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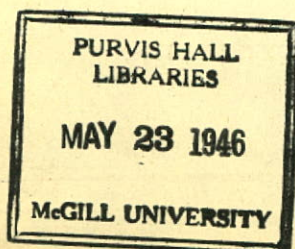
1927

# BANK OF MONTREAL

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ANNUAL GENERAL MEETING

HELD 5TH DECEMBER, 1927



The 110th Annual General Meeting of the shareholders of the Bank of Montreal was held on the 5th December, 1927, in the Board Room at the Bank's Headquarters.

Among those present were: G. G. Adam, D. Forbes Angus, G. E. Armstrong, M.D., Arthur Barry, S. M. Baylis, E. W. Beatty, K.C., J. W. Benning, W. B. Blackader, W. A. Bog, Arthur Browning, W. W. Bruce, R. E. Buzzell, P. F. Casgrain, K.C., G. Rutherford Caverhill, W. R. Chenoweth, C. W. Chesterton, D. R. Clarke, F. J. Cockburn, The Hon. Henry Cockshutt, T. J. Coonan, W. R. Creighton, D. E. Crutchlow, Gen. Sir Arthur Currie, G.C.M.G., K.C.B., J. H. David, K.C., W. H. R. Denman, Jackson Dodds, The Right Hon. C. J. Doherty, H. R. Drummond, C. F. Fisher, A. B. Foster, Geo. B. Foster, The Hon. G. G. Foster, K.C., G. B. Fraser, Aime Geoffrion, K.C., Sir Chas. Gordon, G.B.E., The Hon. Sir Lomer Gouin, K.C.M.G., John Hamilton, William Hanson, S. Hart, James E. Hayden, Zephirin Hebert, W. H. Hogg, R. P. Jellett, Henri Jonas, L. Julien, M. H. Gault, P. H. Gault, Harold Kennedy, J. M. Kilbourn, A. G. Law, Hon. Rodolphe Lemieux, K.C., W. A. Leney, C. W. Lindsay, H. R. Little, H. B. Loucks, Wm. J. C. Meredith, Robertson Macculloch, Hartland B. MacDougall, George McDonald, C.A., C. H. Macfarlane, H. B. Mackenzie, J. W. McConnell, Ross H. McMaster, Wm. McMaster, F. E. Meredith, K.C., Sir Vincent Meredith, Bart., T. E. Merritt, Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., W. R. Miller, Lt.-Col. Herbert Molson, C.M.G., M.C., Frederick W. Molson, D. J. Munn, Maj. S. C. Norsworthy, D.S.O., M.C., G. L. Ogilvie, W. T. Oliver, A. G. Parker, John Paterson, C.A., A. B. Patterson, C. J. Patton, M.D., A. M. Peters, W. A. Ralston, H. E. Rawlings, Kenneth G. Rea, W. H. Robinson, James Rodger, J. W. Ross, O. R. Rowley, O. R. Sharp, F. J. Shepherd, M.D., G. R. H. Sims, A. C. Skelton, J. W. Spears, G. W. Spinney, A. K. Starke, J. T. Stevens, Gordon Strathay, Jas. Stewart, W. M. Stewart, Arthur Terroux, R. Thompson, S. A. A. Watt, R. A. Whitney, Sir Frederick Williams-Taylor.

On motion of Sir Charles Gordon, G.B.E., Sir Vincent Meredith, Bart., was requested to take the chair.

Mr. H. R. Drummond moved, seconded by Mr. H. E. Rawlings, that Mr. Hartland B. MacDougall and Mr. W. R. Miller be appointed to act as scrutineers, and that Mr. C. H. Cronyn be the secretary of the meeting. This was carried unanimously.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the annual report of the Directors to the Shareholders at their 110th Annual General Meeting, held on Monday, December 5th, 1927.

#### THE ANNUAL REPORT

The Directors have pleasure in presenting the Report showing the result of the Bank's business for the year ended 31st October, 1927.

#### PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th October, 1926.....	\$ 767,416.69
Profits for the year ended 31st October, 1927, after deducting charges of management, and making full provision for all bad and doubtful debts.....	5,299,887.62
	<u>\$6,067,304.31</u>
Quarterly Dividend 3 per cent. paid 1st March, 1927.....	\$ 897,501.00
Quarterly Dividend 3 per cent. paid 1st June, 1927.....	897,501.00
Quarterly Dividend 3 per cent. paid 1st Sept., 1927.....	897,501.00
Quarterly Dividend 3 per cent. payable 1st Dec., 1927.....	897,501.00
Bonus 2 per cent. payable 1st Dec., 1927.....	598,334.00
	<u>\$4,188,338.00</u>
Provision for Taxes Dominion Government.....	374,167.00
Reservation for Bank Premises.....	350,000.00
	<u>4,912,505.00</u>
	<u>\$1,154,799.31</u>
Transferred to Rest Account.....	1,000,000.00
	<u>\$ 154,799.31</u>

(Signed) VINCENT MEREDITH,  
*President.*

(Signed) FREDERICK WILLIAMS-TAYLOR,  
*General Manager.*

Since the last Annual Meeting, offices were opened at eleven points and closed at five points throughout the Dominion.

On 17th December last, The Right Honourable Lord Strathcona and Mount Royal was appointed a member of the London Advisory Committee.

The Directors have to record, with deep regret, the death of their late valued colleague, Mr. C. R. Hosmer, a member of the Board since 1908.

On 12th April the name of our San Francisco subsidiary was changed from "British American Bank" to "Bank of Montreal (San Francisco)."

During the past year The Montreal Company of New York, Inc., was established for the purpose of engaging in underwriting and distribution of investment securities. It was incorporated under the Laws of the State of New York.

All the offices of the Bank, including the Head Office, have been inspected during the year.

(Signed) VINCENT MEREDITH,  
*President.*



## THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1927, was read as follows:—

LIABILITIES		
Capital Stock .....		\$29,916,700.00
Rest .....	\$30,916,700.00	
Balance of Profits carried forward .....	154,799.31	
	<u>\$31,071,499.31</u>	
Unclaimed Dividends .....	13,598.07	
Quarterly Dividend, payable 1st December, 1927 .....	897,501.00	
Bonus of 2% payable 1st December, 1927 .....	598,334.00	
		<u>32,580,932.38</u>
		<u>\$62,497,632.38</u>
Notes of the Bank in circulation .....	\$45,760,677.50	
Deposits not bearing interest .....	161,060,362.03	
Deposits bearing interest, including interest accrued to date of statement .....	539,166,919.51	
Deposits made by and Balances due to other Banks in Canada .....	2,363,396.44	
Balances due to Banks and Banking Correspondents elsewhere than in Canada .....	6,589,020.49	
Bills Payable .....	751,540.37	
		<u>755,691,916.34</u>
Letters of Credit outstanding .....		12,206,355.96
Liabilities not included in the foregoing .....		<u>1,153,063.22</u>
		<u>\$831,548,967.90</u>
ASSETS		
Gold and Subsidiary coin current .....	\$38,400,252.58	
Dominion notes .....	50,552,958.75	
Deposit in the Central Gold Reserves .....	19,000,000.00	
Deposits made with and Balances due from other Banks in Canada .....	\$ 49,707.88	
Balances due by Banks and Banking Correspondents elsewhere than in Canada .....	15,792,751.64	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover .....	29,719,404.93	
Call and Short (not exceeding thirty days) Loans in Great Britain and United States on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover .....	151,381,604.16	
		<u>196,943,468.61</u>
Dominion and Provincial Government Securities not exceeding market value .....	86,760,587.30	
Railway and other Bonds, Debentures and Stocks not exceeding market value .....	5,344,028.16	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value .....	32,963,446.96	
Notes of other Banks .....	4,207,454.00	
United States and other foreign currencies .....	905,579.89	
Cheques on other Banks .....	46,919,138.96	
		<u>\$481,996,915.21</u>
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts .....	255,155,693.56	
Loans to Cities, Towns, Municipalities and School Districts .....	16,657,162.95	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts .....	45,628,393.70	
Non-current Loans, estimated loss provided for .....	2,046,424.33	
		<u>319,487,674.54</u>
Bank Premises at not more than cost (less amounts written off) .....	11,550,000.00	
Real Estate other than Bank Premises .....	726,528.96	
Mortgages on Real Estate sold by the Bank .....	1,193,393.42	
Liabilities of Customers under Letters of Credit (as per Contra) .....	12,206,355.96	
Deposit with the Minister for the purposes of the Circulation Fund .....	1,463,197.60	
Shares of and loans to controlled companies .....	2,466,996.36	
Other Assets not included in the foregoing .....	457,905.85	
		<u>\$831,548,967.90</u>

NOTE.—The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above General Statement.

NOTE.—Bonds of the Merchants Realty Corporation to the extent of \$2,106,000.00 secured on premises leased to the Bank, are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

VINCENT MEREDITH,  
*President.*

FREDERICK WILLIAMS-TAYLOR,  
*General Manager.*

### TO THE SHAREHOLDERS OF THE BANK OF MONTREAL.

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise at various dates throughout the year, checked the cash and verified the securities at several important Branches.

We have to report that (a) we have obtained all the information and explanations we have required; (b) subject to the judgment to be rendered in a suit taken by John Hamilton, Boswell's Limited and Jeffrey Hale's Hospital, of the City of Quebec, which is now pending, in which the power of the Bank, to make a donation of \$200,000 (\$50,000 paid and the balance payable over three years, which has been provided for) to the Royal Victoria Hospital, the Royal Victoria Maternity, the Montreal General and Western General Hospitals, Montreal Joint Campaign Fund, is challenged, in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above Statement discloses the true condition of the Bank and it is as shown by the books of the Bank.

JAMES HUTCHISON, C.A.,  
of the firm of Riddell, Stead, Graham & Hutchison.  
GEORGE C. McDONALD, C.A.,  
of the firm of McDonald, Currie & Co. } Auditors.

MONTREAL, 23rd Nov., 1927.



# HOCHELAGA REALTY AND DEVELOPMENT COMPANY

## Balance Sheet as at 31st October, 1927

ASSETS		LIABILITIES	
Cash in Bank.....	\$ 10,416.09	Capital Stock.....	\$ 10,000.00
Accounts Receivable.....	2,816.70		
Buildings, Real Estate, etc., 64-68 Wall Street, New York, less depreciation.....	1,204,030.60	Debenture Bonds.....	1,220,000.00
Profit and Loss Account Balance.....	70,488.60	Accounts Payable.....	818.67
	<u>\$1,287,751.99</u>	Bond Interest Payable and Accrued.....	56,933.32
			<u>\$1,287,751.99</u>

### NOTE:—

The Company was granted corporate existence by the State of New York on the 27th May, 1909. The object of its formation was to enable the Bank to hold title to real estate in New York City. The Capital Stock and Bonds are entirely owned by the Bank and appear on its books at a nominal value of \$1.00.

MONTREAL, 16th NOVEMBER, 1927.

### Auditor's Report.

We have examined the Books and Accounts of the Hochelaga Realty and Development Company, and certify that, in our opinion, the above Balance Sheet is drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st October, 1927, according to the best of our information, the explanations given to us, and as shown by the Books of the Company. We have obtained all the information and explanations required.

(Signed)

JAMES HUTCHISON, C.A.,  
GEORGE C. McDONALD, C.A.,  
Auditors.

# THE LAND SECURITIES COMPANY OF CANADA, LIMITED

## Balance Sheet as at 31st October, 1927

ASSETS		LIABILITIES	
Investments and Advances less Reserves.....	\$276,543.86	Reserves for Commissions, etc.....	\$ 3,791.88
Accrued Interest considered good.....	2,055.03	Bank Loans.....	327,000.00
Cash in Bank of Montreal.....	2,680.78	Capital Stock.....	\$200,000.00
		Profit and Loss Debit Balance.....	249,512.21
	<u>\$281,279.67</u>		*49,512.21
			<u>\$281,279.67</u>

\*Deduction.

