







153rd Annual General Meeting  
Head Office Montreal  
December 14th, 1970

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## The First Canadian Bank

### Cover

Miss Madeleine Fortier  
personal loans officer, Westmount Branch.  
One of the growing numbers of women  
who are assuming managerial positions  
in the bank.

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## Financial Highlights

	1970	1969
Total assets	\$8,730,050,648	\$8,152,864,188
Securities	1,573,195,713	1,321,620,021
Loans	4,980,582,539	4,767,813,462
Deposits	8,022,958,335	7,506,315,916
Balance of revenue for the year	93,324,909	81,133,232
Balance of revenue per share <sup>(1)</sup>	\$2.73	\$2.44
Balance of profits for the year	35,895,841	34,262,630
Balance of profits for the year per share <sup>(1)</sup>	\$1.05	\$1.03
Dividends	25,628,587	23,183,991
Dividends per share	75¢	70¢
Provision for income taxes – total	50,929,470	41,548,602
Provision for income taxes – total per share <sup>(1)</sup>	\$1.49	\$1.25
Shareholders' equity	302,972,133	291,575,309
Number of shares issued	34,171,875	34,171,875

(1) Based on weighted average of issued shares

## Address of the Chairman and Chief Executive Officer

Since our meeting a year ago, the Board has appointed three additional directors, namely, Mr. William D. Mulholland, President and Chief Executive Officer, British Newfoundland Corporation Limited, Montreal; Mr. S. Robert Blair, President and Chief Executive Officer, The Alberta Gas Trunk Line Company Limited, Calgary; and Mr. David L. Nicolson, Chairman of BTR Leyland Industries Ltd. of London, England. These gentlemen bring to our meetings a wealth of experience and we benefit from their counsel.

In keeping with the policy of your directors with respect to retirement age, the names of Mr. Arthur C. Jensen, Mr. George W. Bourke, The Hon. Leslie M. Frost, P.C., C.C., Q.C., and The Hon. Madame Georges

P. Vanier, P.C., C.C., will not be submitted for re-election to the Board today.

Mr. Bourke, who has been prominent in the business life of the country for many years, was appointed to the Board in June 1948 and a member of the Executive Committee in 1953. The Hon. Leslie Frost was appointed to the Board in February 1962, after a distinguished career in the service of his native province and was elected a Vice-President in 1964 and a member of the Executive Committee in 1966. Madame Vanier was elected to the Board in December 1967 and was our first lady director. I perhaps may be permitted to make a special reference to Mr. Jensen who has completed over 50 years of service in the Bank. He was appointed General Manager





in 1952, elected a director and Vice-President in December 1954, Executive Vice-President in 1957 and Chairman of the Board and Chairman of the Executive Committee in 1959, from which offices he retired in 1964. Through his wide banking experience and his dedication to the affairs of the Bank, his contribution to our progress has been notable. We shall miss the services of Madame Vanier, Mr. Jensen, Mr. Bourke and Mr. Frost, each of whom in his or her own way has played a significant part in the progress of the Bank, and on your behalf I express our warm appreciation and wish them well for the future.

You will be asked today to elect three new directors and I shall refer to each of these gentlemen briefly: they are, Mr. Anthony R. Hicks, President and Chief Operating Officer, Sun Life Assurance Company of Canada, Montreal; Mr. Sidney L. Buckwold, Vice-President, Buckwold's Ltd., Saskatoon; and Mr. Robert D. Musgjerd, President, International Harvester Company of Canada, Limited of Hamilton. We shall welcome these gentlemen to our deliberations.

### **Unemployment rises . . .**

At this time last year the economic environment was beginning to show the effects of many months of struggle between the forces of inflation and the forces of official restraint, but there were still very few signs that inflation did not continue to have the upper hand. Today, while inflation as manifested in sharply rising costs is still a matter of real concern, public attention has shifted towards unemployment, now generally considered to be our most pressing economic problem. And a serious problem it is, especially in those areas of the country where the effects of the cyclical adjustment process we are now going through are superimposed on above-average unemployment of much longer standing.

### **. . . while inflation persists**

But recognition of the seriousness of a problem is only the first step towards a solution, the search for which in present circumstances is immensely complicated by the fact that inflation is still very much with us. While the consumer price index has been relatively stable for the past six months, this cannot by any means be taken as an indication that the battle against

inflation has been won, nor can the fact, often cited, that our recent domestic price performance has been considerably better than that of most of our international competitors. On the cost side our experience continues to be far from satisfactory and, until costs are brought under better control, there can be no grounds whatsoever for confidence that the recent improvement in the behaviour of prices will be anything but temporary.

### **Economic expansion required**

It is with this very present danger as a background that one must look at the various measures that are now being taken or suggested to stimulate the economy as a whole and to deal with the acute unemployment problems that exist in particular areas of the country.

That action with respect to local situations is urgently needed is beyond question and there is no doubt that direct outlays by governments on construction projects can serve a useful short-term function in this connection, while at the same time putting in place needed social capital. However, it is quite unrealistic to expect that the direct and indirect employment effects of such programmes will make much of a dent in the large numbers of unemployed. In an economy such as ours the creation of productive employment opportunities in the required numbers can only take place as a result of expansion of current output in the private sector together with private investment in enlarged and modernized facilities.

The problem, of course, is to bring about the circumstances in which such an expansion will take place, as there are clearly many inhibiting factors at the present time. Apart from the rather abstract but nevertheless very significant question of climate, as it relates both to investment and to the attitudes of individuals to the total environment in which they work and live, the foremost impediments to renewed growth are the depressed state of profits and uncertainties about the prospects for earnings in the relatively near term, as well as uncertainties about taxes.

One of the most unsettling aspects of the past year's discussion of the White Paper on Tax Reform was the strong impression it created that officials in Ottawa are con-



vinced that governments cannot perform their functions without taking an increasing share of the national output in taxes. This impression was not dispelled by a recent speech by the Minister of Finance in which he strongly implied that a reduction in taxes to promote economic growth could not be contemplated if it meant that existing government programmes would have to be curtailed.

Is it not fair to ask how changing needs and priorities can ever be accommodated if existing programmes cannot be considered candidates for curtailment? And is it not especially important in present circumstances to have a hard look at these programmes to see whether resources cannot be more effectively used to assist in the creation of employment opportunities in those regions of the country where slack economic growth is the source of much discontent and social friction?

#### **Never a role for terrorism**

I would not wish to imply that the increasing resort to violence as a means of achieving social or political ends which we in Canada, in common with other advanced industrialized countries, have been experiencing in recent years, has its origins primarily in economic frustration. It is all too easy, in the aftermath of an outburst of criminal violence in pursuit of treasonable ends, to accept unthinkingly the unsupportable contention that political dissent expressed through extra-democratic means will only take place in an environment of social unrest based on economic deprivation or inequality. The historical record of revolutionary movements, whether of the left or of the right, simply does not bear this out.

A more insidious argument, advanced equally dangerously by unthinking people of goodwill and by self-seeking people as a means of promoting their political objectives, is that an end to confrontation by terrorism can only be brought about by the removal of the breeding ground of social and economic unrest. I call this a dangerous argument because, to evoke the spectre of violence as a persuader in the movement for reforms can only serve to give violence a degree of legitimacy in the political process which it simply does not deserve. Just as war has been called an extension of diplomacy by other means,

so terrorism, according to this thesis, could be considered an extension of politics. I am convinced that, in a democratic society, no more subversive doctrine can be imagined.

To say this is not by any means to deny the need for measures to improve the economic and social well-being of vast numbers of our people wherever they reside in Canada. Gross inequalities of economic opportunity are humanly degrading, socially debilitating, politically corrupting and nationally disruptive. But let us approach the problem on rational grounds, within the framework of the institutions that have been built up over the centuries, without assigning violence, or the threat of violence, any role in the process.

As for the terrorists in this province, however small in number they may be, the challenge to the properly constituted authority which their activities represented had to be brought to an end. As a people, we should be grateful that the governments concerned were prepared to take resolute action when they did to restore law and order. An overwhelming majority of Canadians supported that action, however distasteful it was, and the subsequent argument that has developed, with the benefit of hindsight, over whether such strong measures were necessary or whether the action taken was the most effective, really has nothing to do with the incontrovertible fact that when the time came for a test of the mettle of our leadership in Ottawa and Quebec it was not found wanting.

#### **Short-term measures . . .**

All considerations of our recent traumatic experience apart, it is a fact that the economic loss being suffered from present under-utilization of resources and massive unemployment in some parts of the country is having serious consequences in human and social terms. There is therefore an urgent need not only to get the economy as a whole moving onto a non-inflationary growth path but also to create immediate employment opportunities in areas of greatest stress. Serious unemployment exists in many areas of Canada but perhaps nowhere is the problem more pressing, or the potential rewards more promising in national terms, than in this province which



The Bank of Montreal's Youth Project was launched in September 1970. Thirty-four young people who have had few chances in life are being given an opportunity to learn business skills which will equip them for employment. They are paid a salary while they learn and the results, after only a few months, have been encouraging.





has such a full measure of unrealized economic capability.

The economic difficulties faced by Quebec are partly of historical origin and partly of our own making in our own time and I believe that an overwhelming majority of Quebecers, irrespective of cultural background, are willing to admit this and to make every effort to do something about it. However, solutions to structural problems of a longer-term nature take time and the fact is that the immediate difficulties have now become so acute as a result of the conjunction of several rapidly moving trends in education, urbanization, cultural awareness and so on that measures to deal with the short-term problems adequately may be beyond the capacity of the province to handle alone.

