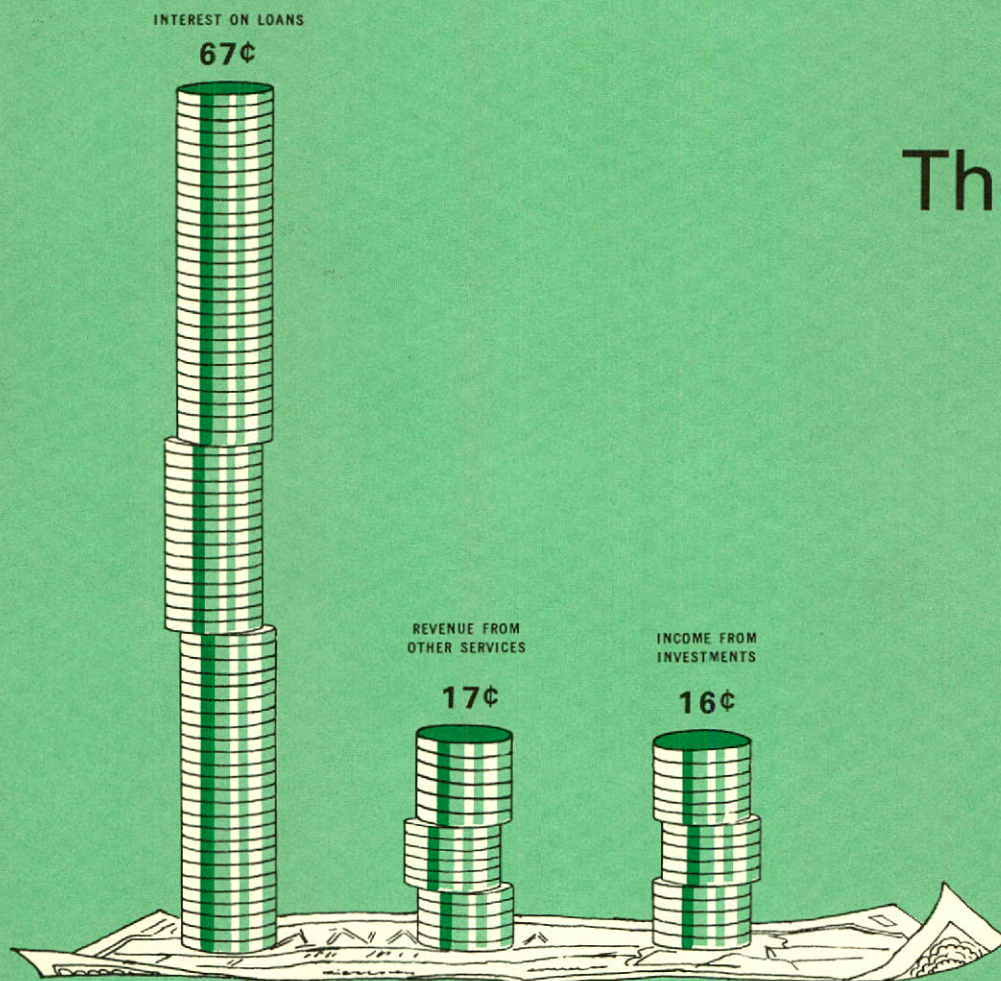
Above, W.S. Brown (right), Rolland's Export Manager, points out details of a massive paper-making machine to Léo Grégoire and J. R. Ellis, members of the management team of the Bank's main Montreal branch. This automated equipment was installed in 1966 to help meet constantly increasing demands from domestic and overseas markets.



Nevertheless, in the past year, 16 new buildings, to replace outmoded quarters, were completed, with another 27 now under construction or in various stages of development. New buildings completed include those for our branches at Bathurst, New Brunswick; Brockville, Owen Sound, St. Catharines and Windsor in Ontario; Westlock and Wetaskiwin in Alberta; and Alberni, Duncan and Kimberley in British Columbia.

While it is evident that our bank premises programme during the past year has been a heavy one, the continued growth of the Bank and the economy makes it likely that meeting the Bank's requirements for adequate and modern premises to serve the public in all parts of Canada will remain a large and continuing undertaking.