### NOTE:

The Land Securities Company of Canada Limited was formed in 1893 by The Merchants Bank of Canada to facilitate the liquidation of properties falling into its hands from time to time under mortgages and other securities taken in the course of its business.

The Company is now being liquidated as rapidly as possible consistent with obtaining fair prices for its assets, no further properties being taken into its operations.

The Capital Stock is entirely owned by the Bank and the shares appear in its books at a nominal value of \$1.00, and a specific reserve of \$50,000 is also held for this Company.

H. B. MACKENZIE, Director.  
R. P. JELLETT, Director.

MONTREAL, 23rd NOVEMBER, 1927.

### Auditors' Report

We have examined the Books and Accounts of The Land Securities Company of Canada, Limited, and certify that, in our opinion, the above Balance Sheet is drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st October, 1927, according to the best of our information, the explanations given to us, and as shown by the Books of the Company. We have obtained all the information and explanations required.

(Signed)

JAMES HUTCHISON, C.A.,  
GEORGE C. McDONALD, C.A.,  
Auditors.

# THE MERCHANTS REALTY CORPORATION LIMITED

## Balance Sheet as at 31st October, 1927

ASSETS		LIABILITIES	
Real Estate and Properties less Reserves.....	\$5,896,886.81	Capital Stock—Authorized and Issued 20,000 Shs. of \$100 ea.	\$2,000,000.00
Less Balance due in respect of properties purchased.....	605,686.81	6% First Mortgage Bonds—Authorized and Issued.....	\$4,000,000.00
	5,291,200.00	Less Redeemed.....	640,000.00
Balances due on Sales of Properties.....	48,800.00	Interest accrued.....	3,360,000.00
Cash in Bank.....	360.00		50,760.00
Accrued Rentals.....	70,400.00		
	<u>\$5,410,760.00</u>		<u>\$5,410,760.00</u>

### NOTE:—

The Merchants Realty Corporation, Limited, was incorporated by The Merchants Bank of Canada in 1920. The original amount of bonds authorized was \$4,000,000. There are still \$3,360,000 outstanding of which \$2,106,000 are in the hands of the public. The balance, \$1,254,000, is held on the books of the Bank at par, and the amount is included in the heading "Shares of and Loans to controlled companies." The Capital Stock is entirely owned by the Bank and is carried on the books at "Nil."

FREDERICK WILLIAMS-TAYLOR, Director.  
C. W. DEAN, Director.

MONTREAL, 11th NOVEMBER, 1927.

### Auditors' Report

We have examined the Books and Accounts of The Merchants Realty Corporation, Limited, for the year ended 31st October, 1927, and we certify that, in our opinion, the above Balance Sheet is correctly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs at 31st October, 1927, according to the best of our information, the explanations given to us, and as shown by the Books of the Corporation. We have received all the information and explanations required.

(Signed)

JAMES HUTCHISON, C.A.,  
GEORGE C. McDONALD, C.A.,  
Auditors.



# COMPANIA TERRITORIAL MEXICANA S. A. EN LIQUIDACION

## Balance Sheet as at 31st October, 1927

ASSETS		LIABILITIES	
	Mexican Pesos		Mexican Pesos
Real Estate.....	\$ 323,905.03	Capital Stock.....	\$ 50,000.00
Mortgages.....	537,808.14	Mortgage.....	30,000.00
Machinery.....	11,963.36	Bank of Montreal.....	858,127.80
Bonds and Shares.....	21,765.00		
Accounts Receivable.....	15,121.02		
Cash on hand.....	50.00		
Profit and Loss Account Balance.....	27,515.25		
	<u>\$938,127.80</u>		<u>\$938,127.80</u>

**NOTE:—** This Company was formed by the Bank fourteen years ago to assist in the realization of certain assets taken over by the Bank at that time. The Company is in course of liquidation.

The Capital Stock is entirely owned by the Bank and the shares appear on its books at a nominal value of \$1.00

MONTREAL, 23rd NOVEMBER, 1927.

### Auditors' Report

The Company's authorized period of operations has expired and at a Meeting held on June 10th, 1924, the Shareholders resolved to voluntarily liquidate the Company.

We have examined the above Balance Sheet with the Books, Title Deeds and other documents submitted to us of the Compania Territorial Mexicana, S.A. (in liquidation) and we certify that it is in accordance therewith.

The Real Estate, Bonds of the Pan-American Railway Company and Shares of the American Book and Printing Company are carried at cost, but we are unable to say if this figure will be realized.

From the information given to us, we are of opinion that the Mortgages and Book Debts are worth the amounts at which they are carried. There is an unrecorded Liability of \$14,400.00 Pesos in respect of the Shares of the Cia. de Terrenos de Churubusco, S.A.

(Signed)

JAMES HUTCHISON, C.A.,  
GEORGE C. McDONALD, C.A.,  
Auditors.

# THE ST. JAMES LAND COMPANY, LIMITED

## Balance Sheet as at 31st October, 1927

ASSETS		LIABILITIES	
*To rights of the Company in an emplacement conveyed to Insurance Exchange Corporation, Limited, by a 99 years' lease (emphyteutic lease) and in the building thereon constructed by Insurance Exchange Corporation, Limited, as at 29th September, 1923.....	\$222,396.95	Capital Stock:—	
Expended on the building to date.....	94,808.19	Authorized and Issued 200 shares of \$100 each.....	\$ 20,000.00
	<u>\$317,205.14</u>	Capital Surplus.....	180,000.00
	<u>\$317,205.14</u>	Due the Bank of Montreal.....	117,205.14
			<u>\$317,205.14</u>

**\*NOTE:—** The St. James Land Company's rights in the above described emplacement and building have been hypothecated by the St. James Land Company, Limited, to the extent of \$440,000 to secure bonds of Insurance Exchange Corporation, Limited, for the payment of which amount the St. James Land Company, Limited, is not personally liable. The Capital Stock is entirely owned by the Bank.

C. H. CRONYN, Director.  
THOMAS CARLISLE, Director.

MONTREAL, 17th NOVEMBER, 1927.

### Auditors' Report

We have examined the Books and Accounts of The St. James Land Company, Limited, for the period ended 31st October, 1927, and we certify that, in our opinion, the above Balance Sheet is drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st October, 1927, according to the best of our information, the explanations given to us, and as shown by the Books of the Company. We have obtained all the information and explanations required.

(Signed)

JAMES HUTCHISON, C.A.,  
GEORGE C. McDONALD, C.A.,  
Auditors.

# THE MONTREAL COMPANY OF NEW YORK, INC.

## Balance Sheet as at 31st October, 1927

ASSETS		LIABILITIES	
Cash in Bank.....	\$ 20,981.11	Bank Loan.....	\$330,000.00
Investments at Market Value.....	469,237.25	Due to Sundry Clients, including Reserve for Federal Taxes..	21,467.47
Accrued Interest on Investments.....	6,131.96	Capital:	
Advances to Clients against Securities.....	15,319.91	Authorized and Issued 1,000 shares of \$100 fully paid up.....	\$100,000.00
	<u>\$511,670.23</u>	Surplus Account.....	60,202.76
			<u>\$160,202.76</u>
			<u>\$511,670.23</u>

**NOTE:—**

There is a Contingent Liability for Syndicate Participations amounting to \$250,000.00.

**NOTE:—**

This Company was granted corporate existence by the State of New York in December, 1926. It was formed for the purpose of engaging in the underwriting and distribution of investment securities. The Capital Stock is entirely owned by the Bank.

MONTREAL, 16th NOVEMBER, 1927.

### Auditors' Report

We have examined the Books and Accounts of The Montreal Company of New York, Inc., and certify that, in our opinion, the above Balance Sheet is drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st October, 1927, according to the best of our information, the explanations given to us, and as shown by the Books of the Company. We have obtained all the information and explanations required.

(Signed)

JAMES HUTCHISON, C.A.,  
GEORGE C. McDONALD, C.A.,  
Auditors.



## THE PRESIDENT'S ADDRESS

Before moving the adoption of the Report, it is customary for me to make a few remarks.

I feel I cannot pass on to the general business of the meeting without first referring to the loss the Bank recently sustained by the death of Mr. C. R. Hosmer, our valued colleague and friend, who, for the past nineteen years, had been a Director of the Bank.

The courteous kindness of his character endeared him to all his friends and acquaintances and inspired a real affection in his colleagues.

By reason of his public and commercial activities, Mr. Hosmer possessed a special knowledge of affairs and rendered valuable services to the Bank over a long term of years.

## A SATISFACTORY YEAR

It is a pleasure to report that your Bank has had another satisfactory year. The increase in our commercial loans has been gratifying, notwithstanding the fact that many of our important borrowers have taken advantage of present money market conditions to fund their indebtedness by issuing to the public long-term obligations at a low rate of interest.

The Banks of Canada have a combined Capital and Rest of \$253,608,000, which is more than ample to take care of the demands of our present population of 9,389,300. The excess of capital over Canadian business requirements is so great that we are obliged to employ in New York and abroad large sums that would otherwise be idle. It is not your Directors' intention, therefore, to increase the Capital Stock of the Bank at the present time but rather to strengthen our Rest Account, and with this in view, we are transferring \$1,000,000 from Profit and Loss Account, bringing the Rest Account up to \$30,916,700.

Your Directors have donated the sum of \$200,000, spread over four years, to the fund recently so generously subscribed by the people of Montreal for those most deserving charities, the Royal Victoria Hospital, Royal Victoria-Montreal Maternity Hospital, Montreal General Hospital and Western Hospital, in order to provide for loss in operation over a period of years and make provision for necessary facilities to meet the growing demands of the city. The assistance promised by the Province of Quebec will, it is hoped, provide for these recurring deficits in the future.

## GENERAL BUSINESS CONDITIONS

Trade conditions in Canada during the year have been active, and while there is still keen competition in many lines, balance sheets generally show satisfactory profits. Manifold evidence supports this statement. Bank debits, bank clearings, bank deposits, car loadings, railway gross earnings, imports, note circulation and lower mercantile mortality all reveal that the tide of business has risen during the year.

Speaking generally, manufacturing industries thrive; textile mills are fully employed; iron and steel operators continue to face strong competition from abroad, as an increasing volume of imports attests; the lumber trade shows a slight improvement; newsprint output increases; production of footwear is larger and the industry is in better state; the manufacture of motor cars has slightly diminished, but in the first nine months of the year 161,583 cars were turned out, having a value of \$105,179,000, or practically the same as in the like period of last year, though the number of cars was 700 less.

I see no reason why an abatement of confidence in the continuance of these prosperous conditions need be apprehended.

A comparatively new feature in the business of banking, owing to the large amount of securities, both foreign and domestic, that are being distributed to investors, is the establishment of Securities Departments by the larger Banks both here and abroad.

Our Securities Department facilitates the operation of our Bond and Investment House clients and broadens our service to the public. Loans to Bond Houses have reached considerable proportions, but as they are properly safeguarded, they represent desirable business.

The state of agriculture is the barometer of business. In a country of wide area such as Canada, meteorological conditions vary, as in the past season, yet despite a cool, wet spring, which delayed seeding, a good harvest was reaped. The wheat crop of the Western provinces was considerably in excess of 400,000,000 bushels from a seeded area half a million acres less than in 1926. In quantity this yield has been exceeded only once—in 1923. Alberta, favoured with abundant rainfall, produced a great crop of wheat and oats, supplying the whole of the increase in the former cereal for all Canada, though Saskatchewan still holds the premier place as principal grain producer of the provinces. Without going into detail, it may be said in general terms that the farmers the country over were well rewarded for their labour last season. Some crops ran substantially above average, and the bountiful harvest supplies the means of maintained business activity. Canada will continue to rank as the principal wheat exporting country of the world.