#### **... and long-term goals**

However, in attempting to provide short-term solutions to meet immediate needs, whether in Quebec or elsewhere in Canada, it is important that great care be taken not to prejudice the achievement of longer-term goals. One of the dangers to be guarded against is the initiation of programmes which, while designed to produce quick results, might tend to reinforce or perpetuate the existing inadequacies of industrial structure that have given rise to inequalities of economic opportunity and standard of living throughout the country. This danger exists at any time in the promotion of economic development of slow-growth regions but even greater care has to be taken at times like the present when social and political pressures for action are unusually strong. Whatever the immediate objectives may be, the initiation of uneconomic activities that can be maintained in the longer run only by artificial incentives or by the protection of the producers in one province against competition from more efficient producers elsewhere in Canada, is clearly not the answer if what we want is not mere jobs but a dynamic economy with rising standards of living for all.

#### **Profit squeeze . . .**

Whatever measures are taken to deal with unemployment problems on a regional basis it seems quite clear that they will be of limited effectiveness if conditions in the economy as a whole are not conducive to growth. I thus come full circle and refer

again to a matter I cited earlier as one of the principal impediments to renewed expansion, that is, the current unsatisfactory state of profits.

#### **. . . an impediment to growth**

The reasons for the continuing squeeze on profits at the present time are well known. They are the result of the combined effects of slow growth in aggregate demand and of the inability, because of market factors and the price restraint programme under the aegis of the Prices and Incomes Commission, to recover increases in costs generated in large part by excessive wage demands. When the price restraint programme was suggested to the business sector many of us had serious misgivings about the wisdom of interference with the price mechanism. Nevertheless, in the face of an extraordinarily intractable inflationary problem, the business community agreed to go along with an exercise which was not much to their liking but the alternatives to which seemed even more unpalatable. However, business participation in the programme in the first instance was on the understanding that it was to be a genuinely co-operative effort in which government and labour, as well as business, would all play their full part.

Business has certainly done its share, but it has clearly not been a co-operative effort, given the inability of organized labour to participate — I use the word inability to put the best possible complexion on their attitude. And even on the government side, wage awards in the public sector, as well as expenditure patterns, would seem to suggest that little more than lip service was being paid to their part of the deal. In all the circumstances it would really have been too much to expect business to continue its commitment.

And even if businessmen had been unwise enough to agree to an extension of this strange one-sided commitment to a system of voluntary taxation I wonder whether most of them would have been able to do so in any meaningful way, since profits in many industries have now been pared to the bone. In any event, I doubt that even the gesture would have served a valid social purpose since what is now required to create the employment opportunities that are so badly needed is an increase in production.



But an increase in output on a scale requiring substantial commitments of capital funds is unlikely to come about without an improvement in profit prospects. A greater degree of flexibility than has been possible during the past year is therefore required to permit an upward adjustment in some prices from their recent artificially depressed levels. However, the productivity improvements and reductions in unit costs that can be expected to result from a reasonable increase in investment and an expansion of output would tend to dampen the upward movement of prices as well as to offset the clearly inflationary consequences of recent extravagant wage settlements. This process could be aided by a reduction in taxes which, quite apart from the fact that it should serve to temper demands for higher nominal wages and salaries, would provide the impetus for an increase in demand for output as well as giving an initial and continuing lift to business prospects.

#### **Tax reduction preferred . . .**

In fact there has been for some time a growing body of opinion — quite evidently not yet shared by the government in Ottawa — that the most effective, and least risky, route to take towards expansion of the economy in present circumstances is tax reduction rather than reliance on increased expenditures by government. Many arguments have been advanced in favour of this course. My own reasons for preferring it are based partly on the short-term factors I mentioned earlier but more importantly on longer-term considerations. In the short term there are risks, of course, since any tax cut on a large enough scale to be effective would initially have a substantially depressing effect on government revenues, thus causing a more rapid swing into budgetary deficit and the difficult problems for monetary policy that are associated with such a swing.

#### **. . . not massive government expenditures**

However, it is surely not unreasonable to expect that before too long the increased activity would generate additional tax revenues while at the same time obviating the need for those otherwise unavoidable increases in expenditure that are associated with high and rising levels of unemployment. And a budgetary deficit of some size no doubt has to be accepted if you adopt

the view that a degree of general stimulation of the economy by fiscal and monetary means is appropriate in present circumstances. But how much better it would be if this came about primarily as a result of a reduction in tax burdens rather than as a result of further increases in government expenditures that would perpetuate and intensify the already excessive degree of government involvement in the economy.

This consideration becomes even more important as we look down the road towards the implementation of comprehensive income security programmes of the sort envisaged in the white paper tabled in Ottawa a couple of weeks ago. Time does not permit comment in detail on this subject today. I merely wish to say that, while there is undoubtedly room for argument about the scale of allowances and about cut-off levels, the proposed measures in my view represent a move in the right direction, towards a selective approach to income support based on a criterion of need, and this is a welcome departure from the doctrine of universality to which the federal government has heretofore been so strongly attached.

Nevertheless, even if the more rational selective approach is adopted more widely as time goes by it is clear that the transfer of income to those in need will constitute an increasing claim on the productive resources of the economy. No avenue should therefore be neglected to promote the goals of increasing productivity and strong economic growth without inflation.

I am convinced that a general reduction of tax rates in present circumstances would serve these ends better than any alternative measures available. We can only hope that, having failed to move in that direction in the recent budget, the federal government will not now embark on the alternative course of rapidly mounting expenditures, which could only lead to a decline in confidence and a resurgence of inflation, thus seriously inhibiting prospects for balanced growth of the economy in the years ahead.



## Address of the President

It seems almost traditional for corporate officers, when addressing annual meetings, to begin with comments on the financial aspects of the enterprise and close with words of thanks to employees for their services. This year, I should like to break with tradition in order to emphasize my conviction that people must come first. This is true, I believe, of society as a whole, and of business generally. It is especially true of the Bank of Montreal.

In expressing on behalf of all the Bank's executive officers sincerest thanks to the men and women who provide the thrust behind our Bank's progress, I have in mind the fact that the last five years have been difficult and trying ones for B of M personnel as they have faced up to the

challenges posed by our far-reaching reorganization. Nor can they let up now. Important changes which will result in further long-run improvements in the Bank's operations are still to come.

We have been fortunate, indeed, that our people have proved to be so resourceful and adaptable to the new conditions. It is only possible, it seems to me, to effect such a series of sweeping changes in an organization if employees give strong support. This we have always had and will continue to need in bringing our development plans to a successful conclusion.

Our emphasis on the human factor in building the Bank has led us to a manpower development programme which we





believe is second to none. The programme is many-faceted but its aim is simple: to nurture to full potential all the human resources we have. In this way, we are opening up a great many opportunities, not only for rapid career advancement but for genuine job satisfaction both for the people in the Bank and those who will join us in the future. We know that as we continue to grow, we will need many more people of management calibre. We feel we are now in a position to demonstrate to the young people of today that our Bank can provide them with challenging and rewarding careers.

Our concern with people, however, extends well beyond the confines of the Bank. For example, we have in operation a pilot project to assist under-privileged Canadian youths who wish to overcome deficiencies in their formal education. The programme includes on-the-job training and is designed to enable participants to meet educational requirements for meaningful employment. Thirty-four English-speaking young men and women are in the first group of participants and a French-speaking group will be organized shortly. It has been gratifying to observe the enthusiasm that this project has generated, not only among the young people involved, but in the business community generally.

On the lighter side, the Bank's Young Expos Fan Club is bringing a great deal of enjoyment to youngsters across Canada. More than 75,000 boys and girls have joined since the Club started last spring.

In these and many other ways we are dedicated to encouraging the development of programmes that put people in the forefront both within and outside our Bank.

#### **Prices and Incomes Commission**

Turning now to the developments of the past year, the Bank undertook early in the year, in line with a request from the Prices and Incomes Commission, not to increase service charges nor to raise the rate of interest received on loans unless there was a comparable increase in the rate paid on savings deposits. The Chairman has set out in his remarks the considerations that led us to agree to cooperate with the Commission in this endeavour.

In the course of the year, we did more than

comply with the undertaking given and in a recent report, the Commission notes that the banks not only lived up to their commitments but, and here I quote from the report, "have gone beyond what was strictly required of them." Last June, we reduced the prime rate two weeks in advance of the remainder of the banking community and, at the same time, we brought down the rate of interest paid on our true savings accounts without reducing the rate paid on our ordinary savings accounts. In addition, not only did we refrain from raising service charges during the year, we removed the exchange charges on out-of-town cheques which meant a reduction of about 3½ million dollars in revenue for our 1970 fiscal year.

#### **Domestic Banking**

The growth of our domestic business during the year has been hampered by a generally restrictive monetary policy which, of course, had an important bearing on profits. Money supply in Canada was virtually unchanged from November through April and, for the year as a whole, average Canadian dollar deposits of all banks were only some 4% higher than in 1969, in contrast with the 10-13% increases recorded in recent years.

Loans increased at a relatively sluggish pace. This was particularly true in the first half of our fiscal year when, in the tight money conditions of the time, it was necessary for us to follow a very selective lending policy and, reluctantly, we had to turn aside many applications for loans from individuals and from businesses, large and small, which in normal times we would have gladly granted. So far as we were able, however, we gave preference to loans to small businesses and to loans in those areas of the country suffering from high rates of unemployment.

While the year has been one of relatively slow growth, we nevertheless continued to expand our marketing activities in a number of diverse ways, ranging from taking a fresh look at our advertising policies to developing an improved method of assessing the market potential for banking services.







We also gave increasing emphasis to our branch extension programme in line with a long-term policy of building up our representation in the most dynamic growth areas of the country. As a result, whereas we added only 6 offices to our domestic branch network in 1969, in the past year the net gain was 30, giving us at year-end a total of 1,069 offices in Canada.

Our large office projects, announced last year, have made good progress. The new Bank of Montreal building in Winnipeg, which will contain the divisional office as well as a major branch, will be ready for occupancy late next summer. Our main office in Quebec City will soon move into the new Place d'Youville building in the centre of the uptown district. The new Halifax building, which will contain the divisional office and the main branch, is now quickly rising above ground.

In addition, a new main office is planned for the large Hamilton Civic Centre development, now getting underway, and discussions are continuing with developers in other major centres.