A week from today we will open a new banking facility in Montreal, known as "Le Salon", which is unique in Canada as it will provide banking services exclusively to women customers. The decor and appointments of the branch are designed throughout to appeal to feminine tastes.



# The B of M

## Where It Came From



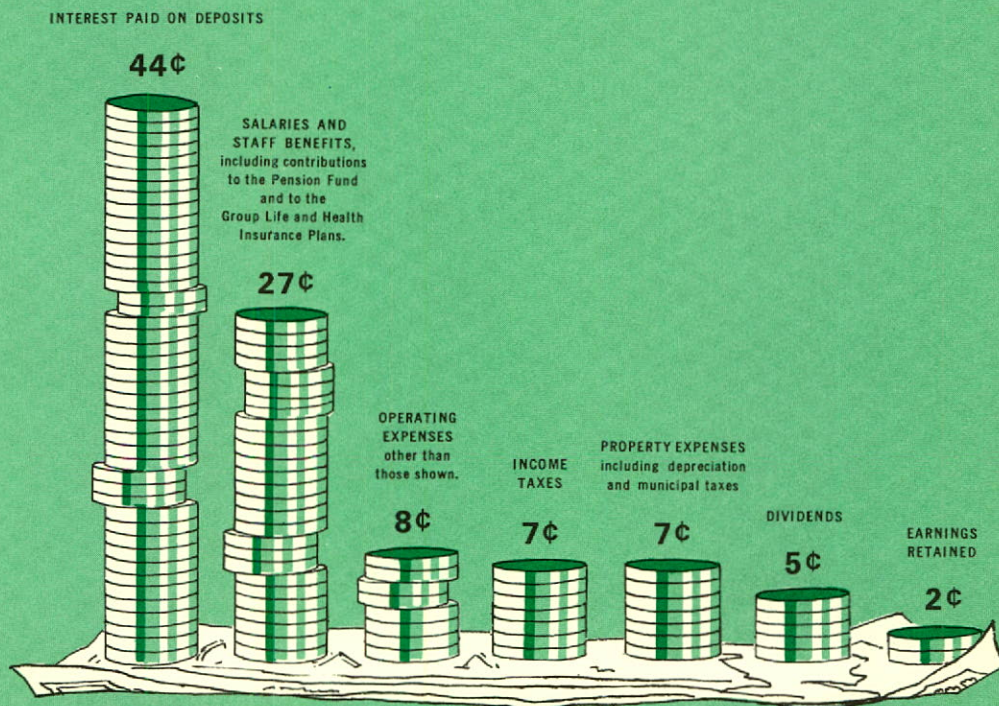
In the year ended 31st October, 25 new branches and 3 sub-agencies were opened while 1 branch and 4 sub-agencies were closed. Our offices in Canada and elsewhere now number 1,001 of which 901 are regular branches, 94 are sub-agencies, and 6 are offices of representatives. It was a matter of considerable gratification to us when, on the 1st August, by opening a new branch at Sussex, New Brunswick, the number of our offices reached 1,000.

## Reorganization

The plan of reorganization on a decentralized basis, which got under way at the beginning of the year, has progressed at a rapid rate and all seven field divisions will have been reorganized by the end of the calendar year. In addition, at Head Office, the personnel function will have been restructured and, with the recent appointment of a General Manager, Marketing, we are rapidly developing a progressive marketing department.

## 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



## **Profit Planning**

The reorganization programme, to which I have just referred, has made another major undertaking possible, namely profit planning. Development work had been under way for several years and had been carried forward to the point where, as the reorganization took shape in the various segments of the Bank, profit planning was ready to follow immediately as a practical sequence. A profit plan has been produced for 1967 and is now in operation.

We hold great expectations for this programme, which, in an organization of the size and diversity of the Bank, is a most ambitious and complex one. We look upon it as a way of managing, with all operations benefiting, not only from better planning, but also from the strong motivational influence exerted on management at all levels through full participation in the planning process.

## **Data Processing**

During the past year, developments in data processing continued to move ahead. We have accepted delivery of the first two units of the third generation of computer equipment and were the first bank in Canada to place such advanced equipment in daily use. All work performed by the Montreal Genie Centre has been transferred to the new computers and plans are now complete for installing similar new equipment in both Toronto and Vancouver early in the new year.