In this connection, it may be remarked that the lot of Canadian farmers has been much improved in the last three or four years. A succession of abundant harvests, marketed at fair prices, conjoined with receding cost of other commodities, has largely closed the gap of prices between what the farmer buys and what he sells and so has moderated the one-time prevalent agricultural discontent.

## FOREIGN CAPITAL

Capital continues to flow freely into Canada from New York, where, it is estimated, \$300,000,000 of Canadian securities will this year have been marketed, only a fraction of which represented refunding. Canadian governmental and municipal bonds have long had a receptive market in New York, and industrial and hydro-electric power corporations are now able to borrow there at relatively low rates of interest. This introduction of foreign capital accelerates industrial development, while having a favourable bearing on the exchange market, and although interest and dividend remittances on the borrowings may otherwise operate, the process is, on the whole, advantageous. The emission of securities in Canada has also been large and their absorption readily made.

The newsprint industry has had astonishing expansion in recent years, and of the building of new plants there is yet no end. Price stability and maintained consumption have given profit to producers, but signs grow stronger that the point of saturation is approaching, if indeed it has not already been reached. Canada is now the principal pulp and newsprint producer of the world, a position not likely to be lost in the near future. In the first nine months of this year export of newsprint rose to \$94,715,000 from \$88,719,000 in the corresponding period last year, while that of pulp fell to \$35,331,000 from \$38,371,000. These figures are satisfactory as indicating lesser export of raw material and growth of manufacture in Canada of the finished article. A year ago, however, Canadian newsprint mills were working at practically 100 per cent. capacity; their operated capacity has since fallen to little more than 80 per cent., by reason of erection of



new and enlargement of old plants, and it is this feature which prompts the view that the saturation point is not remote.

The mining industry continues to expand.

### IMMIGRATION

Immigration, while still somewhat obstinately slow, is this year larger than last and of good quality. Emigration has not been stopped, nor can it ever be, but it has been checked, fewer of our people now trekking across the border. Holding natural increase and adding thereto 150,000 to 200,000 immigrants yearly appears to be about the best result of our efforts presently to be expected. The problem of keeping people on the land persists.

The extent of building operations has been notable. In the first nine months permits issued represented a value of \$142,019,000, an increase of \$22,000,000 over the corresponding period in 1926; the figures being compiled from the returns of sixty-three Canadian cities. No lull in activity is apparent other than seasonal. The erection of dwellings keeps pace with that of commercial and other edifices, giving employment to labour and a market for many commodities other than builders' hardware. Increase of population and trade, as well as better housing of the people, is indicated by the figures.

### SPECULATION

Widespread speculation is no new experience in periods of prosperity. The painfully learned lesson of losses is soon forgotten and a newer generation profits little from the past. Human nature being what it is, admonition is very apt to be futile, but I cannot refrain from expressing my conviction that too great indulgence in speculative ventures is fraught with danger to business stability.

### FOREIGN TRADE

The foreign trade of Canada continues to expand both in volume and value. In the seven months to October 31st this commerce amounted to \$1,312,000,000, being an increase of \$21,650,000 over the corresponding period last year. Recovery from the inflation period has been constant to the point that this year our imports and exports have been \$458,000,000 larger in value than in 1920, an increase of more than 50%. To this recovery much of the prevailing prosperity may be traced, and to this recovery agricultural production and pulp and paper output have mainly contributed. Per capita, Canada now stands almost in the van of nations in respect of foreign commerce. The balance of trade, although considerably reduced, remains in favour of Canada.

### THE RAILWAYS

It is trite to say that railways are the arteries of a country's commerce and that unless railways are permitted to impose carriage charges adequate to maintain efficiency of operation and to yield a reasonable recompense to their proprietors, commerce will be impeded in movement, to the prejudice of producers.

### BUSINESS IN THE UNITED STATES

The present prosperity of the United States seems based on a sound foundation, and though the marked upward trend of business prevailing the last two years has eased off, there are definite indications that the reasonably satisfactory conditions that now obtain will be maintained and that further moderate growth may be expected. It is not a prosperity as bounteous as that witnessed last year, when industrial activity was at its peak, but it is a

more widespread prosperity. It is a significant point that profits of large business concerns are for the most part on a more moderate scale than those enjoyed in 1926.

The banking situation, it is agreed, is sound; agricultural conditions are better and the farmer has much improved his position; labour is as well or better off than it has been at any time in the country's history, and business activity, though it has declined from its peak level, has receded in an orderly manner.

Certain elements in the present situation are rather less favourable than they might be, in that autumn business has not measured up to earlier expectations, but there has been in recent weeks evidence of an improved situation. An ample supply of investment funds, due in part at least to a slackening in business activity, coupled with a decline in commodity prices, has resulted in a marked rise in the prices of stocks and bonds. At the same time the country, in addition to providing all needed new capital at home, is now a substantial lender abroad. The credit situation maintains a comfortable position, over which the Federal Reserve System has exercised a strong influence. Gratifying increases are shown in the savings departments of the banks of the country and the national income of the people has increased 40% over 1914.

### CONDITIONS IN EUROPE

In speaking of European affairs a year ago, I recorded a general favourable advance towards more normal conditions, and this movement is progressing steadily. The aid rendered to impoverished countries by means of foreign credits is restoring their economic life, which must in course of time make for improvement in world trade. There still remain to be solved many problems of vital importance to the economic and financial well-being of nations, not the least important being the question of trade barriers, which subject has been receiving the attention of an international conference at Geneva.

In Great Britain, one outstanding feature is the strength of the pound sterling in terms of the American dollar at this, a period of the year when the reverse is usually the case. One reason for this is that the United States is itself financing to a considerable extent its exports of grain and cotton, while the withdrawal of proceeds of foreign borrowings in New York and the transfer of balances to London because of the more attractive rates prevailing in that centre, are contributory factors.

There would appear to be clear indications of a persistent, if slow, improvement in business conditions in Great Britain, and while overseas trade figures still show a heavy visible adverse balance, they have revealed a more hopeful trend in recent months. The basic industries of the country, such as coal, cotton, and iron and steel, are still operating on an uneconomic basis, but other branches, such as shipbuilding and the newer industries, the motor and electrical trades and artificial silk, are making substantial progress.

Generally speaking, Great Britain has made a wonderful recovery from the devastating effects of the coal strike last year. What is of paramount importance is continued freedom from industrial strife, and, fortunately, there is growing evidence of an earnest disposition on the part of employers and employed towards co-operation to this end.

Conditions in France during the past year have been somewhat involved. The financial position of the Government has been materially improved by a balanced budget and the consolidation of a large part of the country's floating and short term indebtedness. On the other hand, commercial and industrial enterprises have shown less prosperity than in the immediately



preceding years, foreign trade having been curtailed by the appreciation and comparative stability of the national currency. This situation is likely to obtain until after the elections in May next. A happy outlook for better relations with Germany is found in the recently arranged commercial treaty and the withdrawal of a large part of the Army of Occupation.

Foreign balances at the disposal of the French Government through the Bank of France, amounting to nearly one thousand million dollars, operate as a safeguard against speculative attack on the exchange.

Legal stabilization of the franc, being linked to a great extent with settlement of war debts, imposes a problem very difficult of solution.

The sixtieth anniversary of Confederation, and the hundred and tenth anniversary of the Bank, happily coincide with general prosperity. This anniversary of Confederation has deepened the national consciousness and helped to confirm Canada's place in the world. My hope and trust is that the great inheritance given the Canadian people will be worthily employed and that our country, growing in unity and strength, will attain a yet more lofty place in the British Commonwealth of Nations.

### THE GENERAL MANAGER'S ADDRESS

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address as follows:

Mr. Chairman and Gentlemen:—

You have before you the one hundred and tenth annual balance sheet of the Bank.

In accordance with custom, let me comment briefly on the principal changes therein and the more important factors in the trade and economic situation bearing on our year's business.

First, then,—in two fundamental respects, earning power and liquid strength of resources, our position continues highly satisfactory. Never have we been better prepared to care for all the normal needs of the public and to meet any business or financial exigency.

At the close of our bank year, total assets stood at \$831,500,000, and of this amount \$481,900,000 was in liquid form—cash, call loans, securities, or other items readily realizable. These quick assets equal 63.78% of our total liabilities to the public, and this reflects the usual position in which your Bank is maintained.

Our commercial loans in Canada have increased by about \$3,000,000 and now stand at \$255,100,000. Many of our largest industrial customers, owing to their strong liquid position, need less banking accommodation from us than heretofore; also, certain loans of a special nature which appeared upon our books last year have in the interim been paid, being replaced by advances more widely spread,—an indication of greater business activity in the country generally. The total commercial loans of all Canadian banks at the end of September, the latest figures available, aggregated \$1,035,800,000.

Our deposits total \$709,100,000, an increase of \$52,900,000 from the corresponding date last year. While much of this represents deposits of a commercial and special nature, a goodly portion of the increase has occurred in our Savings Department, showing both widespread prosperity and continued public confidence in the Bank of Montreal.

As a sign of this country's growing capital resources,—the deposits payable after notice in all banks exceed the total commer-

cial loans by 360 millions, whereas 15 years ago these loans exceeded such deposits by 219 millions.

It is interesting to note that the loans and advances by all Canadian banks to-day represent 46% of total assets.

Our note circulation, at \$45,700,000, is approximately the same as last year.

Our bank premises account is lower by \$250,000 than a year ago. Alterations and new buildings have been paid for out of profits as usual.

### PROFITS AND BANKING SERVICE

Regarding profits, which, as before indicated, have been satisfactory, the view is sometimes expressed that bank profits are large, but they are certainly not excessive in proportion to the capital employed. To cite our own case, we employ a reserve fund one million dollars greater than our paid-up capital. This reserve fund, the property of the shareholders, represents in part the accumulation of undivided profits from the beginning of the Bank in 1817, and substantial premiums, ranging as high as \$87 per share, at which our stock has from time to time been issued. Our net profits represent earnings of 8.71% of combined capital and reserve. Incidentally, never in the history of Canadian banking has service to the customer been cheaper or more efficient, nor has competition been more keen.

I may add that in Canada the margin between the rate of interest paid on bank deposits and that obtained by the Bank in the employment of quick assets has been steadily declining for several years.

To epitomize,—the strength of the Bank has been maintained while dividends and bonus have been comfortably earned. Over and above these, however, we continue to fulfil two primary functions, safeguarding depositors' money, and at the same time keeping ever before us the preservation of Canada's financial prestige in this most important period of her development. In these matters we have a full appreciation of our obligations to the Canadian public.

Our offices in London, New York and Paris continue to function satisfactorily and provide a profitable, and indeed an indispensable, adjunct of the Bank's general operations. Incidentally, they give to Canadian visitors a service which many of our friends have been kind enough to commend most highly.

### MONETARY SITUATION ABROAD

In the London market the Bank of England discount rate was reduced from 5% to 4½% in April last, at which point it has remained, and the central institution has been successful in making this official minimum effective by maintaining control of the supply of credit through open market operations. This control has had the effect of stabilizing the market discount rate for three months bills at about 4-5/16%, and as short money has commanded a better rate than that ruling in New York, substantial balances have been transferred to London, to the benefit of the sterling-dollar exchange. The Bank of England plays such a large part in the financial life of England that the marked improvement in its position during the last few years commands attention. Since 1923 the Bank's reserve has increased by over 50%, bringing its ratio to liabilities up from about 19% to over 31%.