### **On-Line Banking**

Let me now bring you up to date on the Bank's vast on-line mechanization project that we announced a little over a year ago. This is going well and progress during the year has been right on schedule. When the Board gave approval to the five-year mechanization programme, it was realized that much of the success in meeting the development schedules would depend on whether we were able to train or hire a sufficient number of skilled personnel. Our recruiting campaign has been completely successful and we feel confident we now have the number of qualified people necessary to complete the project.

In addition to designing the system itself, a great deal of work is going forward in the area of overall control, planning and sched-

uling, the development of a teller training system, and the preparation of contracts for the purchase and rental of equipment.

Development costs have been heavy and these have been a factor in this year's profits. We were under no illusion, however, that it would be possible to complete such a huge mechanization programme without incurring, for a time, a substantial increase in our yearly outlays. The project, of course, was undertaken because of its long range cost-cutting potential and the need to stay in the forefront of technological advance not only to remain competitive but to be in a position to handle a swiftly growing volume of transactions. I am satisfied we are making good progress and that our decision to go ahead will be amply justified.

### **International Banking**

The Bank has, in recent years, been playing an increasingly active role in international banking. These operations complement the domestic side of our business, with the export activities of Canadian customers measurably improved as a direct result. In addition, I might just note that a substantial portion of our current year's profits is derived from our activities abroad, benefiting both our shareholders and our silent partner — the federal treasury. This is a matter that many critics of chartered bank profits in this country overlook.

An impressive list of accomplishments can be credited to International Banking during the past year. In 1969, we began an export services programme to assist Canadian corporations who wished to expand their export business. Under the new designation of International Trade and Finance, the programme has been greatly expanded. A new office was opened in Toronto to complement our Montreal operations and officers from both centres engage in frequent meetings with branch and district managers to help them acquire an expertise in, and a sensitivity to, international business opportunities. In addition, regular calls are made on our major export customers and the Department stands ready to provide detailed assistance when and as required.

Our newly opened office in Hong Kong, gateway to China, has had an extremely

The Bank of Montreal Young Expos fan club for young girls and boys across Canada was formed in the Spring of 1970 with the Expos' popular outfielder, Rusty Staub, as president. By the end of the baseball season, some 75,000 youngsters had joined.



busy year. We are satisfied the establishment of an office there, in an area previously covered by our representative in Tokyo, has put us in a strategic position to take advantage of any increase in Canada-China trade that may follow the recent establishment of diplomatic relations between the two countries.

In another part of the Pacific Rim, we have opened a representative office in Melbourne, Australia and along with two United States, one Japanese, and one Australian bank, have formed the Australian International Finance Corporation Ltd. We are taking a leading part in the operations of this new company, the first active participation by a Canadian bank in the booming Australian economy.

Early last year a decision was made that our former affiliate, the Bank of London and Montreal Ltd., would revert to the sole ownership of the Bank of London and South America Ltd. The new arrangement permits BOLSA to concentrate its efforts in South America. For our part, it was agreed that we should absorb the Caribbean offices serving the public in the Bahamas, Jamaica and Trinidad and we made plans to do so. In Trinidad, however, before we could take over the operation, the government decided to acquire the BOLAM office to start a government-owned bank. Elsewhere, we have proceeded on schedule.

On July 15, the Bank of Montreal (Bahamas & Caribbean) Ltd. commenced operations. It is now operating two branches in the Bahamas and we recently incorporated another subsidiary bank in Jamaica to take over the former BOLAM business in that island. I am pleased to report that we received a very friendly reception from the authorities in both Jamaica and the Bahamas.

We have also opened a new representative office in Buenos Aires and another in Amsterdam, where we have, in addition, formed a wholly-owned subsidiary company, Hochelaga Holdings, N.V., which has been active in the Euro-dollar market.

### **The Year's Financial Results**

While 1970 has clearly been a busy year for the Bank, as I mentioned earlier loan and deposit growth was only moderate.

Average interest rates earned and paid last year, however, rose significantly over the previous year so that both revenues and expenditures were sharply higher. Revenues climbed 21.5% to \$702 million while expenses were \$609 million, up 22.6% over the previous year. The resulting balance of revenue of \$93 million represented an increase of 15%.

After a transfer into our appropriations account and provision for income taxes, balance of profits for the year showed a modest gain. Dividends were increased by 5¢ a share bringing the total, including extras, to 75¢ a share in 1970, the thirteenth consecutive year in which we have been able to raise our dividend rate. It is something of a commentary on the times in which we live that while reported profits in 1970 amounted to \$1.05 per share, of which shareholders received 75¢, income taxes per share amounted to \$1.49!

When there is a slowdown in the economy, weaknesses can be expected to develop in borrowing accounts at greater frequency. In continuance of our prudent policy of long standing, it was necessary this year to set aside a somewhat larger amount than usual in our specific reservations account for possible losses with which we may be faced in the future. I can only say we are quite confident that full and adequate provisions have been made to cover all foreseeable involvements and when individual situations clarify, we will, of course, reverse the reservations should their need no longer exist.

### **Looking Ahead**

Let me now turn briefly to the outlook for the Bank in the current fiscal year and beyond.

While we are looking for the pace of economic activity in Canada to accelerate as the coming year progresses, it seems altogether likely that unemployment will remain above desirable levels for some time. In this type of environment it would be reasonable to expect a continuation of easier monetary conditions and a consequent faster expansion of our domestic assets than in 1970. On the other hand, it seems altogether likely that there will be continued pressure on the spread between the average rate we earn on assets and the average rate we pay on deposits. On the



international side, while we can see some further avenues for profitable expansion abroad, we may not achieve the rate of growth we have been able to record in recent years and fully trained manpower will be a limiting consideration. In these circumstances, it will be particularly important to give close attention to all possible sources of sundry revenue and to continue to control expenditures very carefully.

All in all, we are looking for moderate progress in 1971. Looking beyond next year, I am confident that, with the personnel and systems we are developing, the groundwork is being laid for vigorous growth in the years ahead.

# Other Business of the Meeting

## Directors' Report

The directors take pleasure in submitting to the shareholders the 153rd Annual Report on the result of the Bank's operations for the year ended October 31st, 1970. (See page 18 for Statement of Revenue, Expenses and Undivided Profits).

During the year, Mr. William D. Mulholland of Montreal, Mr. S. Robert Blair of Calgary and Mr. David L. Nicolson of London, England were appointed to the Board.

In the financial year, 34 offices were opened in Canada and one in San Diego, California and six were closed; Representative's Offices were opened in Hong Kong, Melbourne, Australia, Buenos Aires and Amsterdam. As at October 31st, 1970 there were 1,090 offices of the Bank in operation.

Within the year we participated equally with four foreign banks in the Australian International Finance Corporation Limited and have formed a wholly-owned subsidiary company, Hochelaga Holdings N.V. in Amsterdam. Also, the Bank of Montreal (Bahamas & Caribbean) Limited and the Bank of Montreal Jamaica Limited commenced operations.

To Accumulated Appropriations for Losses as shown by the relative statement, there has been added an appropriation of \$17,950,000 from the year's operations as indicated above, the related income tax on which is included in the provision for income taxes of \$11,450,402, making total provision for income taxes \$50,929,470. Out of Accumulated Appropriations for Losses amounts not otherwise provided have been drawn down for the diminution in the value of loans and investments which, in the opinion of management, is required after a careful evaluation of the assets of the Bank. The sum of \$10,500,000 has been transferred from Undivided Profits to Rest Account.

The directors acknowledge with deep appreciation the loyalty of all personnel of the Bank and express their thanks for the capable manner in which they have fulfilled their responsibilities during the year.

## Resolutions

It was moved by the Chairman, seconded by The Hon. Hartland deM. Molson, O.B.E.,

"That the Report of the Directors, as read, the Statement of Assets and Liabilities as at October 31st, the Statement of Revenue, Expenses and Undivided Profits and the Statement of Accumulated Appropriations for Losses, both for the financial year ended in October, be approved and adopted."

It was moved by Mr. H. C. F. Mockridge, Q.C., seconded by The Hon. Eric Cook, Q.C.,

"That clause (b) of By-law No. IV of the By-laws of the Bank enacted by the shareholders be amended by striking therefrom the figure '53' and substituting therefor the figure '52'."

It was moved by Mr. J. F. Close, seconded by Mr. T. C. Camp,

"That By-law No. VIII of the By-laws enacted by the shareholders of the Bank be and it is hereby amended by striking therefrom the words 'Two hundred and twenty-five thousand dollars' and substituting therefor the words 'Two hundred and seventy-five thousand dollars'."

It was moved by Mr. H. Roy Crabtree, seconded by Mr. Forrest Rogers,

"That Messrs. Campbell W. Leach, C.A., and G. Meredith Smith, C.A., be appointed auditors of the Bank for the ensuing year."

It was moved by Mr. D. R. McMaster, Q.C., seconded by Mr. Nathanael V. Davis,

"That 'We, the shareholders of the Bank of Montreal, pursuant to section 17, subsection 5, of the Bank Act, do hereby appoint Mr. G. Arnold Hart, or failing him, Mr. J. Leonard Walker, or failing him, Mr. F. H. McNeil, to be the proxy of the Bank of Montreal for and in its name to attend, act and vote in such manner as the said proxy may deem proper at any and all shareholders' meetings of Bankmont Realty Company Limited and of any other corporation controlled by the Bank.'"

"That 'We, the shareholders of the Bank of Montreal, do hereby appoint Mr. H. M. Stuart, Jr. or, failing him, Mr. L. H. Boynton, to act as proxy for this Bank, to act and vote at any and all meetings of shareholders of Bank of Montreal (California), and at any and all adjournments thereof



and that the Chairman, or the President, or an Executive Vice-President, or a Vice-President located at Head Office, together with the Secretary or an Assistant Secretary of the Bank be and they are hereby authorized from time to time to execute such proxy and affix the seal of the Bank thereon, and that this resolution remain in effect until the next Annual General Meeting of the Bank of Montreal'."