Development work has been carried forward on several new computer applications which are expected to be phased into operations during the coming year. The Account Reconciliation Plan, which speeds cheque reconciliation procedures; provides improved accuracy and reduces costs for customers, has been well received. Other computer services are under development.

## **Bank Act Revision**

For over a month the hearings before the parliamentary Committee on Finance, Trade and Economic Affairs with respect to the revision of the Bank Act have been going on apace, and some time may yet elapse before the hearings are completed. Those of us who have been directly involved in the day-to-day proceedings in Ottawa are encouraged with the progress made in the presentation of the chartered banks' point of view regarding the many important matters involved in the Bill. It may be too much to hope that all the significant changes recommended by the banks will be accepted, but I firmly believe that out of these deliberations there will emerge a Bank Act which will provide much more flexibility than has been the case in the past. The whole philosophy of the chartered banks' approach has been directed



to enlarging the area of financial services of the banking system in the best interests of the Canadian public.

## Personnel

During the year, as part of a new salary administration plan, a programme was undertaken to evaluate and grade all posts throughout the Bank, both management and clerical. This will be completed by the calendar year end. In addition, surveys of both managerial and clerical salaries in Canadian business and industry have been completed to assist us in determining appropriate salary scales throughout the Bank. Our salary administration policies and procedures have been under major revision, and this work is scheduled for completion at the year end.

We have established and are installing a new programme for evaluation of individual job performance for management personnel throughout the Bank. The programme is also designed to determine our needs for replacement due to retirement and growth and is being installed division by division. We feel that this programme will help our manpower management and enable us to take more organized action to train and develop management personnel to meet our needs now and in the future.

We have thoroughly overhauled our University Recruitment Programme and are developing new techniques for the training of recruits from high schools, technical institutes and universities.

I should emphasize that there is no function of management and planning to which we attach greater importance than the systematic and imaginative training of our officers and other personnel to ensure the fullest possible development of their potentialities, in their own interest and in the interest of the Bank.

The rapid and important changes involved in our overall reorganization have imposed additional burdens on our personnel in what would have been an extremely busy year in any event. The response of our staff to the new challenges and opportunities, deriving from the changes we have made, has amply demonstrated their adaptability and has provided most heartening confirmation of our belief that our new management methods, when properly presented and explained, would meet with enthusiastic co-operation. I would take this opportunity, therefore, to express sincere thanks to our personnel, not only for the efficient performance of their daily work, but also for their support, without which the forward steps we have instituted would not have been possible.

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## Canada's First Bank

Twenty years ago Canada's oil and gas industry barely existed; then came Leduc in 1947.

In the intervening years, billions of dollars have been invested in exploration and development, and the construction and expansion of refineries and pipelines.

Serving the industry, the Bank maintains a special Oil and Gas Department in Calgary under the management of W. G. Campbell, a professional petroleum engineer. He and his assistant, Bruce A. Miles, also a petroleum engineer, combine engineering experience and banking knowledge and are valued advisers to oil men and petroleum corporations. The office of our Resident Representative in Houston, Texas, offers a similar service.

The inset picture, right, shows Mr. Campbell on a recent flying visit to Chevron-Standard Oil Company's Mitsue field near Red Deer, Alta. On site, he climbed to the drilling rig platform below the derrick to observe the sinking of a new well, and watched the red-orange

bloom of waste being burned off a pipeline connected to the transcontinental system which spreads out from Alberta to Eastern Canada, British Columbia and California.

An important by-product of natural gas is recovered sulphur. Opposite, an immense cliff of the yellow mineral overshadows Mr. Campbell and Chevron-Standard officials.

Sulphur is essential to the pulp and paper, chemical, and fertilizer industries, and Canada now ranks second only to the United States as a world producer of sulphur recovered in this way.









## Other Business of the Meeting

### **Adoption of Directors' Report**

### **Appointment of Auditors**

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

### **Amendments to Shareholders' By-Laws Nos. I and VII**

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

Following the addresses, the Chairman then moved, seconded by Mr. H. Greville Smith, C.B.E., 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. Lucien G. Rolland moved, seconded by Mr. V. W. Scully, C.M.G., 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. Donald A. McIntosh, Q.C. moved, seconded by Mr. Arthur R. Lundrigan, the resolutions appointing the necessary proxies for the Bank at meetings of con-

trolled companies. These were unanimously adopted.