Apart from one or two industrial capital issues there have been no important Canadian emissions in the London market during the year, and so far as can be seen at present, Canadian provinces and municipalities will be able to borrow at home on more satisfactory terms for some time to come. In Paris the



monetary situation is extremely easy; short discounts are under 3%, and the dollar value of the franc has fluctuated within very narrow limits. In the United States, mounting gold importations have been an important factor in the situation, although the vast gold accumulation has not been used as a credit basis to the extent of creating undue inflation. A substantial portion of the surplus credit has found an outlet in public loans to domestic and foreign industries and governmental bodies. A persistent upward trend of security markets to new peaks has reflected to some extent the gradual easing of interest rates and the growing pressure of surplus funds seeking profitable investment. The call loan rate for the year averaged 4.19% as against 4.53% in 1926.

In Mexico our important business is under capable supervision. Owing to disturbed political conditions and to excessive rains which destroyed a large portion of the crops in various districts, business has faced a difficult year and trade is dull throughout the Republic.

Commercial failures in Canada for the year number 2,156, with liabilities of \$40,432,000. This compares with 2,285 failures with liabilities of \$33,871,000 in 1926.

Bank clearings, which are usually taken as a barometer of business, have been higher by 8% for the whole of Canada than a year ago. Bank debits, that is the total of items charged to customers' accounts, are an even better indicator, and these are 9% in excess of 1926.

### AN EXPANSIVE YEAR IN BUSINESS

Canada has attracted more than usual attention from the people of other lands this year, partly by the celebration of the Diamond Jubilee of Confederation and the opening of an international bridge between Buffalo and Fort Erie to commemorate the century of peace between Canada and her great neighbour. These happy events have coincided with the most expansive year in business enterprise that this country has ever known, and our many thousands of visitors must have carried away impressions that will enhance the prestige of the Dominion abroad and accrue to our advantage. Added to this, we can now with satisfaction claim that tourist travel—thanks to good hotels, good roads, and splendid railway and steamboat facilities—is increasing rapidly. Our revenue from tourists is estimated for the current year at over 200 millions of dollars, which may be compared with the sum of approximately 250 millions payable in interest by Canada annually on its foreign indebtedness.

In the sixty years since Confederation, a marvellous development has occurred in this country, and it is satisfactory to realize that the Bank's progress has kept pace with the progress of the Dominion. Here I might mention, for the benefit in particular of those abroad who are interested in Canada, that with the exception of two years a century ago, this Bank has paid dividends without interruption during the whole of its existence.

In the year of Confederation, 1867, the Bank had a paid-up capital of \$6,000,000, a reserve account of \$1,250,000, total assets amounting to \$19,700,000, and 29 branches. To-day our paid-up capital amounts to \$29,916,700, with a reserve account of \$30,916,700, and our assets amount to \$831,500,000, while our branches are in excess of six hundred.

### INDUSTRIAL DEVELOPMENT

I have referred to the past year as the most expansive in the country's commercial history. That Canadians have experi-

enced a greater degree of individual prosperity than ever before is, I think, undisputed. The high general level of employment, and the enhanced spending power of the people, are attributable to a succession of good harvests and to a great broadening of the basis of production. Until a few years ago Canada was best known abroad as an agricultural country, and outside capital sought investment here chiefly in government and municipal issues and in railway building to provide transportation for an ever-increasing agricultural area. To-day most of the largely increased capital coming in for investment is for industrial development. It is now fully recognized that Canada has the natural resources for the building up of a vast variety of indigenous industries, and is fitted by the character and spirit of her population to take an increasingly important place among the industrial nations of the world. The great expansion in recent years of mining and metallurgy, with their field now extending into agricultural Manitoba, and of the manufacture of pulp and paper, and those various fabrics commonly referred to as artificial silk, are spectacular instances. Scarcely less impressive is the great progress in a variety of other industries, for which the extraordinary development of hydro-electrical energy is providing the cheapest and most convenient of all motive powers. It is obvious, therefore, that whereas in earlier days we dwelt almost wholly upon our agricultural, fishery and forest resources when appraising our national wealth, we must now also take into account the country's untold wealth in water powers and in minerals.

### IMPORTANCE OF AGRICULTURE

We should not lose sight of the fact, however, that agriculture is still our great fundamental industry, its importance is only intensified by the increase in urban industries. Nor should we lose sight of the fact that wheat is the most valuable single item not only of our production but also of our export trade.

And, important as our agricultural industry is now, it is certain to have a vastly greater future, for we have many millions of fertile acres still untouched by the plough and only awaiting settlers to occupy them. No such opportunity for settlers exists elsewhere in the world to-day. The people we want are sure to come, and the filling up of our empty spaces will mean continual growth of agriculture for generations to come.

The total value of Canada's field crops this year is estimated at over \$1,000,000,000, and other farm products, based on the returns for previous years, may be estimated at \$700,000,000. Therefore the spending power of our farming classes, which may be put for this year at approximately \$1,700,000,000, is a factor of supreme importance in the economic life of the country.

This all has a direct bearing on the business of our Bank, for while this institution is taking its full part in the country's industrial awakening, its policy is now, as it always has been, to provide every possible assistance to agriculture.

I may add that the present year has witnessed the 50th anniversary of the establishment at Winnipeg of your Bank's first branch west of the Great Lakes. The confidence which the Bank showed in the potentialities of the Prairies at that early date has been more than justified, and evidence of our continuing faith is to be found in our present chain of 163 branches throughout the three Prairie Provinces.

Summing up, it may be said that the business situation in Canada was never more hopeful, though I should like to add that no good can come of discounting the future too far in advance. That is a tendency to which we as a people are prone, and a symptom of the same over-confidence that got us into trouble in the past.



The speculation now so much in evidence, to which your President has referred, is a direct reflection of this tendency. Speculation, like fever, is not a disease but a symptom, and, like many a fever, will probably cure itself. Experience suggests the wisdom of guarding against possible set-backs, whereas over-optimism carries with it the ever-present danger of a rude awakening.

Nevertheless, allowing for the swing of the pendulum and for the fact that we are living down our mistakes, Canada can with assurance look forward to a future undreamed-of by the Fathers of Confederation. Not in any spirit of boastfulness, but merely in calm appraisal of our country and its resources, may we not claim that we have all the attributes which go to make a mighty nation? We are blessed in our sturdy population, free from discord, far removed from war's alarms, with a summer climate unsurpassed in the universe, a winter climate that makes of us a hardy people, and lavish natural resources.

This appraisal being correct, we can, given prudent management of our public affairs, proceed upon our destined way with courage and enthusiasm.

### QUEBEC

Farmers benefited by good crops and improved prices for farm and dairy products. Hay was plentiful and cereals were better in both yield and grade than for several years. Roots and vegetables, with the exception of potatoes, which suffered from rot, were better than average; fodder corn was again poor. In some districts the tobacco crop was heavy and of fine quality but in others only mediocre. Pasturage was good throughout the season. Cattle prices improved during the year but hogs afforded only small profits to producers. Maple syrup and sugar production had an estimated value of about \$3,000,000.

✧ The lumbering industry has been dull; domestic demand was only fair and the competition of Baltic and Pacific Coast lumber in European and United States markets respectively has been keen. Stocks have moved slowly; prices have been low and unprofitable except to operators favourably situated. The season's cut is likely to be smaller than last year. The production of pulpwood was large; there will probably be little change in this winter's cut. Domestic consumption has increased and exports so far are in excess of last year's figures. A good demand for the various grades of pulp during the first part of the year was followed by a weaker market with lower prices; the present outlook is more favourable.

Owing to the completion of new mills and additions to those already in existence, the productive capacity of the newsprint industry was in excess of demand, and as a result the majority of mills have been operating at between 80 and 85% of capacity for some months. The demand for other grades of paper has been good and production readily absorbed.

Manufacturers generally have been busy but in most lines competition is keen and profits small. There have been no important labour disputes and no violent fluctuations in the price of raw materials, with the exception of cotton. Silk and cotton factories operated at capacity for the major portion of the year. Woollen manufacturers have been moderately busy but continue to suffer from foreign competition. Steel mills and iron foundries were active during the first half of the year and later operated close to capacity, owing to increased demands for agricultural implements and machines, and building and engineering material. Conditions in the flour milling industry during the past year have been better than in 1926. Manufacturers of rubber goods have been busy; an important export business to Great Britain, Continental Europe and South America is being developed. Paint and

varnish, furniture and hardware manufacturing plants have also been well employed. Fur manufacturers report business as satisfactory; prices of raw furs are high. There has been a noticeable improvement in the hide and leather business; stocks are normal and prices firm. The boot and shoe and clothing industries continue to improve slowly. Competition is keen and profits, where earned, small. Sugar refineries have been active and prices steady, but competition has been experienced from the importation of foreign refined sugar.

While wholesale and retail trades generally have been satisfactory, the extension of chain stores has increased the already severe competition in the grocery business, and country merchants feel the steady expansion of mail-order business. The number of failures was less than last year but the total liabilities were higher.

Noteworthy progress has been made in further development of natural resources. Exploration and prospecting in mineral-bearing territory, particularly in the Rouyn district, have been active and results encouraging. The asbestos industry has benefited through the merger of producing companies and production has been well maintained.

The year was marked by the completion of the hydro-electric power development of the Gatineau Power Company at Chelsea and Farmers Rapids, and also of the Duke-Price Power Company's development at Île Maligne, on the Saguenay; power is now being delivered from the latter's plant to the City of Quebec, in addition to supplying the needs of the Aluminum Company at Arvida and the mills of Price Brothers and Company, Limited.

Dominion Government expenditures have consisted principally of harbour and terminal construction and improvements. Provincial Government outlays, as usual, were mostly for construction and maintenance of roads and bridges. Municipal expenditures were in normal figures.

Real Estate values have moved to slightly higher levels but there has been no noticeable speculation. Building activities have been confined mainly to commercial buildings, large offices, stores and medium-priced residences in the larger cities.

A satisfactory tourist traffic again resulted in the distribution of a large amount of money in the Province.

In general, the year has been satisfactory. Business has shown improvement and a strong feeling of optimism prevails.

### ONTARIO

Agricultural conditions in Ontario have been favourable and a good crop has been harvested. Fall wheat was an average crop, while the yield of oats and barley was above average. Potatoes were a light crop but of good keeping quality; a smaller acreage of sugar beets was planted, and although the crop was below the average, the sugar content will be high; other root crops were excellent. Hay was a bumper crop. The corn crop was very disappointing, owing to a late start and the ravages of the corn borer. Fruits on the whole were below normal and apples were scarce and of inferior quality. Tobacco is becoming increasingly important and the acreage has been quadrupled in the past four years; a record crop has been secured under ideal conditions. Good pasturage ensured a steady flow of milk, for which a slightly higher price was obtained; cheese production has been reduced through more milk being diverted to creameries, but prices were higher than last year. The cattle market is encouraging, with prices firmly above those of last year, but low prices have prevailed for hogs. Milch cows have found a profitable market in the United States, and during the season there has been a much more



active demand for horses. Cattle will go into winter quarters in good condition; an abundance of rough fodder has created a strong demand for feeder cattle. The position of the Ontario farmer is steadily improving and the agricultural outlook is favourable.

Unfavourable conditions in the lumber business continue. Due to the uncertain demand for pine and spruce lumber and keen outside competition, the cut of lumber was approximately twenty-four million feet less than last year. Pulpwood operations show an increase of fifty per cent in cordage.

Activity continues in the mining areas, with a steady increase in the production of gold, silver and nickel ore. The mineral output of the Province for the first half of 1927 shows an increase of approximately \$2,500,000 over the figures for the similar period of 1926.