Mr. L. G. McDougall, Q.C. nominated the respective persons whose names had been read by the Secretary for election as directors of the Bank for the ensuing year.

### Vote of Thanks

A vote of thanks was moved by Mr. Donald S. Harvie, seconded by Mr. Bernard M. Lechartier.

Speaking to the motion, Mr. Harvie said :

"I take pleasure this morning in rising as spokesman for the 44,400 shareholders. May I formally move their appreciation and thanks for the quality of service and loyal dedication given this past year by this bank's 19,100 employees — wherever they serve — across Canada or offshore.

"In speaking to this motion it seems to me important to stress how difficult a task it is these days to look very far into the future and currently identify what circumstances may prevail and what services our customers may require in this fast changing world.

"It is an even more difficult assignment to plan for their prompt and efficient implementation in such a big nation and such an extensive organization. Mr. Hart, Mr. Walker, Mr. McNeil and their associates must provide the leadership and drive, to be enthusiastically carried out by our staff — after all the challenge is really everyone's in the Bank — and service to our customers our real business.

"Judging by the satisfactory current dividend increase ; the demonstrated *relative* growth of the past two or three years ; our plans to utilize the most modern tools of technology, and the rather special performance in offshore banking, the shareholders can view this performance with respect and satisfaction.

"I suggest this bank's main asset is, after all, our group of dedicated men and women. They fully deserve the shareholders' expression of confidence which has just been offered through me."

Mr. Lechartier said :

"Au cours du mois dernier, j'ai eu l'occasion de faire un voyage circulaire dans l'ouest du pays. J'y ai rencontré quelques membres du personnel et des cadres de la Banque de Montréal et je suis entré dans quelques-unes de ses succursales.

"Chaque fois, j'ai noté la cordialité — je dirais presque la gentillesse du premier accueil. Mais j'ai surtout été frappé par l'intérêt que tous ceux avec lesquels j'ai parlé prennent aux divers échelons de la hiérarchie.

"Nous savons tous que ce qui fait en dernier ressort la qualité d'une institution, c'est la qualité des hommes et des femmes qui la servent. Je crois pouvoir dire qu'à cet égard, notre Banque me semble assez bien partagée. Aussi est-ce avec plaisir que j'appuie la motion présentée par M. Harvie."

Mr. F. H. McNeil responded :

"It is my very pleasant duty, on behalf of all our personnel, to express sincere thanks to Mr. Harvie and to Monsieur Lechartier for their kind remarks and to the shareholders present for their warm reception of this motion.

"As the President mentioned, our personnel programmes are designed to give to each individual opportunity to grow — individual incentives, challenges and appropriate rewards — because we believe this builds a better organization.

"We are setting high objectives, but I am completely satisfied our employees will respond with enthusiasm and readily accept the increasing responsibilities we shall ask them to assume. This formal expression of the confidence of our shareholders and directors will, I know, be deeply appreciated by all employees."



# Statement of Revenue Expenses and Undivided Profits

For The Year Ended October 31st	1970	1969
<b>Revenue</b>		
Income from loans	\$543,758,414	\$433,432,865
Income from securities	93,662,012	83,936,647
Other operating revenue	64,710,537	60,323,711
<b>Total revenue</b>	<b>702,130,963</b>	<b>577,693,223</b>
<b>Expenses</b>		
Interest on deposits	401,677,241	299,949,312
Salaries, pension contributions and other staff benefits (including additional contribution of \$15,000,000 to the pension fund in 1969)	125,075,658	127,240,277
Property expenses, including depreciation	35,813,485	28,990,625
Other operating expenses, including provision for losses on loans based on five-year average loss experience	46,239,670	40,379,777
<b>Total expenses</b>	<b>608,806,054</b>	<b>496,559,991</b>
Balance of revenue	93,324,909	81,133,232
Appropriation for losses (to provide for contingencies — see note)	17,950,000	9,295,000
Balance of profits before income taxes	75,374,909	71,838,232
Provision for income taxes relating thereto	39,479,068	37,575,602
Balance of profits for the year	35,895,841	34,262,630
Dividends at 75¢ (1970) and 70¢ (1969) per share	25,628,587	23,183,991
<b>Undivided Profits</b>		
Amount carried forward	10,267,254	11,078,639
Undivided profits at beginning of year	361,129	313,740
Transferred to rest account	10,628,383	11,392,379
Undivided profits at end of year	\$ 128,383	\$ 361,129

## Note :

Under revised rules issued in 1969 by the Minister of Finance, transfers to accumulated appropriations for losses are currently not deductible in the determination of taxable income. The provision for income taxes relating thereto is included in the statement of accumulated appropriations for losses.

# Statement of Accumulated Appropriations for Losses

(Bracketed amounts are deductions)

For The Year Ended October 31st	1970	1969
Accumulated appropriations at beginning of year		
General	\$92,938,313	\$100,637,622
Tax-paid	11,962,536	7,932,153
Total	104,900,849	108,569,775
Appropriation from current year's operations	17,950,000	9,295,000
Loss experience on loans for the year, less provision for losses on loans (included in other operating expenses) based on five-year average loss experience	(10,037,009)	(1,238,728)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	(2,291,860)	(8,128,741)
Other profits, losses and non-recurring items, net	(1,401,745)	376,543
Provision for income taxes	(11,450,402)	(3,973,000)
Accumulated appropriations at end of year	\$97,669,833	\$104,900,849
Accumulated appropriations at end of year		
General	80,472,179	92,938,313
Tax-paid	17,197,654	11,962,536
Total	\$97,669,833	\$104,900,849

## Statement of Rest Account

Balance at beginning of year	\$223,058,692	\$175,000,000
Premium received on capital stock subscriptions	941,308	37,027,442
Transferred from undivided profits	10,500,000	11,031,250
Balance at end of year	\$234,500,000	\$223,058,692



# Statement of Assets and Liabilities

October 31st, 1970

Assets	1970	1969
<b>Cash Resources</b>		
Cash and due from banks (Term deposits at interest: 1970-\$1,202,060,678; 1969-\$1,045,986,420)	\$1,734,692,165	\$1,698,588,791
Cheques and other items in transit, net	54,504,463	34,838,786
	<b>1,789,196,628</b>	<b>1,733,427,577</b>
<b>Securities</b>		
Securities issued or guaranteed by Canada, at amortized value	1,287,130,075	1,043,839,711
Securities issued or guaranteed by provinces, at amortized value	78,275,178	67,757,758
Other securities, not exceeding market value	207,790,460	210,022,552
	<b>1,573,195,713</b>	<b>1,321,620,021</b>
<b>Loans</b>		
Day, call and short loans to investment dealers and brokers, secured	211,771,782	272,047,139
Other loans including mortgages, less provision for losses	4,768,810,757	4,495,766,323
	<b>4,980,582,539</b>	<b>4,767,813,462</b>
Bank premises at cost, less amounts written off	88,738,808	83,557,545
Securities of and loans to corporations controlled by the bank	15,898,739	15,852,714
Customers' liability under acceptances, guarantees and letters of credit, as per contra	274,572,583	220,020,423
Other assets	7,865,638	10,572,446
	<b>\$8,730,050,648</b>	<b>\$8,152,864,188</b>

J. L. Walker,  
President

F. H. McNeil,  
Executive Vice-President  
and General Manager

Note:

The above statement includes the assets  
and liabilities of the Bank of Montreal  
(California), Bank of Montreal (Bahamas  
& Caribbean) Limited and Hochelaga  
Holdings N.V., wholly owned subsidiaries.

Liabilities	1970	1969
<b>Deposits</b>		
By Canada	\$ 72,499,304	\$ 100,173,810
By provinces	112,845,338	84,682,976
By banks	990,450,464	674,625,856
Personal savings payable after notice, in Canada, in Canadian currency	3,522,697,039	3,220,523,042
Other	3,324,466,190	3,426,310,232
	<b>8,022,958,335</b>	<b>7,506,315,916</b>
<b>Sundry Liabilities</b>		
Acceptances, guarantees and letters of credit	274,572,583	220,020,423
Other liabilities	31,877,764	30,051,691
	<b>306,450,347</b>	<b>250,072,114</b>
<b>Accumulated Appropriations for losses</b>	<b>97,669,833</b>	<b>104,900,849</b>
<b>Shareholders' Equity</b>		
Capital stock —		
Authorized —		
50,000,000 shares of \$2 each		
Issued and fully paid —		
34,171,875 shares	68,343,750	68,155,488
Rest account	234,500,000	223,058,692
Undivided profits	128,383	361,129
	<b>302,972,133</b>	<b>291,575,309</b>
	<b>\$8,730,050,648</b>	<b>\$8,152,864,188</b>

#### 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, 1970 and the Statement of Revenue, Expenses and Undivided Profits and Statement of Accumulated Appropriations for Losses for the year then ended. 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.

In our opinion, these financial statements present fairly the financial position of the Bank as at October 31st, 1970 and its revenue, expenses and undivided profits and accumulated appropriations for losses for the year then ended.

Auditors

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

G. Meredith Smith, C.A.,  
of the firm of Touche Ross & Co.

Montreal, November 30th, 1970.