Mr. R. C. Stevenson, O.B.E. moved, seconded by Col. C. Alex Parker, that "By-law No. VII of the By-laws enacted by the shareholders of the Bank be and it is hereby amended by striking therefrom the words 'Two hundred thousand dollars' and substituting therefor the words 'Two hundred and twenty-five thousand dollars.'"

"And that a ballot upon this motion be taken at the same time as the ballot for the election of Directors."

The motion was carried.

Mr. D. R. McMaster, Q.C. moved, seconded by Mr. W. S. Kirkpatrick, that "By-law No. I of the By-laws enacted by the Shareholders be and it is hereby repealed, and that it be replaced by the following:

'I. The Annual General Meeting of the Shareholders of the Bank, for the election



of Directors and for the transaction of such other business as may properly be brought before the meeting, shall be held in the City of Montreal or, if and when permitted by law, at such other place in Canada as the Directors may determine, on the first Monday in the month of December, in each and every year, at such hour as the Directors may fix in the public notice of such meeting.'

"I further move that a ballot upon this motion be taken at the same time as the ballot for the election of Directors."

The motion was carried.

Mr. Leonard Hynes moved, seconded by Mr. Nathanael V. Davis, "that the thanks of the Meeting are hereby tendered to the Chief General Manager, the Senior General Manager, the General Managers and all other officers and employees for their services during the past year."

Speaking to the motion, Mr. Hynes said:

"All Canadians have been disturbed in 1966 by disputes between employers and employees, not only in industrial circles, but in many public services such as hospitals and transport. Across the country these disputes have been daily front-page news. They have not improved our country's image abroad. Throughout this period of employment unrest, Mr. Mulholland, Mr. Walker and their colleagues have demonstrated their ability to maintain a sense of proportion in the staff that merits the confidence of the shareholders, depositors and customers of the Bank of Montreal. This has not only resulted in another successful year, but gives us confidence that they will meet the challenges of the future.

"Since the annual meeting a year ago, the Economic Council of Canada has issued two reports emphasizing the need for the Canadian economy to improve its productivity. This is a challenge to us all to be more efficient in our work so we will be

better able to compete in an increasingly tough world. It is also an opportunity for management to provide more challenging assignments for a growing number of better educated Canadians.

"Mr. Mulholland and his colleagues, by maintaining a steady and progressive course through 1966, are now leading the Bank of Montreal to meet these challenges by providing improved services to customers. For example, the branch in our building on Dorchester Blvd. is now open from 9 a.m. to 5 p.m. This recognition of the importance of improving service to customers may of course cause some murmurings among the staff. All changes make for some inconveniences but if we are to meet Canada's challenges to be more productive, we must have top-notch banking services. I am sure that Mr. Mulholland and Mr. Walker and their colleagues are ready, willing and able to see that the Bank of Montreal continues to provide an ever improving banking service for Canadians in particular and the world in general.

"I move the meeting express its appreciation of the services of the Chief General Manager and his colleagues."

Mr. Davis said:

"May I have the privilege of associating myself with Mr. Hynes' resolution.

"The successful ongoing of this Bank is particularly dependent upon the continuing high level of conduct and devotion to duty on the part of the Chief General Manager and all members of his staff from coast to coast. These attributes have again been amply demonstrated during the past year and it is, therefore, with the greatest pleasure that I second Mr. Hynes' resolution."

Mr. Mulholland responded:

"Mr. Chairman, it is my pleasant duty, on behalf of the executive officers, the man-



agers and other employees of the Bank, as well as on my own behalf, to thank the shareholders for this resolution and for the manner in which it was proposed by Mr. Hynes and seconded by Mr. Davis.

"As Mr. Hynes has pointed out, we must expect to face, in the future, increasing challenges if we are to achieve the high objectives we have set for the Bank. I am satisfied, however, that all our personnel will respond with the same enthusiasm as they have shown in the past year to the responsibilities we shall ask them to assume. This formal expression of the confidence of our directors and shareholders will, I know, be deeply appreciated by all personnel."