Practically all lines of manufacture have been actively engaged but with competition keen and narrow margins of profit. The iron and steel industry has been well employed. Agricultural implement manufacturers have experienced a successful year and sales of automobiles show a 10% increase. Tire companies have been operating overtime and extensions are being added to several plants. Woollen textile mills report a slight improvement but continue to feel British and foreign competition. Flour mills and packing houses have been busy on domestic orders. Furniture manufacturers report an increased demand and the boot and shoe industry has improved.

Wholesale trade, compared with last year, shows a moderate improvement in volume. Retail trade was somewhat better than normal and has benefited from unusually heavy tourist traffic.

The Provincial Government during the year brought from the British Isles four hundred and fifty boys and placed them in the Training School at Guelph.

There has been a slowing down in building operations in the Border Cities and building trades generally have been quiet, Toronto and Oshawa being the exceptions. Terminal grain elevators were erected at Owen Sound, Midland and Sarnia. The opening of the new Union Station and the erection of the Canadian Pacific Railway Hotel in Toronto will afford greater accommodation for the travelling public. While there has been no increased demand for farm properties, the improved returns from farming operations have created a better feeling.

The Temiskaming and Northern Ontario Railway constructed thirty miles of railway northward, from mileage seventy north of Cochrane, on the James Bay extension. The Nipissing Central Railway are completing construction of twenty-eight miles of railway from Cheminis to Rouyn.

The catch of fish on the Great Lakes was below the average in tonnage, but prices improved over last year and there was little loss of equipment this season.

Substantial progress was made on the new Welland Canal and seventy-five per cent of the work has been completed. The Provincial Government completed a two hundred and fifty mile motor road between North Bay and Cochrane, and over five hundred miles of country road were added to the Provincial Highway System. Municipal Councils are exercising caution and only necessary improvements and extensions have been carried out.

A two hundred mile 225,000 volt transmission line to Toronto, now under construction, will carry 260,000 h.p., which the Hydro Electric Power Commission of Ontario has contracted for with the Gathineau Power Company.

On the whole the year has been a favourable one, a good crop has been harvested, prevailing prices generally are satisfactory and farmers' operations have been profitable. Industry is well employed, wholesalers report trade active, and business generally is on a sound basis. There is an absence of serious labour problems. The opening of the new Peace Bridge between Buffalo and Fort Erie was an important development and the influx of tourists from the United States exceeded all records. Prospects are encouraging and the future is looked forward to with confidence.

## MARITIME PROVINCES

Fewer vessels took part in the deep sea fishery than for several years and the total catch was light. The lobster fishery was about average in catch and in prices realized.

Crops generally were satisfactory but potatoes were below average. The apple crop was about 80% of average, but of good quality. While hay was abundant, much was lost through bad weather. Pasturage was good throughout the season and dairying interests benefited. On the whole, farmers had a good average year.

Lumber markets have been dull and the cut this winter will again be small. In New Brunswick and Nova Scotia pulpwood is becoming the principal product of woods activities.

Coal mining has been carried on close to capacity, shipments via the St. Lawrence being particularly heavy.

Manufacturers generally have been moderately busy. Steel mills operated steadily but with a curtailed volume of production. Wholesale and retail merchants report trade as somewhat improved. Competition in retail trade, especially in the cities, is keen.

Work on the power development at Grand Falls, New Brunswick, is progressing satisfactorily.

Real Estate values show little change.

Dominion Government expenditures have been confined to dredging, harbour and terminal improvements; those of the Provincial Governments to roads and bridges and small power developments. Municipal outlays have been normal.

The influx of tourists was greater than in former years, improved hotel accommodation and good roads having stimulated the traffic.

The adverse effect of the Fordney tariff on the market for agricultural and fish products has been accentuated recently by an increase in the duty on potatoes imported into Cuba. On the other hand, the partial adjustment of freight rates following the report of the Duncan Commission has been helpful to producers in the Maritime Provinces.

To sum up, business in the Maritime Provinces has improved, fewer young people are leaving for other parts and further progress is looked for in the coming year.

## PRAIRIE PROVINCES

The Dominion Government figures show that a slightly larger acreage was seeded to wheat in Alberta this year than in 1926 and a smaller acreage in Saskatchewan and Manitoba, the total being a decrease of 470,000 acres, and of all grains a decrease of 200,000 acres. Seeding was about two weeks later than usual, but with abundant moisture growth was rapid. Hail losses in Alberta and Saskatchewan were above normal. Rust caused serious damage in Manitoba and Saskatchewan, and threshing returns revealed that frost also did much damage. Cutting became general in the last week of August. Threshing was held



up by rain, but with fine weather during the latter half of October operations were resumed and by the end of the month deliveries to country elevators almost equalled last year's figures. It is estimated that during favourable weather 20,000,000 bushels were threshed daily by some 22,000 machines. Grades are disappointing. More than the average amount of fall ploughing has been done.

The Dominion Bureau's estimate of the wheat crop at 418,992,000 bushels in the three Prairie Provinces is 35,552,000 bushels in excess of last year's production, and of coarse grains at 382,640,700 bushels is 64,416,700 bushels higher.

Approximately 6,600 acres were sown to sugar beets in Alberta this year, or about the same as in 1926. The yield was about 50,000 tons, being 13,000 tons over last year. The crop was profitable to growers.

Irrigation in Alberta is making steady progress, and irrigation farmers are meeting with success.

Co-operative marketing of farm products has assumed large proportions, and an increasing volume of wheat, coarse grains, livestock, butter, eggs, poultry and wool is being handled by Pools.

Livestock came through the unusually long winter fairly well, but the feed shortage brought about a reduction in the number of cattle. Except in Manitoba, the feed situation has largely been restored by this season's crop, and as cattle prices are higher than they have been for a number of years, the situation is satisfactory for those already possessed of herds. Due to a large demand from the United States, accompanied by high prices, shipments across the border have been more profitable than to Great Britain, notwithstanding the high tariff.

Sheep raising continues to be profitable. It has long been an important industry in Southern Alberta, and is being extended to Northern Alberta. The number of sheep in Saskatchewan and Manitoba also shows a steady increase. The wool clip this year is much superior to that of 1926.

Poultry raising is making steady advancement, with Egg and Poultry Pools in operation in each of the Provinces.

Owing to the feed shortage last winter and the late spring, the production of creamery butter showed a decrease, as compared with last year.

Fur farming is developing into a profitable industry and is expected to become one of importance before many years.

The production of coal in Alberta exceeded last year's output. The Turner Valley is now recognized as a proven oil field and four wells are producing gas and oil. The lignite mines in Saskatchewan increased their output slightly over last year. Mining development in Manitoba exceeds all previous attempts to establish the industry. The large copper areas in the Northwestern part of the Province are being tested out by practical people with capital, and in the gold belt in the central district a 250-ton ore crushing plant recently commenced operations. Aviation has helped to hasten the exploration and development of the mining districts.

Manufacturing, which is confined principally to Manitoba, where there is an abundance of cheap power, has shown growth. The products are steadily increasing in variety, and the value of Manitoba's output is now about equal to the value of farm products in that Province. A 250-ton newsprint plant commenced to operate early this year.

Wholesale business showed some improvement over last year. The total volume of retail trade was about the same, but a larger

proportion was handled by departmental stores, mail order houses and chain stores. The number of failures decreased. Implement sales have been exceptionally large.

Expenditures by the Dominion Government have been comparatively unimportant in amount; those by Provincial Governments have been chiefly for highways and schools, and municipalities have limited outlays to essentials.

Railway branch lines construction has been active, some 300 miles having been completed, while between 400 to 500 miles are under way in addition to work on the Hudson's Bay Railway.

Immigration has shown an increase over last year, though it has fallen short of expectations. The completion this year of the 3,000 British Family scheme may result in further organized efforts along somewhat similar lines. Emigration to the United States decreased and numbers of desirable Americans have settled on the Prairies.

The consumption of power for industrial and domestic uses further increased this year.

There is no speculative buying of real estate. Purchases of modern residences on the extended payment plan have increased, and there has been a fair turnover of inside city property at prices based on revenue-producing capacity. Desirable farm lands are saleable at reasonable prices. The figures representing building permits reflect a feeling of confidence.

Tourist traffic has been heavier and more profitable than ever before.

The Prairie Provinces as a whole have had a satisfactory year. The agricultural situation has been strengthened by the large crop, by further advancement toward diversification, by the adoption of improved methods of operation, and by the practice of economy. Living conditions are better and the general outlook brighter. Progress is being made in industrial development, more especially in Manitoba, whilst in Alberta coal is being mined profitably and the existence of an oil field has been proven.

## BRITISH COLUMBIA

The season was moderately satisfactory as regards agriculture. A late spring, and a summer and autumn characterized by heavy rains, resulted in lower yields, but to a great extent the farmer has been compensated by better prices. The dairy industry made substantial progress, with prices ranging somewhat higher than for the past few years. The apple crop, while but 75% of average, will give satisfactory returns. Poultry raising is now an important industry. Cattle are in good condition and at prevailing prices reasonable profits are being made.

Lumber production has been well maintained, but on a very narrow profit margin. Export business decreased slightly. The domestic market has remained quiet. The log output has been well regulated and no great surplus exists, but prices are weak, particularly of cedar. Shingle production has greatly exceeded demand, and the industry is in an unsatisfactory condition. The pulp and paper mills continue to operate successfully.

There has been a large increase in the mineral production; while prices have declined, low production costs still permit of substantial profits, and the value of this year's output is expected to approximate the record figures of 1926.

This season's salmon run was the lowest in many years and the pack will show a large decrease as compared with the 1926 record pack. In consequence, markets are active and should quickly absorb all available supplies at satisfactory prices. Halibut catches have been comparatively light with prices lower



than a year ago. Pilchard fishing has been good and a greatly increased output of fish meal and oil has resulted, for which a receptive market exists.

Traffic in the Port of Vancouver continues to show a healthy increase, and, to keep pace with the expansion, additional grain loading facilities have been provided and many improvements made to the Port during the year. Commerce with Australasia has been moderately active, but business with the Orient shows little or no improvement.

Manufacturers, generally, have had a satisfactory year. Important additions have been made to several existing plants, notably in the pulp and paper business, and new industries of widely varied products have been established.

Although adverse weather conditions militated against the wholesale and retail business, merchants report turnovers to be in reasonably good volume. Profits, however, have had to be sacrificed in order to clear seasonable stocks.

The construction of a terminal railway across the Second Narrows Bridge and along the North Shore, to link up with the Pacific Great Eastern Railway, will be completed early next year, when North Vancouver will have rail connection with other parts of the continent.

The Dominion Government have added to harbour improvements at Vancouver and have made expenditures also in reclaiming, levelling and bulk-heading some nineteen acres on the waterfront of North Vancouver as a suitable area for the location of industries. The Cariboo Road, connecting the Coast area with the Okanagan District, has been completed by the Provincial Government, and a large amount of money has been expended on general maintenance of roads and bridges. Municipal expenditures on capital account have been confined principally to new schools and extensions of public services.

Boring has commenced of the two and one-half mile tunnel at Bridge River, near Lillooet, in connection with the B.C. Electric Railway Company's large power project at that point, and the Company's new power plant at Alouette Lake is nearing completion. The West Kootenay Power & Light Company also have made good progress on the construction work for their 60,000 h.p. development at South Slocan.

Real Estate values have been well maintained and a large number of sales of all classes of properties are reported. Expansion is on a sound basis and there is no speculation. Building has been active, especially for residential purposes.

There has been very little unemployment, and labour conditions, on the whole, have been satisfactory. Tourist traffic has been well maintained and there is every reason to expect a larger influx of visitors each year. Business generally in the Province, while slightly below last year, is in a healthy condition and the outlook for the future is promising.