# Controlled Corporations

## Bank of Montreal Trust Company

Statement of Assets and Liabilities, December 31st, 1969 (U.S. Currency)

### Assets

Due from banks:		
Approved reserve depositaries	\$4,020,101	
Other banks and bankers	86,019	\$4,106,120
Investments:		
United States government securities	3,382,739	
Other	590,707	
(Quoted market value \$3,807,622)		3,973,446
Other assets		72,559
		\$8,152,125

### Liabilities

Deposits:		
Demand	\$5,459,908	
Time	6,502	
Due to banks	1,389	\$5,467,799
Income taxes		119,486
Other liabilities		5,812
		5,593,097

### Shareholders' Equity

Capital stock —		
Authorized, issued and fully paid —		
10,000 shares of \$100 each	\$1,000,000	
Surplus	1,000,000	
Undivided profits	559,028	2,559,028
		\$8,152,125

### 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 financial statement at a value of \$1,489,551.

# Controlled Corporations

(continued)

## Hochelaga Realty and Development Company

Statement of Assets and Liabilities as at October 31st, 1970 (U.S. Currency)

### Assets

Cash	\$ 103,629
Accounts receivable	7,056
Prepaid expenses	85,225
Land and buildings — as appraised on June 30th, 1970 plus additions at cost less accumulated depreciation	8,967,398
	<hr/> \$9,163,308

### Liabilities

Accounts payable and accrued expenses	\$ 37,140
Income and other taxes	17,668
	<hr/> 54,808

### Shareholders' Equity

Capital stock — Authorized, issued and fully paid 8,500 3% redeemable preferred shares of \$100 each 100 common shares of \$100 each	\$ 850,000 10,000	
	<hr/> \$ 860,000	
Appraisal surplus	1,803,016	
Contributed surplus	6,291,000	
Retained earnings	154,484	9,108,500
		<hr/> \$9,163,308

### Note:

The company was granted corporate existence by the State of New York on May 27th, 1909. The object of its formation was to enable the bank to hold title to real estate in New York City. The capital stock is entirely owned by the bank, and is carried in the bank's financial statement at a value of \$9,144,188.



# Controlled Corporations

(continued)

## Bankmont Realty Company Limited

And its wholly-owned subsidiary company

Condensed Consolidated Statement of Assets and Liabilities, October 31st, 1970

<b>Assets</b>		
Cash		\$ 271,153
Accounts receivable		6,234
Other assets		194,519
Real estate and buildings — at cost less accumulated depreciation		6,857,708
		<hr/> \$7,329,614
<b>Liabilities</b>		
Income and other taxes		\$ 3,726
Loan from Bank of Montreal		265,000
		<hr/> 268,726
<b>Shareholders' Equity</b>		
Capital stock —		
Authorized —		
100,000 shares without nominal or par value		
Issued and fully paid —		
100,000 shares	\$5,000,000	
Retained earnings	2,060,888	7,060,888
		<hr/> \$7,329,614

### Notes:

1. The capital stock is entirely owned by the bank and is carried in the bank's financial statement at a value of \$5,000,000.

2. Bankmont Realty Company Limited owns the entire capital stock of a subsidiary company, The St. James Land Company Limited.

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

We have examined the statement of assets and liabilities of the controlled corporations 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 present fairly the financial position of the corporations as at the dates indicated.

#### Auditors

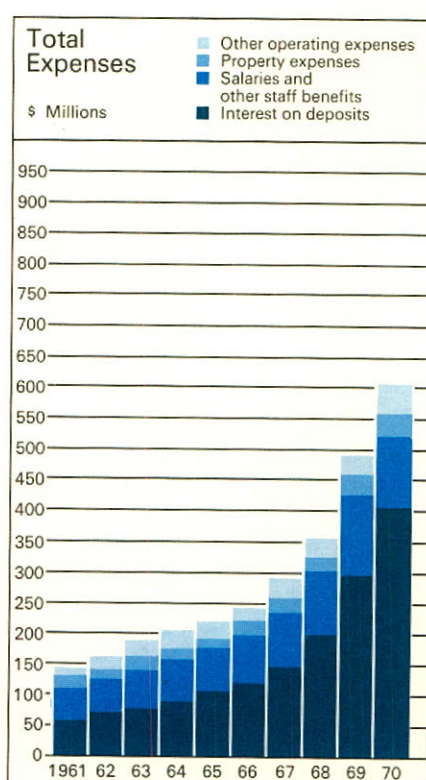
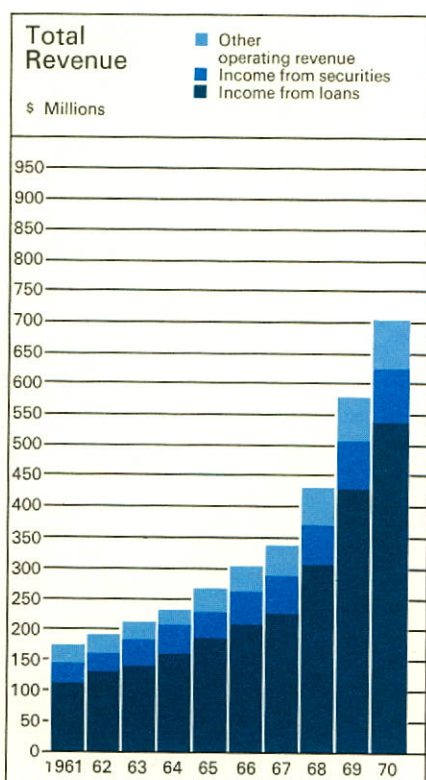
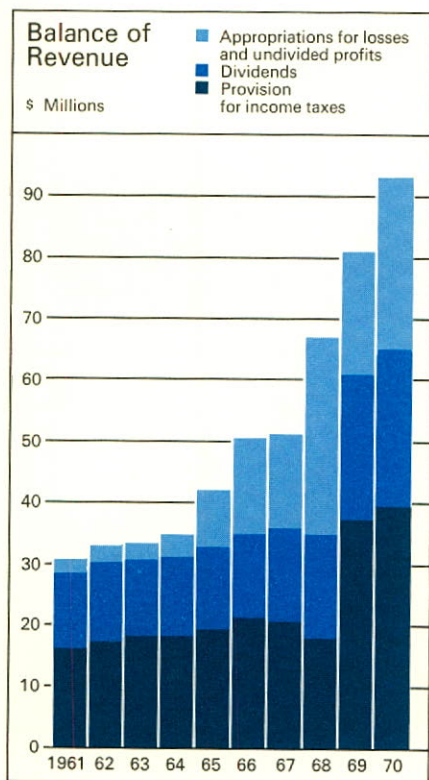
C. W. Leach, C.A.,  
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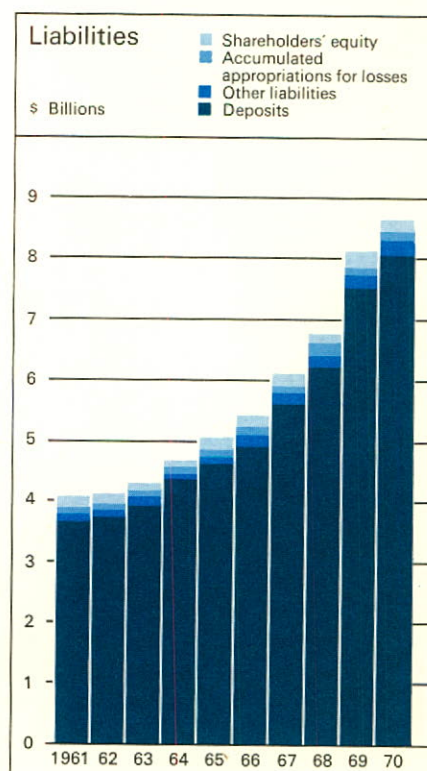
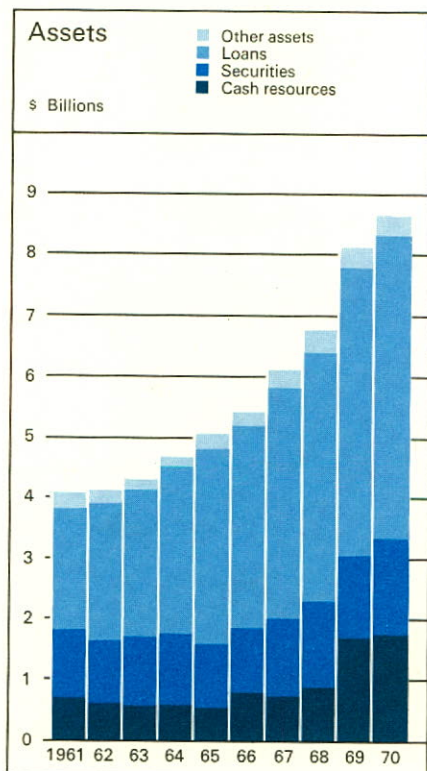
Montreal, November 30th, 1970.



# Ten Years of Growth



These charts illustrate the growth of the Bank of Montreal over the past 10 years. During this period the number of branches of the Bank and its subsidiaries increased from 811 to 1,088 in Canada, the United States, United Kingdom, Bahamas and the Caribbean, and Continental Europe. Expansion of the Bank's International activities is also reflected in the increase from eight to 13 Representatives Offices during the past three years. Covering the world, these offices are located in the Far East, United States, Mexico and South America, Australia and Europe. The number of Bank employees has grown from 14,120 in 1960 to 19,180 today.









## First with People

Never in the history of Canadian banking have there been greater career opportunities for highly motivated people with a wide variety of skills and abilities.

The increasing number of branches, new services to customers, new marketing techniques, the growth of international banking activities; these and other factors all contribute to the accelerating need for well-qualified people.

As a result, developing people has become "a way of management" at the Bank of Montreal. It is all based on the premise that the only means to realize the promise of the Bank's future is to have the organization composed of people who can realize the promise of their future — people who

can achieve their potential within the Bank.

These pages tell something of how the Bank nurtures that potential, how people grow with the Bank of Montreal, and how this leads to better customer service.

For a person already in the Bank, or for one coming in fresh with a degree or diploma or from a job in another business, there is a way to learn a new job quickly, without the long apprenticeship reminiscent of bygone days. Bank training is carried out with a keen sensitivity to an individual's strengths, to his career aspirations, and to opportunities available in our growing organization.