The Chairman then said:

"The remaining business before the Meeting is the balloting for the appointment of auditors, for the amendments to Shareholders' By-laws Nos. I and VII, 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 the list of proposed Directors as follows:

W. A. Arbuckle; W. M. Vacy Ash; Paul Bienvenu; Henry G. Birks; George W. Bourke.

Ralph B. Brenan; Charles R. Bronfman; The Honourable Eric Cook, Q.C.; H. Roy Crabtree; N. R. Crump.

F. Ryland Daniels; Nathanael V. Davis; T. W. Eadie; Harold S. Foley; The Honourable Leslie M. Frost, P.C., Q.C.

G. Arnold Hart; Donald S. Harvie; Sir Nutcombe Hume, K.B.E., M.C.; Leonard Hynes; R. M. Ivey, Q.C.

A. C. Jensen; J. H. Mowbray Jones; David Kinnear; 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 Honourable Hartland deM. Molson, O.B.E.; J. Bartlett Morgan; R. D. Mulholland.

Victor deB. Oland; 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 Honourable James Sinclair, P.C.; H. Greville Smith, C.B.E.; George C. Solomon; Noé A. Timmins, Jr.; Henry S. Wingate.

Mr. Maurice Desy, Q.C., nominated the gentlemen whose names had been read by the Secretary for election as Directors of the Bank for the ensuing year.

The balloting was then proceeded with. 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; that the amendments to By-laws Nos. I and VII were duly enacted; and that the gentlemen named in the list read by the Secretary, and duly nominated by Mr. Desy, had been elected Directors.

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





## Canada's First Bank

## in Fishing

Fishing is fundamental in the Atlantic Provinces and modern, highly efficient processing plants like that of Riverport Seafoods Limited in Riverport, N.S., are doing much to meet world-wide demands.

Here, Grover Jewett, Manager of the Bank's Riverport Branch, takes a look at one of the fishing vessels supplying scallops for processing, with Ron Nickerson, Manager of the Riverport plant, as his guide.

Today, Canada is the world's second largest exporter of fish and fisheries products, with some 70 per

cent of its annual catch of over 2,400 million pounds, from Pacific salmon to cod from the Grand Banks of Newfoundland, being sold abroad.

Because of immense future world demands for food, Canada's fishing industry has enormous potential for growth. As at Riverport today, Canada's first bank stands ready to assist all future development, constantly modernizing its domestic and international thinking . . . introducing new services to keep pace with fast-changing needs.





# Bank of Montreal

FOUNDED IN 1817

## Officers at Head Office

*Chairman of the Board, President and Chief Executive Officer*  
G. ARNOLD HART

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

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

### HEAD OFFICE DEPARTMENTS

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

<i>Secretary</i>	<i>Planning Coordinator</i>	<i>Economic Adviser</i>
C. W. HARRIS	J. E. TOTEN	N. E. CURRIE

<i>Assistant to the President</i>	<i>Supervisor, Shareholder Services</i>
J. D. HOUSTON	L. M. BAYLY

### DOMESTIC BANKING

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

<i>General Manager - Credit</i>	<i>General Manager - Marketing</i>
G. N. SCOTT	L. F. MOORE

*Assistant General Manager:* W. H. COLLIE

### INTERNATIONAL BANKING

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

*Assistant General Manager*  
S. T. STRATHY

### ADMINISTRATION

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

*Assistant General Manager:* S. A. SHEPHERD

<i>Chief Inspector</i>	<i>Comptroller</i>	<i>Chief Accountant</i>
A. S. C. BLACK	G. B. CLARKE, C.A.	J. F. CLIFF



## Officers at Canadian Divisional Points

### BRITISH COLUMBIA DIVISION

#### Vancouver

A. J. ELLIS. . . . . *General Manager*  
W. FORSYTH . . . . . *Assistant General Manager  
and Manager, Main Vancouver Branch*

### ALBERTA DIVISION

#### Calgary

J. B. JONES . . . . . *General Manager*  
H. M. MacDOUGALL. . . . . *Manager, Main Calgary Branch*

### MANITOBA AND SASKATCHEWAN DIVISION

#### Winnipeg

H. L. McKAY . . . . . *General Manager*  
R. T. W. SALTON . . . . . *Manager, Main Winnipeg Branch*

### ONTARIO DIVISION

#### Toronto

E. A. ROYCE. . . . . *General Manager*  
D. W. CASEY . . . . . *General Manager - Credit*  
F. P. BAINES }  
J. B. LESSLIE } . . . . . *Regional Assistant General Managers*  
E. J. KELLEHER }  
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. C. J. WILSON . . . . . *Assistant General Manager  
and Manager, Main Montreal Branch*