## NEWFOUNDLAND

The shore catch of fish is expected to equal that of last year, while the Labrador catch will be larger. High operating costs and low market prices have afforded small profits to the fishermen. The quantity of low grade fish was larger than usual, owing to unsuitable weather for curing. Marketing conditions have been affected adversely by Icelandic and Norwegian competition and exchange difficulties. Fresh frozen salmon has been shipped successfully to European and Asiatic markets, and exporters are seeking to expand this business. The herring catch was about average but markets were unstable and exporters sustained losses. The seal fishery resulted in a catch of 180,459

seals, as compared with 211,531 last year. Prices were satisfactory. About 300 whales were taken during the year.

Iron ore was produced at Bell Island in good quantity, the greater part being exported to Germany. A lead-zinc mine has been opened up at Red Indian Lake by the Buchan's Mining Company, Limited. Other interests are also planning development in this area. Coal deposits in the St. George's district are being investigated.

Production of lumber has been confined to meeting local requirements; the cut of pulpwood was heavy.

Paper mills are now producing practically at capacity—about 700 tons a day. During the year the International Paper Company of Newfoundland agreed to purchase the assets of the Newfoundland Power and Paper Company.

Manufacturers have been moderately well employed but the depression in the fishing industry is reflected in commercial circles generally. Wholesalers and retailers did an average volume of business.

Hay and root crops did well, particularly on the West Coast.

Public expenditures were smaller than in previous years. There was a heavy decrease in traffic on the Government Railway, which showed an operating deficit of \$750,000 for the last fiscal period. A new branch line from Glenwood to a mill site on the Gander River is to be constructed in the near future at an estimated cost of \$900,000. The Buchan's Mining Company is building a 38-mile line from Millerton Junction to their mining properties.

The Funded Debt is now about \$75,000,000 and the burden of taxation continues to increase. The outstanding event of the year was the definition by the Privy Council of the boundary between Canada and Newfoundland on the Labrador Peninsula, vesting in Newfoundland title to approximately 110,000 square miles of territory containing valuable timber areas and water powers.

While the economic welfare of a large section of the population still depends upon the fishing industry, which at present cannot be considered satisfactory, much is expected from the development of mining projects and a further increase in the pulp and paper industry.

## MEXICO

The year has been marked by unsatisfactory business conditions generally, and in certain districts excessive rains have done much damage to the crops. However, sugar producers report normal crops, and both for sugar and cotton better prices than those of last year are expected, while from Tampico it is announced that the coffee crop, estimated at 10,000,000 Kilos, is about double the average and is the largest ever harvested in the State.

Oil production has shown a continual falling off during the year, and although a number of drilling permits have been issued, some of the larger companies are adopting a policy of limited exploration until the points on which they are at difference with the Government have been composed. Recently, the Supreme Court of Mexico handed down an important decision in favour of one of the oil companies on their rights under concessions granted prior to 1917, a vexed question between the oil companies and the Mexican Government for the past ten years.

The Government has paid the interest on the foreign debt in accordance with the agreement with the Committee for the foreign bondholders. A reorganization is contemplated of the 9,000 miles of national railways, which so far have had an operating loss of some \$500,000 for the year, and in this connection



the advice of Sir Henry Thornton, President of the Canadian National Railways, has been obtained.

The Government's irrigation programme has been maintained, and much road building has been done. The cattlemen of the Republic have formed an association to further the interests of the cattle raising industry and to improve the stock. In preparation for the plan to have 6,000 country schools in operation by the end of this year, nine normal schools have been functioning at full capacity in the training of teachers.

#### REPORT ADOPTED

The Chairman then said:—"With your permission, we will go on with the next resolution, after which I shall move the adoption of the report."

The Hon. Rodolphe Lemieux, K.C., then moved, seconded by Mr. W. M. Stewart:—

"That the action of the directors in voting the sum of \$200,000, payable in four annual instalments, to the four million dollar Joint Hospital Campaign made in Montreal in April last, meets with the approval of this meeting of shareholders, such action being in the opinion of the shareholders in the interests of the Bank, and such action is hereby ratified and confirmed."

In speaking to this resolution, Mr. Lemieux said:—

"In support of the motion I wish to add just a few brief remarks. As we are all aware by the report of the auditors to-day, and by what has been published in the press, the action of the Directors in that regard has been challenged, and is now before the courts. Therefore, I do not intend to, and it is not proper and fitting that I should, deal with the legal aspect of the case. If this resolution carries it does not validate the donation if there is any legal invalidity attached to it, but simply indicates that we, the shareholders of the Bank of Montreal, approve, and so far as we can, confirm what the Directors have done."

"The Bank of Montreal has grown up with the country, and it has specially grown up with the great city of Montreal, whose population has now reached in round figures the million mark. For that population there is not only need of churches to serve the people but hospitals near those churches. The hospitals are of primary interest to the community. The hospitals must be maintained, and by whom? If I read the British North America Act aright, I find that charities come within the purview of the powers of the Legislature, but the Government can only aid to a certain degree towards the maintenance of hospitals. The hospitals are maintained, first, by the local Government and then by private charity, and we have an example here in Montreal, indeed several examples of what private charity has done towards maintaining our hospitals. But, as you are aware—and I am going to call the attention of the Minister of Finance to that fact—the income tax act does not exempt private charity from the tax, and private charities are therefore limited. Well, if private charities are of necessity limited, naturally the banks, the great corporations, industrial and financial, must bear their share in carrying the load. The Bank of Montreal has a unique position in the community. It is no vain boast to say that it is one of the greatest banking institutions in the whole world. It would not live up to the ideals of its founders if it did not play a leading part in discharging all such duties affecting the general welfare of the community. You are aware, gentlemen, that similar donations were made during the war towards the patriotic fund, towards the Red Cross, and all such activities. This is clear evidence that it is good business policy, that it is a wise and profitable expenditure of a corporation's funds to make such substantial contributions towards the

maintenance of our hospitals. I have been now 32 years in public life, and I have heard on the floor of the House and outside, the charge, that banks were soulless corporations, that they enjoy to the limit the special privileges which they hold through their charter rights without doing their share for the protection and benefit of the community. I insist on the word 'community' because there is, and especially since the war, a development of that community spirit among the peoples of the world. These donations are an important offset against such charges and they constitute, in my humble judgment, an advertisement published wide and far, which by itself is good and sound business for the Bank. The commercial success of a bank is directly affected by the goodwill, by the esteem, of that community from which we draw our borrowers, our depositors, and our customers. The Bank's employees alone in Montreal constitute a vast army, 1,300 in round figures, and this is of concern for the authorities of the Bank. The prosperity, the industry, the activities of the community depend largely, yes largely, on the health of the persons comprising it, and what of the labouring classes who are employees of the Bank's largest customers?

"Furthermore," continued Hon. Mr. Lemieux, "the dividends of the Bank depend directly, first, upon the degree of efficiency of the Bank's employees, and the Bank's customers, and especially of these labouring classes constituting the employees of those customers of ours. It is, Mr. Chairman, by helping towards the maintenance of the hospitals that you safeguard the health of the community, and obtain that maximum degree of efficiency which bears directly upon the prosperity of the Bank."

"I have nothing further to add. As a modest shareholder of the Bank following quietly its activities all the year round, I say in conclusion, that not only do I fully approve, but I heartily approve of the action of the directors." (Applause.)

In seconding the resolution, Mr. W. M. Stewart said: "Mr. Chairman, as I happen to be one of the largest individual shareholders, I have much pleasure in seconding the resolution proposed by the Hon. Mr. Lemieux."

As the resolution was put, Mr. John Hamilton, of Quebec, a shareholder, rose.

"May I say that I rise to oppose the resolution," he said. "I do so with a great deal of regret, but I am compelled to do so. As a previous speaker has said, and as you all know, there is an action in the courts to the effect that the directors have no right to make such grant, and as I am in the forefront of the action, I do not think it would be proper for me to say nothing, at this meeting, with regard to it, and I will not say things even apart from the legal aspect. I am justified in saying that I am compelled in my conduct as trustee, and much as I regret to do so I intend to see the action through no matter what the result may be. It is curious that I of all men should be compelled to take an action that would seem to many of you here against the magnificent charity of the Montreal hospitals. This is a matter of deep regret to me, but I cannot help myself. It is as trustee that I am acting. I have held shares for over 50 years as trustee, and held many thousands of shares, and as one of the trustees of a little Protestant hospital in the city of Quebec which has hard work to exist, I hold 500 shares, and we do not like and cannot afford, to see money given wrongly, if it is wrong. If it is right, it is all right, but as trustee—and I want the people here to understand that it is as trustee that I am a shareholder for 500 shares—I want it understood that if we are to give to Montreal's hospitals to help their magnificent work I have no right to stand back and say I will not act as trustee. I am compelled to do so."



"It may seem a curious thing," added Mr. Hamilton, "that the directors of the Bank of Montreal and myself should have similar views towards effecting improvements in this province of Quebec. For the last 25 years I have given more of my time and more of my personal means for the promotion of hospital and university work than to anything else, except my own family. It is that which causes feelings of regret that I am compelled by the force of circumstances to oppose this resolution."

The Chairman pointed out that under the Bank Act it was necessary that there be a ballot on the resolution. The ballot being taken, the scrutineers reported—in the affirmative, 146,235 shares; in the negative 1,229—carried.

The Chairman then moved, seconded by Sir Charles Gordon, G.B.E., that the Report of the Directors, now read, be adopted and printed for distribution among the shareholders.

The report was unanimously adopted.

Mr. E. W. Beatty, K.C., moved, seconded by Sir Lomer Gouin, K.C.M.G., that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., be appointed auditors for the Bank for the ensuing year, and that the ballot for the auditors be taken at the same time as the ballot for directors is taken.

On motion of The Honourable Henry Cockshutt, seconded by Mr. G. B. Fraser, resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

#### THANKS TO OFFICERS

Mr. Zephirin Hebert then moved, seconded by Mr. James Rodger, that the thanks of the meeting are hereby tendered to the President, the Vice-President, and Directors, for their attention to the interests of the Bank.

In speaking to this resolution, Mr. Hebert said:

"It gives me great pleasure, and it is a great honour, to move the vote of thanks to the president, vice-president, and directors of the Bank of Montreal. The premier bank of Canada ranks among the foremost banks of the world. Since its foundation it has gone forward, not only in material development and progress, but also it has inherited a special character and spirit which are the underlying characteristics of the institution. It has been the deep concern of the successive presidents to keep sacred and intact that spirituality and those principles which have been their guidance. For many years it has been our great privilege to have as president a gentleman of the highest distinction, of great attainment, a leader among leading men, Sir Vincent Meredith, Bart. His lofty ideals and high standing, his acumen and intelligence have shed lustre on the Bank of Montreal. We cherish the hope that divine Providence may grant him a long lease of life not only for the good of the Bank of Montreal, but for the community as well. The president has been surrounded with a vice-president and directors who have contributed in bringing the Bank to that high and exalted position it occupies to-day. Owing to their high reputations, their conscientiousness in the discharge of their duties and devotion to the interests of the Bank we shareholders desire to express our deep sense of gratitude to the administration of the Bank."

"It is because I think such a motion is very appropriate at this time that I sincerely and heartily second it," said Mr. James Rodger.

Mr. Hebert then moved the resolution, as above.

The resolution was adopted unanimously.

The Chairman—"I thank you very sincerely, Mr. Hebert, for the kind personal remarks you have made about me, and on behalf of my colleagues and myself I wish to thank you for the graceful and flattering remarks you, Mr. Hebert, made in proposing the resolution, and you, Mr. Rodger, in seconding it. We are deeply indebted to you for this proof of your confidence in us, and in the administration of the Bank over which we have the honour to preside."

Mr. Arthur Browning then said: "I think that Mr. Hebert will not object to my adding a few words to what he has said. I do not know if it is generally known that our president has completed his 60th year in the service of the Bank, corresponding to the Confederation jubilee of Canada, and I think such a wonderful point as that should be added to the resolution."