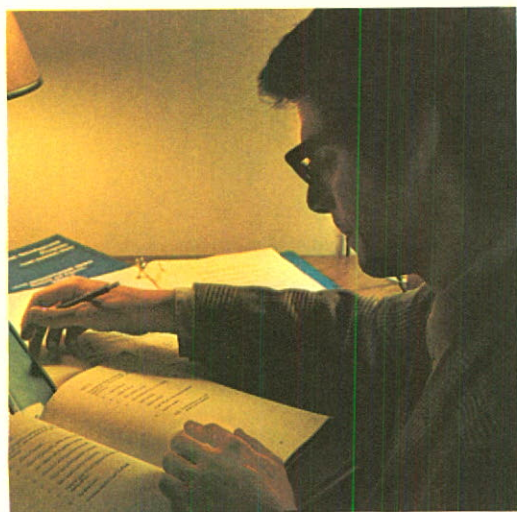
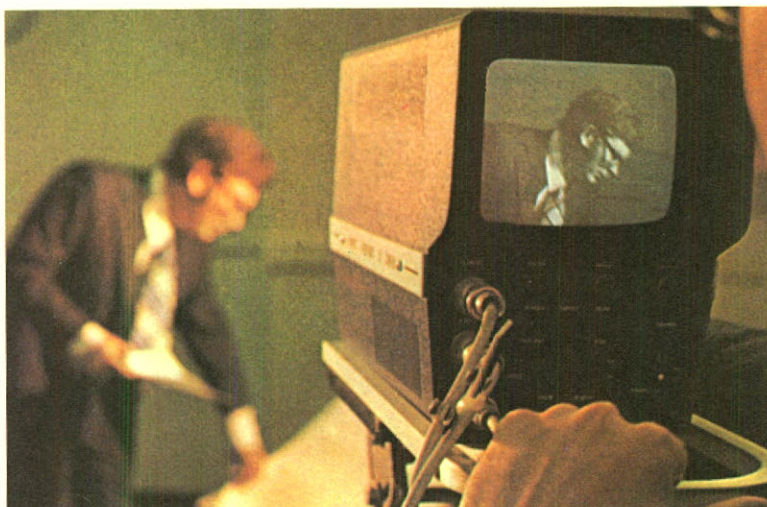
For most people, the starting point for





training and development is at the divisional level. There are six well-equipped and well-staffed regional training centres across the country, in Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver. In these, the process of learning about banking begins — the banking of tomorrow as much as the banking of today. Practical training takes place in branches and, as well, entrants commit themselves to self-study and involvement in the educational process.

The Manpower Development Centre at Head Office coordinates training and education bankwide and keeps in touch with the latest trends both in banking and training. Continuous research into future training requirements is conducted as are





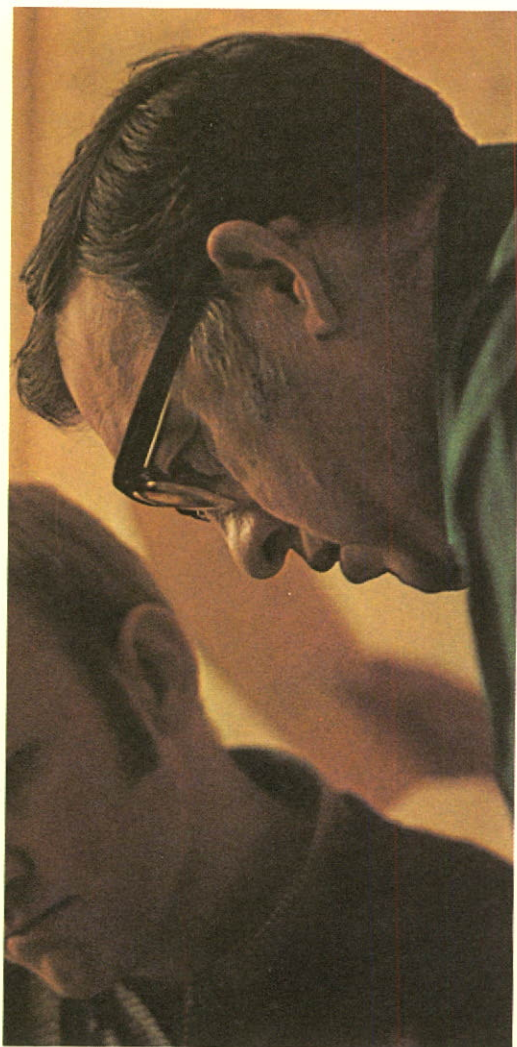
studies in new educational techniques. The effectiveness of all training programs is under constant evaluation.

Highly-qualified trainers make use of programmed learning, video-tape, film, audio equipment — in short the whole range of modern aids to faster and more comprehensive learning. And new methods of self-instruction and on-the-job training are an integral part of the program. But the highest value is placed on experienced operating staff passing their knowledge on to the staff-in-training.

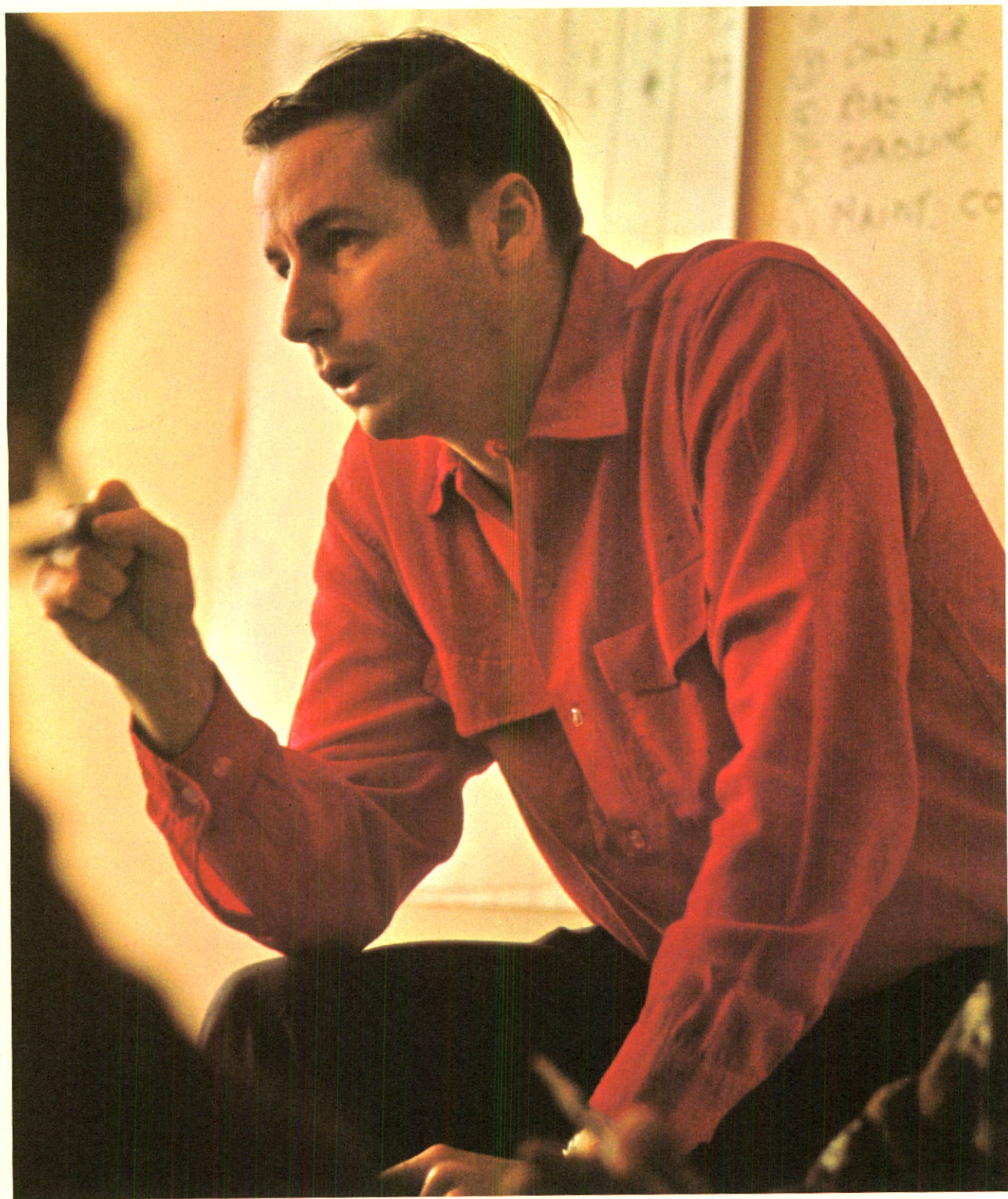
It is all directed at one crucial objective — to foster the human knowledge and skills required to carry the Bank through the coming years of rapid expansion and

change and growing customer needs. The Bank's staff has tripled in the past 20 years, and there is a great deal of growth ahead. As the Bank evolves it will need a larger and more varied pool of management capabilities than ever before.

One way this need is being met today is by providing more training opportunities for people at all levels in the Bank. Also in use is a program, new to Canadian banking, of attracting qualified people from other fields of business and then having them add banking knowledge and experience to those they already possess. It is possible for them to assume management positions in as little as a year.









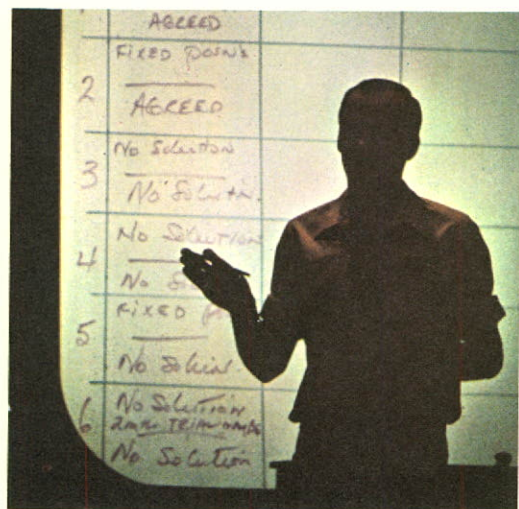
The same applies to the university graduates. Each is provided with a carefully-arranged mix of practical training in branches, courses at the regional centres and head office, and self-study programs.

The philosophy in all cases is that people should be offered as much challenge as they can handle — but that their individuality should be respected by allowing them, within broad limits, to set their own learning pace.