### QUEBEC DIVISION

#### Quebec, P.Q.

M. A. MASSÉ . . . . . *General Manager*  
J. E. JACQUES . . . . . *Manager, Main Quebec Branch*

### ATLANTIC PROVINCES DIVISION

#### Halifax

T. R. FRANCIS. . . . . *General Manager*  
B. E. ROGERS . . . . . *Manager, Main Halifax Branch*



## Officers Outside Canada

### GREAT BRITAIN

London—Main Office, 47 Threadneedle Street, London, E.C.2;  
*Assistant General Manager for the United Kingdom and 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*, C. A. D. Cole

### CONTINENTAL EUROPE

<p style="text-align: center;">FRANCE</p> <p>Paris—10, Place Vendôme, Paris 1<sup>er</sup>,  <i>Assistant General Manager for              Continental Europe</i>, C. E. Noblet  <i>Representative</i>, J. G. Paré</p>	<p style="text-align: center;">FEDERAL REPUBLIC OF GERMANY</p> <p>Düsseldorf—Königsallee 6,  <i>Representatives</i>,              R. J. R. Bonneland,              H. C. Hartmann</p>
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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

<i>Agents</i>		
R. J. Allen	N. Kjeldsen	W. M. Mader
<i>Assistant Agents</i>		
T. P. Grimes	W. F. Hudkins	

Bank of Montreal Trust Company, Two Wall Street, New York 10005.  
*President*, G. V. Adams; *Vice-Presidents*, R. J. Allen, C. E. Neuebaumer;  
*Secretary*, D. Gillies; *Treasurer and Assistant Secretary*, G. W. Jackson

<p>Chicago, Ill.  <i>Resident Representative's Office</i>,              Suite 2700, Board of Trade Bldg.,              141 West Jackson Blvd., Chicago 60604:  <i>Representatives</i>, H. B. Francis, T. A. O'Donnell</p>	<p>Houston, Texas  <i>Resident Representative's Office</i>,              Suite 413,              1021 Main Street, Houston 77002:  <i>Representative</i>, R. C. Howard</p>
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#### BANK OF MONTREAL (California)

<p>San Francisco              333 California Street, San Francisco 94104:  <i>President</i>, C. R. M. Allan  <i>Vice-Presidents</i>, D. B. Jewell, Derek Whittle</p>	<p>Los Angeles              508 South Spring Street,              Los Angeles 90013:  <i>Senior Vice-President</i>, F. R. Southee</p>
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### DIRECTORS

*Resident in San Francisco*: C. R. M. Allan, D. B. Jewell, R. D. Mackenzie, Donald Watson, Derek Whittle;  
*Resident in Los Angeles*: John R. Mage, F. R. Southee;  
*Resident in Vancouver*: Harold S. Foley



## 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*

*Assistant Representative, D. A. Jorgensen*

MORE THAN 1,000 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.)

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

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

## DIRECTORS

*Chairman: R. D. Mulholland (resident in Montreal)*

*Deputy Chairmen: Sir George L. F. Bolton, K.C.M.G. (resident in London)*

*George G. Money (resident in Bridgetown, Barbados)*

*Resident in London, England: Sir Julian S. Crossley, J. Graham,  
Brian F. Macdona, Hugh Saunders, O.B.E., Frederic Seebohm, Henry F. Tiarks;*

*Resident in Montreal: W. A. Arbuckle, G. Arnold Hart, S. T. Strathy;*

*Resident in Lima, Peru: Jack Ashworth, F.C.A.;*

*Resident in Nassau, Bahamas: Noé A. Timmins, Jr.*

## EXECUTIVE OFFICERS

Head office, Nassau, Bahamas — *General Manager: D. G. Mitchell;*

*Assistant General Managers: W. E. Parker, E. J. Grimsditch,*

*L. V. Laxton (resident in Guatemala City)*