Lt.-Col. Herbert Molson, C.M.G., M.C., then moved, seconded by Mr. G. B. Fraser, that the thanks of the meeting are hereby tendered to the general manager, the assistant general managers, the superintendents, the managers and other officers of the Bank for their services during the past year.

In speaking to this resolution, Col. Molson said: "We are proud, I know, of the history and traditions of this fine old institution, and I know that you will all agree with me when I say that the institution depends entirely upon the quality and character of its personnel. Your general manager, Sir Frederick Williams-Taylor, will shortly have completed 50 years of service with the Bank (applause), during which time he has occupied positions from the bottom to the highest and which he has conspicuously adorned. Our other officers have shown by their services a loyalty and wonderful spirit in maintaining the progress of this Bank of Montreal, and may I say that I am delighted, and I am sure all the Board of Directors are delighted, to see so many of our superintendents and bank managers here to-day. We have many of us felt that we do not see nearly enough of our representatives in distant parts of this country, and in the other countries where we have branches."

The motion was carried with applause.

In reply to this, the general manager, Sir Frederick Williams-Taylor, said:

"I am deeply indebted to you. It is beyond my power to express my feelings. I am touched at your appreciation, and your kindly references to my services with the Bank. I may say that it is a matter of pleasant duty to express to you on my own behalf and on behalf of the executive, and entire staff of the Bank, our deep appreciation of your commendation of our services during the past year. Let me refer with intense satisfaction to the loyalty, co-operation, zeal and fine spirit of devotion of the exceptional men and women in our service. I need hardly dwell on the incalculable value to the Bank of these qualities, in which our standard has never been higher than it is to-day."

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

"Before proceeding, I wish to say that, at my suggestion, your directors have approved of a re-organization by which I am to become Chairman of the Board and Chairman of the Executive Committee thereby constituted."

"This action has been taken with a view of strengthening and broadening the structure of executive management of the great and growing property of which your Board are trustees, and, in my judgment, will conduce to the advantage of the shareholders. It is not my intention to relinquish the position of Chief Executive



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of the Bank so long as I retain the confidence of the Board and of the shareholders."

The ballot for the appointment of auditors and the election of directors for the ensuing year was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., were duly appointed auditors, and the following gentlemen duly elected directors: Thomas Ahearn, D. Forbes Angus, E. W. Beatty, K.C., The Honourable Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., The Honourable Sir Lomer Gouin, K.C.M.G., Harold Kennedy, J. W. McConnell, William McMaster, F. E. Meredith, K.C., Sir Vincent Meredith, Bart.,

Major-General the Hon. S. C. Mewburn, C.M.G., F. W. Molson, Lieut.-Col. Herbert Molson, C.M.G., M.C., James Stewart.

The meeting then terminated.

At a subsequent meeting of the directors, Sir Vincent Meredith, Bart., was elected Chairman of the Board and Chairman of the Executive Committee; Sir Charles Gordon, G.B.E., was elected President, and Mr. H. R. Drummond and Major-General the Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents.

An Executive Committee of the Board was appointed, consisting of Sir Vincent Meredith, Bart. (chairman), Sir Charles Gordon, G.B.E., H. R. Drummond, Esq., and Major-General the Honourable S. C. Mewburn, C.M.G.



# BANK OF MONTREAL

(ESTABLISHED OVER 100 YEARS)

INCORPORATED BY ACT OF PARLIAMENT.

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## HEAD OFFICE—MONTREAL

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SIR VINCENT MEREDITH, BART.

*Chairman of the Board and Chairman of the Executive Committee.*

### PRESIDENT

SIR CHARLES GORDON, G.B.E.

### VICE-PRESIDENTS

H. R. DRUMMOND, ESQ.

MAJ.-GEN. THE HON. S. C. MEWBURN, C.M.G.

### GENERAL MANAGER

SIR FREDERICK WILLIAMS-TAYLOR

### DIRECTORS

D. FORBES ANGUS, ESQ.

WM. McMASTER, ESQ.

LT.-COL. HERBERT MOLSON, C.M.G., M.C.

HAROLD KENNEDY, ESQ.

G. B. FRASER, ESQ.

THE HON. HENRY COCKSHUTT

E. W. BEATTY, ESQ., K.C.

THE HON. SIR LOMER GOVIN,

GEN. SIR ARTHUR CURRIE, G.C.M.G., K.C.B.

JAMES STEWART, ESQ.

K.C.M.G.

F. E. MEREDITH, ESQ., K.C.

THOMAS AHEARN, ESQ.

J. W. McCONNELL, ESQ.

F. W. MOLSON, ESQ.

### EXECUTIVE COMMITTEE OF THE BOARD

SIR VINCENT MEREDITH, BART. (*Chairman*)

SIR CHARLES GORDON, G.B.E.

H. R. DRUMMOND, ESQ.

MAJ.-GEN. THE HON. S. C. MEWBURN, C.M.G.

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### LONDON COMMITTEE

HIS GRACE THE DUKE OF DEVONSHIRE, K.G. (*Chairman*).

F. R. S. BALFOUR, ESQ.

SIR HARDMAN LEVER, BART., K.C.B.

THE RT. HON. LORD STRATHCONA AND MOUNT ROYAL.

### PARIS COMITÉ CONSULTATIF

M. LE SÉNATEUR GASTON MENIER

### MEXICO COMMITTEE

FREDERICK ADAMS, ESQ.

C. GORDON PATERSON, ESQ.

BERTRAM E. HOLLOWAY, ESQ.

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CAPITAL <i>paid up</i> ,	-	-	-	-	-	-	-	\$ 29,916,700.00
REST AND UNDIVIDED PROFITS,	-	-	-	-	-	-	-	31,071,499.31
TOTAL ASSETS,	-	-	-	-	-	-	-	831,548,967.90

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The Bank has 623 Offices in Canada, Newfoundland, United States, Mexico; at London, England, and at Paris, France, with Correspondents in all Countries, offering exceptional facilities in all departments of General and Foreign Banking business.

FOREIGN DEPARTMENT - - - - - HEAD OFFICE, MONTREAL.



# BRANCHES

## IN CANADA

### ALBERTA

ACME  
ALLIANCE  
BANFF (May to Sept.)  
BASHAW  
BENTLEY  
BOTH  
CALGARY  
\* Stock Yards  
CAMROSE  
CARBON  
CARDSTON  
CARSTAIRS  
CASTOR  
CHAUVIN  
CHIPMAN  
CORONATION  
DAYSLAND  
DELBURNE  
DIDSBURY  
DONALDA  
DRUMHELLER  
EDGERTON  
EDMONTON  
\* Namayo Avenue  
FORESTBURG  
GLENWOODVILLE  
GRANDE PRAIRIE  
HIGH RIVER  
HUGHENDEN  
IRMA  
ISLAY  
KILLAM  
LACOMBE  
LAKE LOUISE (June to Sept.)  
LEDUC  
LETHBRIDGE  
MAGRATH  
MANNVILLE  
MEDICINE HAT  
MORRIN  
MUNDARE  
MYRNAM—Sub to Mannville  
NOBLEFORD  
OKOTOKS  
OLDS  
PENHOLD  
PONOKA  
PROVOST  
RAYMOND  
RED DEER  
RIMBEY  
RUMSEY  
SEDEGWICK  
STETTLER  
STROME  
THREE HILLS  
TOFIELD  
TROCHU  
TWO HILLS—Sub to Vegreville  
VEGREVILLE  
VIKING  
VULCAN  
WAINWRIGHT  
WESTLOCK  
WETASKIWIN

### BRITISH COLUMBIA

AGASSIZ  
ARMSTRONG  
ASHCROFT  
CHILLIWACK  
CLOVERDALE  
DUNCAN  
ENDERBY  
ESQUIMALT  
HEDLEY—Sub to Princeton  
KAMLOOPS  
KASLO  
KELOWNA  
KERRISDALE  
KIMBERLEY  
MERRITT  
NANAIMO  
NELSON  
NEW DENVER  
NEW WESTMINSTER  
NORTH VANCOUVER  
OAK BAY  
PENTICTON  
PORT ALBERNI  
PORT HANEY  
PRINCE GEORGE  
PRINCE RUPERT  
PRINCETON  
REVELSTOKE  
ROSSLAND  
SIDNEY  
STEWART  
TERRACE  
TRAIL  
VANCOUVER  
\* Carrall Street  
\* Chinese Branch  
\* Cordova Street East

### BRITISH COLUMBIA—Continued

VANCOUVER  
\* Fourth Avenue & Alma Road  
\* Granville & Nelson Streets  
\* Hastings Street East  
\* Prior Street  
VERNON  
VICTORIA  
WEST SUMMERLAND  
WILLIAMS LAKE

### MANITOBA

ALEXANDER  
AUSTIN  
BELMONT  
BOWSMAN RIVER  
BRANDON  
CARBERRY  
DARLINGFORD  
DAUPHIN  
DOMINION CITY  
GLADSTONE  
GRISWOLD  
HARTNEY  
MacGREGOR  
MINITONAS  
MORRIS  
NAPINKA  
NEEPAWA  
OAK LAKE  
OAK RIVER  
OAKVILLE  
PORTAGE LA PRAIRIE  
RESTON  
RUSSELL  
SELKIRK  
SIDNEY—Sub to Carberry  
SOURIS  
WINNIPEG  
\* Bannerman Avenue  
\* Corydon Avenue  
\* Fort Rouge  
\* Logan Avenue  
\* Lombard Street  
\* McGregor St. & Selkirk Ave.  
\* Morley Ave. & Osborne St.  
\* Portage Avenue  
\* Portage Avenue & Goulding St.  
\* Selkirk Avenue & Arlington St.

### NEW BRUNSWICK

BATHURST  
CHATHAM  
FREDERICTON  
GRAND FALLS  
HARTLAND  
MARYSVILLE  
MONCTON  
PERTH  
SAINT JOHN  
\* Haymarket Square  
\* Union Street  
ST. STEPHEN  
SHEDIAC  
WOODSTOCK

### NOVA SCOTIA

AMHERST  
BRIDGEWATER  
CANNO  
GLACE BAY  
HALIFAX  
\* North End  
\* Willow Tree  
LUNenburg  
MAHON BAY  
PORT HOOD  
RIVERPORT  
SYDNEY  
WOLFVILLE  
YARMOUTH

### ONTARIO

ACTON  
AILSA CRAIG  
ALLISTON  
ALMONTE  
ALVINGTON  
AMHERSTBURG  
ARNPRIOR  
ATHENS  
AULTSVILLE

### ONTARIO—Continued

AURORA  
AYLMER  
AYR  
BARRY'S BAY  
BEACHVILLE—Sub to Ingersoll  
BELLEVILLE  
BOBCAYGEON  
BOTHWELL  
BOWMANVILLE  
BRAMPTON  
BRANTFORD  
BRESLAU—Sub to Kitchener  
BRIDGEBURG  
BRIDGEPORT—Sub to Kitchener  
BRINSTON  
BROCKVILLE  
BRONTE  
BRUCEFIELD—Sub to Hensall  
CALABOGIE—Sub to Renfrew  
CAMPBELLFORD  
CHATHAM  
CHATSORTH  
CHESLEY  
CHESTERTON  
CLARKSON  
CLINTON  
COBDEN  
COLLINGWOOD  
CORNWALL  
\* EAST—Sub to Cornwall  
COURTLAND  
CREEMORE  
DELHI  
DELTA  
DESBORO—Sub to Chatsworth  
DESERONTO  
DOUGLAS  
DRUMBO  
DUTTON  
EGANVILLE  
ELGIN  
ELORA  
EXETER  
FENELON FALLS  
FINCH  
FORD  
FOREST  
FORMOSA—Sub to Teeswater  
FORT ERIE  
FORT WILLIAM  
FRANKFORD  
GALT  
GANANOQUE  
GEORGETOWN  
GLENCOE  
GODERICH  
GORE BAY  
GRANTON  
GUELPH  
HALIBURTON  
HAMILTON  
\* Barton St. & Victoria Ave.  
\* Central Market  
\* Gage Avenue & Barton St.  
\* Holton Avenue  
\* James & Barton Streets  
\* King & James Streets  
\* Main Street East (Delta)  
\* Victoria Avenue  
\* Westinghouse Avenue  
HANOVER  
HENSALL  
HESPELER  
HIGHLAND  
HOLLAND CENTRE—Sub to Chatsworth  
HOLSTEIN  
INGERSOLL  
IROQUOIS  
KAGAWONG—Sub to Gore Bay (May to Oct.)  
KINCARDINE  
KING CITY  
KINGSTON  
KINGSVILLE  
KIRKTON  
KITCHENER  
KOMOKA—Sub to Market Square, London, Ont.  
LAMBTON MILLS  
LANCASTER  
LANSDOWNE  
LA SALLE  
LAWRENCE STATION—Sub to Dutton  
LEAMINGTON  
LINDSAY