People develop by teaching themselves and each other through participation in seminars at which groups are given problems to assess and solve together. Sessions such as these make up a considerable part of the live-in courses.

The idea of enabling the staff-in-training to tackle problems by themselves goes beyond the theoretical, however. After the initial courses, entrants go to branches or staff departments for several weeks to put into practice what they have learned. When they return to classes at the regional and head office centres, they have a firm grasp of how the theories they are being taught apply to real-life banking.

An essential feature of the approach taken to training is to equip the men and women in the Bank to keep up intellectually with the changes in the fast-moving business world around them. So there is a full range of management education, covering such subjects as the job of management, marketing and credit.





On a broader scale, there is a constant effort to build a greater storehouse of knowledge among our people. Staff members are encouraged, through a tuition refund plan, to seek professional status by becoming Fellows of the Institute of Canadian Bankers. Other self-development activities, including university and professional courses, are similarly encouraged.

A modern bank requires specialists in many fields — credit, foreign exchange, personnel, marketing, economics to mention a few. Some have gained their expertise in the Bank, while other specialists are obtained through our world-wide recruiting program.

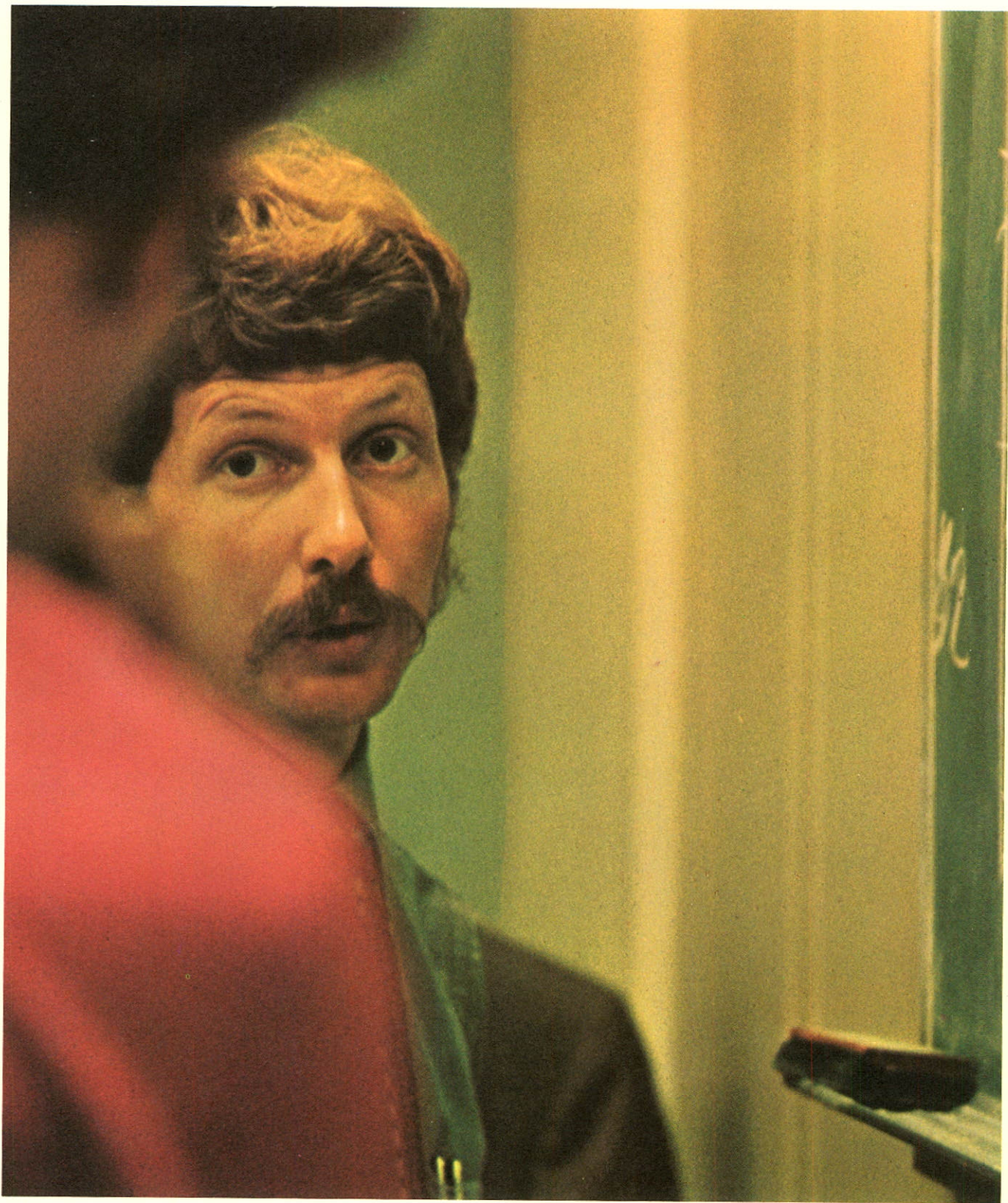
A good example is in computer technology.

The Bank of Montreal is moving fast towards the day when it will initiate North America's first completely computerized banking system. In order to have the manpower to design, implement and operate the system, the Bank has an extensive training scheme to develop new skills among existing staff members and recruits.

In the past few years, the Bank of Montreal has become a growing force in international banking. The accelerated international growth has created the need to build up an expanding team of people capable of handling the intricacies of financial operations on a world-wide scale.









As a result, the International Division has implemented a program to provide concentrated experience in foreign exchange dealings, trade transactions and the like to the people who will become the Bank's international banking specialists. People from offices around the world come to Montreal for special courses.

The spread of the Bank's activities internationally has opened up a host of opportunities for future administrators, particularly those who have a capability in more than one language — and we teach and give financial support for courses in languages too.

The role of women in banking today is growing both in terms of their numbers on





the staff and in the enlarged responsibilities they are assuming. The Bank's policy is to seek out, train, and promote women willing to accept administrative posts. The recent result has been a significant increase in the number of women in managerial positions. This is one more manifestation of the belief that, by providing more opportunities to more people, the bank will enhance its ability to meet the future.

Are we succeeding? At any given time now, almost one-third of our total staff is engaged in continuing education of one form or another. This takes in everyone from a head office executive attending intensive university courses in manage-

ment science to a young secretary studiously learning French.

As long as we have this many people willing to take the plain hard work of learning, we know we are succeeding. For the sum of their efforts is the main strength of our Bank.



# Board of Directors

**\*G. Arnold Hart**  
Chairman and  
Chief Executive Officer

**\*J. Leonard Walker**  
President

**\*R. D. Mulholland**  
Vice-Chairman

Vice-Presidents :

**\*Ralph B. Brennan** Saint John, N.B.  
President and Managing Director,  
G. E. Barbour Company, Limited

**\*Harold S. Foley** Vancouver  
Industrialist

**\*A. Searle Leach** Winnipeg  
Chairman,  
Federal Grain Limited

**\*Roger Létourneau, Q.C.** Quebec  
Partner,  
Messrs. Létourneau, Stein,  
Marseille, Bienvenue, Delisle & LaRue

**\*The Hon. Hartland deM. Molson, O.B.E.**  
Chairman, Board of Directors,  
Molson Industries Limited, Montreal

**\*Budd H. Rieger** Toronto  
Vice-President,  
Canadian Corporate Management Co. Ltd.

**Sir Peter Allen** London, England  
Chairman,  
Imperial Chemical Industries Limited

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

**\*W. M. Vacy Ash** Toronto  
Company Director

**Paul Bienvenu** Montreal  
Industrialist

**S. Robert Blair** Calgary  
President and Chief Executive Officer,  
The Alberta Gas Trunk Line  
Company Limited

**Charles R. Bronfman** Montreal  
President,  
The House of Seagram Ltd.

**Sidney L. Buckwold** Saskatoon  
Vice-President and General Manager,  
Buckwold's Limited

**The Hon. Eric Cook, Q.C.**  
Member of the Senate, St. John's, Nfld.

**H. Roy Crabtree** Montreal  
Chairman and President,  
Wabasso Limited

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

**\*Nathanael V. Davis** Montreal  
President,  
Alcan Aluminium Limited

**John H. Devlin** Toronto  
Chairman,  
Rothmans of Pall Mall Canada Limited

**Donald S. Harvie** Calgary  
President,  
Canadian Fina Oil Limited

**Anthony R. Hicks** Montreal  
President and Chief Operating Officer,  
Sun Life Assurance Company of Canada

**Leonard Hynes** Montreal  
President,  
Canadian Industries Limited



- R. M. Ivey, Q.C.** London, Ont.  
Partner,  
Messrs. Ivey & Dowler
- J. H. Mowbray Jones** Montreal  
Industrialist
- David Kinnear** Toronto  
Chairman of the Board,  
The T. Eaton Co. Limited
- \*Bernard M. Lechartier** Montreal  
Chairman of the Board,  
Crédit Foncier Franco-Canadien
- Arthur R. Lundrigan** Corner Brook, Nfld.  
President,  
Lundrigans Limited
- Donald A. McIntosh, Q.C.** Toronto  
Partner,  
Messrs. Fraser & Beatty
- \*D. R. McMaster, Q.C.** Montreal  
Partner,  
Messrs. McMaster, Meighen,  
Minnion, Patch & Cordeau
- H. C. F. Mockridge, Q.C.** Toronto  
Partner,  
Messrs. Osler, Hoskin & Harcourt
- J. Bartlett Morgan** Montreal  
Chairman of the Board,  
The Morgan Trust Company
- William D. Mulholland** Montreal  
President and Chief Executive Officer,  
British Newfoundland Corporation Limited
- Alan M. Murray** Vancouver  
Vice-President, Finance,  
Cominco Ltd.
- Robert D. Musgjerd** Hamilton, Ont.  
President,  
International Harvester Company  
of Canada, Limited
- David L. Nicolson** London, England  
Chairman,  
BTR Leyland Industries Ltd.
- The Hon. Victor deB. Oland** Halifax  
Lieutenant-Governor of Nova Scotia
- H. J. S. Pearson** Edmonton  
President,  
Century Sales & Service Limited
- John G. Prentice** Vancouver  
Chairman of the Board,  
Canadian Forest Products Limited
- Forrest Rogers** Vancouver  
President,  
B.C. Sugar Refinery, Limited
- \*Lucien G. Rolland** Montreal  
President and General Manager,  
Rolland Paper Company Limited
- V. W. Scully, C.M.G.** Toronto  
Chairman of the Board,  
The Steel Company of Canada, Limited
- George H. Sellers** Winnipeg  
President,  
Federal Grain Limited
- G. H. Sheppard** Toronto  
Industrialist
- The Hon. James Sinclair, P.C.**  
Deputy Chairman of the Board,  
Canada Cement Lafarge Ltd., Vancouver
- William M. Sobey** Stellarton, N.S.  
President,  
Sobeys Stores Ltd.
- George C. Solomon** Regina  
President,  
Western Tractor Limited
- Noé A. Timmins, Jr.** Nassau  
Chairman,  
Timmins Investments Limited
- Marcel Vincent** Montreal  
Chairman and Chief Executive Officer,  
Bell Canada
- Lorne C. Webster** Montreal  
Chairman of the Board,  
St. Lawrence Diversified Company
- Henry S. Wingate** New York  
Chairman,  
The International  
Nickel Company of Canada, Ltd.

\*Member Executive Committee

# Head Office

129 St. James Street West,  
Montreal 126, Quebec, Canada

Chairman and  
Chief Executive Officer  
**G. Arnold Hart**

President  
**J. Leonard Walker**

Executive Vice-President  
and General Manager  
**Fred H. McNeil**

Executive Vice-President,  
Domestic Banking  
**M. A. Massé**

Executive Vice-President,  
International Banking  
**P. R. Shaddick**

Executive Vice-President,  
Loans and Investments  
**G. N. Scott**

Senior Vice-President,  
International Banking  
**D. R. McCallum**

Vice-President,  
Securities  
**T. D. Lewis**

Vice-President,  
International Banking,  
Africa, Asia, Middle East  
and Pacific  
**G. B. Baker**

Vice-President,  
Money Management  
**W. D. Small**

Vice-President,  
International Banking,  
United Kingdom and  
Europe  
**G. A. Rhéaume**

Vice-President,  
Credit  
**J. A. Whitney**

Vice-President,  
Administration  
**H. D. Walford**

Vice-President,  
Marketing  
**G. T. Robertson**

Vice-President,  
Organization,  
Research and Systems  
**R. A. McDougall**

Vice-President,  
Personnel  
**W. F. Chadwick**

Vice-President and  
Secretary  
**C. W. Harris**

Chief Accountant  
**J. F. Cliff**

Chief Inspector  
**R. T. W. Salton**

Supervisor,  
Shareholder Services  
**L. M. Bayly**

Vice-President,  
Planning and Economics  
**J. E. Toten**

Vice-President and  
Economic Adviser  
**N. E. Currie**



# Domestic Banking Offices

## **Atlantic Provinces Division**

Cor. Hollis and George Streets,  
Halifax, N.S.

Senior Vice-President  
**T. R. Francis**

## **Quebec Division**

Suite 3000, C-I-L House,  
630 Dorchester Blvd. West,  
Montreal, P.Q.

Senior Vice-President  
**J. D. C. de Jocas**

Vice-President,  
Eastern Quebec Region  
**J. G. J. Savard**

Vice-President,  
Western Quebec Region  
**H. H. Bridger**

Vice-President and Manager  
Main Montreal Branch,  
119 St. James Street West  
Montreal 126, P.Q.  
**E. C. J. Wilson**

## **Ontario Division**

50 King Street West,  
Toronto, Ontario

Executive Vice-President  
Resident in Toronto  
**H. M. MacDougall**

Senior Vice-President  
**J. B. Lesslie**

Vice-President, Credit  
**D. W. Casey**

Vice-President,  
Eastern Ontario Region  
**E. J. Kelleher**

Vice-President,  
Central Ontario Region  
**R. W. Mackie**

Vice-President,  
Western Ontario Region  
**G. L. Purcell**

Vice-President and Manager  
Main Toronto Branch,  
50 King Street West,  
Toronto 1, Ontario  
**J. R. McLean**

## **Manitoba and Saskatchewan Division**

335 Main Street,  
Winnipeg, Manitoba

Senior Vice-President  
**S. M. Davison**

Vice-President Resident in Regina  
1800 Scarth Street,  
Regina, Saskatchewan  
**C. L. Wittman**

## **Alberta Division**

140 Eighth Avenue West,  
Calgary, Alberta

Senior Vice-President  
**R. J. Kayser**

## **British Columbia Division**

640 Pender Street West,  
Vancouver, B.C.

Senior Vice-President  
**A. J. Ellis**

Vice-President and Manager  
Main Vancouver Branch,  
500-520 Granville St.  
Vancouver 2, B.C.  
**W. Forsyth**

# International Banking

## International Banking Offices

### Canada

**International Banking Ontario,**  
Board of Trade Building,  
11 Adelaide Street West,  
Toronto, Ont.

Senior Manager,  
**L. W. Softley**

### United Kingdom

**London – Main Office**  
47 Threadneedle Street,  
London, E.C. 2.

Vice-President for the  
United Kingdom  
and Manager  
London Main Office,  
**A. S. C. Black**

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

Manager,  
**W. D. James**

### United States

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

Chief Agent,  
**J. A. Horton**

## Subsidiary Companies

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

President,  
**J. A. Horton**

**Bank of Montreal (California)**  
425 California Street,  
San Francisco 94104.

President,  
**H. M. Stuart, Jr.**

**Branches**  
San Francisco Branch,  
333 California Street,  
San Francisco 94104.

Los Angeles Branch,  
508 South Spring Street,  
Los Angeles 90013.

Sacramento Branch,  
812 J Street,  
Sacramento 95814.

## Branches – Continued

San Diego Branch,  
257 C Street,  
San Diego, Calif. 92101.

### Directors:

**Bank of Montreal (California)**

Resident in  
San Francisco:  
**R. D. Mackenzie**  
**H. M. Stuart, Jr.,** (President)  
**Donald Watson**

Resident in Los Angeles:  
**John R. Mage**  
**Nathaniel Paschall**

Resident in Vancouver:  
**Harold S. Foley**

Resident in Montreal:  
**P. R. Shaddick**  
**J. L. Walker**

**Bank of Montreal (Bahamas & Caribbean) Ltd.**  
Harrison Building,  
King and George Streets,  
P.O. Box 6280 M.S.,  
Nassau, Bahamas.

Managing Director  
**R. B. Higgins**

**Branches**  
Harrison Building,  
King and George Streets,  
P.O. Box 6280 M.S.,  
Nassau, Bahamas.

Churchill Building West,  
P.O. Box F2608,  
Freeport, Bahamas.

**Bank of Montreal Jamaica Ltd.**  
111-115 Harbour Street,  
Kingston, Jamaica.

General Manager,  
**W. L. Jones**

**Branches**  
111-115 Harbour Street,  
Kingston, Jamaica.

13½ Constant Spring Road,  
P.O. Box 121,  
Half Way Tree, Jamaica.

**Hochelaga Holdings N.V.**  
Carlton House  
Vijzelstraat 2-18,  
Amsterdam.

President and  
Managing Director,  
**C. E. Noblet**

## Representative Offices

### Continental Europe

**France**  
Paris – 10 Place Vendôme,  
Paris 1er.

Representative,  
**A. Gibeault**

**Federal Republic of Germany**  
Düsseldorf – Königsallee 6.

Representative,  
**J. Kelderman**

**Italy**  
Milan – 7 via San Paolo.

Representative,  
**J. P. Robillard**

**The Netherlands**  
Carlton House,  
Vijzelstraat 2-18,  
Amsterdam.

Representative,  
**C. E. Noblet**

### United States

**New York, N.Y.**  
Two Wall Street,  
New York 10005.

Representative,  
**G. M. G. Johnstone**

**Chicago, Ill.**  
Suite 2700,  
Board of Trade Building,  
141 West Jackson Blvd.,  
Chicago 60604.

Representatives,  
**H. C. Bugden**  
**T. A. O'Donnell**

**Houston, Texas,**  
Suite 413,  
1021 Main Street,  
Houston 77002.

Representative,  
**W. H. Moise**

**Los Angeles, Calif.,**  
Suite 931,  
510 South Spring Street,  
Los Angeles 90013.

Representative,  
**J. D. Gilmour**

## Latin America

**Argentina**  
Palacio de Sociedades  
Anonimas,  
Florida 1,  
Buenos Aires.

Representative,  
**A. Racedo**

**Mexico**  
Avenida Isabel  
la Catolica 43-401  
Mexico 1, D.F.

Representative,  
**Dr. Luis A. Gonzalez**

### Australia

Dalgaty House,  
461 Bourke Street,  
Melbourne.

Representative,  
**W. H. Hill**

### Far East

**Japan**  
Tokyo – New Tokyo Building,  
Room 419, No. 2, 3-chome,  
Marunouchi, Chiyoda-ku,  
Tokyo 100.

Representative,  
**P. A. Blamar**

**Hong Kong**  
St. George's Building,  
2, Ice House Street,  
Hong Kong.

Representative,  
**H. C. Hartmann**

## Affiliated Companies

**Australian International Finance Corporation,**  
Head Office, Dalgaty House,  
461 Bourke Street,  
Melbourne, Australia.

**Banque Transatlantique,**  
17 Boulevard Haussmann,  
Paris, France.

**Joh. Berenberg, Gossler & Co.,**  
Neuer Jungfernstieg 20,  
2000 Hamburg 36,  
Federal Republic of Germany.

**Montfield Trust Co.,**  
Head Office,  
Hamilton, Bermuda.