### ONTARIO—Continued

LISTOWEL  
LITTLE CURRENT  
LONDESBOURGH—Sub to Clinton  
LONDON  
\* City Hall  
\* East  
\* Market Square  
\* South  
LUCAN  
LUCKNOW  
MADAWASKA—Sub to Barry's Bay  
MANITOWANING  
MARKDALE  
MEAFORD  
MERLIN  
MIDLAND  
MILDMAY  
MIMICO  
MINDEMOYA  
MITCHELL  
MONKLAND—Sub to Finch  
MORRISBURG  
MOUNT FOREST  
MUIRKIRK  
NAPANEE  
NEWBURY  
NEWINGTON  
NEWMARKET  
NEW TORONTO  
NIAGARA FALLS  
NORTH BAY  
NORWICH  
OAKVILLE  
OAKWOOD  
ORILLIA  
OSHAWA  
OTTAWA  
\* Bank Street  
\* Rideau Street  
\* Sparks Street  
\* Sparks & O'Connor Streets  
OWEN SOUND  
PAISLEY  
PARIS  
PELEE ISLAND—Sub to Leamington (May to Dec.)  
PEMBROKE  
PERTH  
PETERBORO  
\* George Street  
PICTON  
PORT ARTHUR  
PORT HOPE  
PORT LAMBTON—Sub to Wallaceburg  
PRESCOTT  
PRESTON  
PROVIDENCE BAY—Sub to Mindemoya  
RENFREW  
RIDGETOWN  
ST. CATHARINES  
ST. EUGENE  
ST. GEORGE—Sub to Brantford  
ST. MARYS  
ST. THOMAS  
\* East End  
SARNIA  
SAULT STE. MARIE  
\* Wellington St. West  
SCHREIBER  
SIMCOE  
SMITH'S FALLS  
STIRLING  
STRATFORD  
SUDBURY  
TARA  
TAVISTOCK  
TEESWATER  
THAMESVILLE  
THORNDALE  
THOROLD  
TICHBORNE—Sub to Verona  
TILBURY  
TIMMINS  
TORONTO  
\* Bathurst Street  
\* Bay Street  
\* 26 Bloor St. West  
\* Bloor St. & Lansdowne Avenue  
\* Bloor St. & Spadina Avenue  
\* Bloor St. & Windermere Avenue  
\* Carlton Street  
\* College Street  
\* Danforth Ave. & Main Street  
\* Danforth & Carlaw Avenues

### ONTARIO—Continued

TORONTO  
\* Dundas St. & Lansdowne Ave.  
\* Dundas St. & Roncesvalles Ave.  
\* Dupont Street  
\* Earlscourt  
\* Eglinton  
\* King & Dufferin Streets  
\* King & Yonge Streets  
\* Parliament Street  
\* Queen Street East & Beech Ave.  
\* Queen Street West & Beaconsfield Ave.  
\* Queen Street & Broadview Ave.  
\* Queen Street & O'Hara Avenue  
\* Queen & Portland Streets  
\* Royce Avenue  
\* St. Clair Avenue West  
\* Stock Yards  
\* West Toronto  
\* Yonge & Bloor Streets  
\* Yonge & Queen Streets  
\* Yonge St. & St. Clair Ave.  
TRENTON  
TUPPERVILLE—Sub to Wallaceburg  
TWEED  
VERONA  
WALES  
WALKERTON  
WALKERVILLE  
\* Walker Road  
WALLACEBURG  
WATERFORD  
WATERLOO  
WATFORD  
WELLAND  
WEST LORNE  
WESTON  
WESTPORT  
WHEATLEY  
WILLIAMSBURG  
WILLIAMSFORD—Sub to Chatsworth  
WILLIAMSTOWN  
WINDSOR  
\* Howard Avenue  
\* London Street  
WOODSTOCK  
YARKER  
ZURICH  
PRINCE EDWARD ISLAND  
CHARLOTTETOWN  
QUEBEC  
AMQUI  
ARTHABASKA  
ARUNDEL  
ARVIDA  
ATHELSTAN—Sub to Huntingdon  
BEAUHARNOIS  
BEDFORD  
BREAKEYVILLE  
BRISTOL—Sub to Shawville  
BUCKINGHAM  
BURY  
CAMPBELL'S BAY  
CHAPEAU  
CHICOUTIMI  
COOKSHIRE  
COWANSVILLE  
DANVILLE  
DRUMMONDVILLE  
FOSTER—Sub to Knowlton  
GATINEAU—Sub to Hull  
GRANBY  
GRAND MERE  
HULL  
HUNTINGDON  
KNOWLTON  
LACHINE  
\* St. Joseph Street  
LACHUTE  
LEVIS  
LITTLE METIS—Sub to Mont Joli (June to Sept.)  
LONGUEUIL  
MAGOG  
MATANE  
MEGANTIC  
MONT JOLI  
MONTREAL  
\* Angus Shops, Davidson & Nolan Streets



# BRANCHES

## IN CANADA

QUEBEC—Continued	QUEBEC—Continued	QUEBEC—Continued	QUEBEC—Continued	SASKATCHEWAN—Continued
<b>MONTREAL</b> " Aylwin & St. Catherine Streets " Bleury & St. Catherine Streets " Centre Street " Claremont Ave. & Sherbrooke St. " Cote des Neiges " Cote St. Paul " Drummond & St. Catherine Streets " Fullum & St. Catherine Streets " Laurier Ave. & St. Lawrence Blvd. " Market & Harbour " Masson Street & Fifth Avenue " McGill Street " Molson Park " Mt. Royal Ave. & Bordeaux Street " Mount Royal Ave. & Christopher Columbus Street " Notre Dame de Grace " Notre Dame & McCord Streets " Ontario & Hogan Sts. " Ontario St. & La Salle Avenue. " Ontario St. & St. Lawrence Blvd. " Papineau Avenue " Park Ave. Extension " Park & Bernard Aves. " Peel Street	<b>MONTREAL</b> " Point St. Charles " St. Antoine & Windsor Streets " St. Clement & St. Catherine Streets " St. Denis St. & Mt. Royal Ave. " St. Denis & St. Zotique Streets " St. Dominique & St. Catherine Streets " St. Henri " St. Jean Baptiste Market " St. Lawrence Blvd. & Mt. Royal Ave. " St. Peter & St. James Streets " Seigneurs Street " Sherbrooke St. & St. Lawrence Blvd. " Sherbrooke Street West " University & St. Catherine Streets " Villaray & St. Denis Sts. " West End " Westmount " Wolfe & St. Catherine Streets <b>MONTREAL WEST</b> NAPIERVILLE ORMSTOWN PORT ALFRED <b>QUEBEC</b> " Chateau Frontenac " Limoilou " St. John's Gate	<b>QUEBEC</b> " St. Roch " St. Sauveur " Upper Town <b>QUVON</b> RICHMOND RIGAUD RIMOUSKI RIVIERE DU LOUP ROBERVAL STE. AGATHE DES MONTS STE. ANNE DE BEAUPRE STE. ANNE DE BELLEVUE ST. CESAIRE ST. GEORGES DE BEAUCE ST. HYACINTHE ST. JEROME ST. JOHNS ST. JOSEPH D'ALMA ST. JOVITE ST. LAMBERT ST. OURS STE. THERESE SAWYERVILLE SHAWVILLE SHERBROOKE SOREL SUTTON TEMISKAMING THETFORD MINES THREE RIVERS TROIS PISTOLES VERDUN " Church Avenue	<b>VERDUN</b> " Willibrord Ave. & Wellington St. <b>VICTORIAVILLE</b> VILLE ST. PIERRE WATERLOO <b>SASKATCHEWAN</b> ANTLER ARCOLA ARMLEY BATTLEFORD BROMHEAD CALDER CARNDUFF CEYLON DAVIDSON DOMREMY DUCK LAKE EASTEND ESTEVAN FENWOOD—Sub to Melville FIFE LAKE FLAXCOMBE FLINTOFT—Sub to Limerick FROBISHER GAINSBOROUGH GIRVIN GRENFELL GULL LAKE HUMBOLDT INDIAN HEAD KAMSACK KANDAHAR KELLIHER KINISTINO KISBEY LAKE LENORE	<b>LAMPMAN</b> LIMERICK MAPLE CREEK MEACHAM MELVILLE MOOSE JAW NORTH BATTLEFORD OUTLOOK PERDUE PRELATE PRINCE ALBERT PUNNICHY RAYMORE REGINA RHEIN ROSE VALLEY ROSTHERN ST. GREGOR SALT COATS SASKATOON SEMANS SENLAC SHAUNAVON SWIFT CURRENT TISDALE UNITY VERGIN WAKAW WALDRON WEYBURN WHITEWOOD WYNARD YORKTON  <b>YUKON</b> DAWSON

## IN NEWFOUNDLAND

CORNER BROOK      CURLING      GRAND FALLS  
ST. GEORGE'S      ST. JOHN'S

## IN GREAT BRITAIN

LONDON, ENG.—47 THREADNEEDLE STREET, E.C. 2.  
" " 9 WATERLOO PLACE, S.W. 1.

## IN FRANCE

PARIS—BANK OF MONTREAL (France)—6 PLACE VENDÔME

## IN THE UNITED STATES

NEW YORK AGENCY—64 WALL STREET  
CHICAGO, ILL.—BANK OF MONTREAL—27 SOUTH LASALLE STREET  
SAN FRANCISCO, CALIF.—BANK OF MONTREAL (SAN FRANCISCO)—264 CALIFORNIA STREET

## IN MEXICO

CITY OF MEXICO, D.F.—BANK OF MONTREAL, AVENIDA ISABEL LA CATOLICA No. 40.  
" " " —BANK OF MONTREAL, AVENIDA FRANCISCO I. MADERO No. 14  
GUADALAJARA, JAL.—BANK OF MONTREAL, ESQUINA LOPEZ COTILLA Y COLON  
MONTERREY, N.L.—BANK OF MONTREAL, DOCTOR MIER 116.  
PUEBLA, PUE.—BANK OF MONTREAL, AVENIDA REFORMA No. 106.  
TAMPICO, TAMPS.—BANK OF MONTREAL, CALLE DEL ESTADO No. 38, ORIENTE  
VERACRUZ, VER.—BANK OF MONTREAL, AVENIDA INDEPENDENCIA No. 23.

## WEST INDIES

Barclays Bank (Dominion, Colonial & Overseas), formerly The Colonial Bank  
(in which an interest is owned by the Bank of Montreal)



