

1932
BANK OF MONTREAL

ANNUAL GENERAL MEETING

HELD 5TH DECEMBER, 1932

The 115th Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 5th December, 1932, in the Board Room at the Bank's Headquarters.

Among those present were: the Hon. Thos. Ahearn, P.C., A. D. Anderson, D. Forbes Angus, Alexander W. Armour, Geo. E. Armstrong, M.D., John E. Auld, Arthur Barry, E. W. Beatty, K.C., Frank Beemer, M.D., W. A. Black, W. B. Blackader, W. A. Bog, W. W. Bruce, R. M. Brown, Arthur Browning, the Hon. Patrick Burns, Geo. A. Campbell, K.C., G. Rutherford Caverhill, C. W. Chesterton, Ross Clarkson, Ronzo H. Clerk, W. S. Clouston, the Hon. Henry Cockshutt, F. W. Collins, D. E. Crutchlow, General Sir Arthur Currie, G.C.M.G., K.C.B., A. O. Dawson, Jackson Dodds, H. R. Drummond, W. R. Eakin, D. B. Emeno, W. C. Finley, A. B. Foster, A. E. Francis, G. B. Fraser, J. Garrow, G. H. Greening, Sir Charles Gordon, G.B.E., John Gordon, E. Haberer, Samuel Hart, C. A. Hodgson, C.A., James Hutchison, C.A., R. P. Jellett, J. M. Kilbourn, R. E. Knight, J. N. Laing, F. X. Leduc, D. A. Lewis, the Hon. Rodolphe Lemieux, K.C., C. W. Lindsay, S. B. Lindsay, Lt.-Col. Walter E. Lyman, P. E. McCaffrey, J. W. McConnell, Ross H. McMaster, Andrew A. MacDougall, W. T. A. MacFadyen, C. H. McFarlane, W. McDonnell, F. E. Meredith, K.C., Major-General the Hon. S. C. Mewburn, C.M.G., T. E. Merrett, Lt.-Col. Herbert Molson, C.M.G., M.C., D. J. Munn, W. A. Murray, G. H. Napier, Major S. C. Norsworthy, D.S.O., M.C., H. W. Nesbitt, Lt.-Col. G. L. Ogilvie, Hugh Ogilvie, W. T. Oliver, Edward Pope, J. R. Pudney, A. Guy Ross, John W. Ross, C.A., O. R. Sharp, W. H. Sherriff, J. W. Spears, G. W. Spinney, E. H. Stewart, W. W. Thompson, W. N. Tilley, K.C., R. S. White, M.P.

On the motion of Mr. H. R. Drummond, Sir Charles Gordon, G.B.E., was requested to take the chair.

Major-General the Hon. S. C. Mewburn, C.M.G., moved, seconded by Dr. George E. Armstrong, that Lt.-Col. G. L. Ogilvie and Mr. G. Rutherford Caverhill 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 Mr. Jackson Dodds, Joint General Manager, to read the Annual Report of the Directors to the Shareholders at their 115th Annual General Meeting, held on Monday, December 5th, 1932.

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, 1932.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1931.....	\$ 1,103,426.95
Profits for the year ended 31st October, 1932.....	4,663,100.60
	<u>\$5,766,527.55</u>
Quarterly Dividend 3 per cent. paid 1st March, 1932.....	\$1,080,000.00
Quarterly Dividend 3 per cent. paid 1st June, 1932.....	1,080,000.00
Quarterly Dividend 2½ per cent. paid 1st Sept., 1932.....	900,000.00
Quarterly Dividend 2½ per cent. payable 1st Dec., 1932.....	900,000.00
	<u>\$3,960,000.00</u>
Provision for Taxes Dominion Government.....	457,671.05
Reservation for Bank Premises.....	100,000.00
	<u>4,517,671.05</u>
Balance of Profit and Loss carried forward.....	<u>\$1,248,856.50</u>

(Signed) CHARLES B. GORDON,
President.

(Signed) W. A. BOG,
JACKSON DODDS,
Joint General Managers.

During the fiscal year, one office was opened and thirty-six offices were closed throughout the Dominion of Canada. Three branches in Mexico have also been closed.

The Board accepted with regret the resignation of the Right Honourable Lord Strathcona and Mount Royal as a member of the London Advisory Committee.

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

(Signed) CHARLES B. GORDON,
President.

Bank of Montreal, 5th December, 1932.

THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1932, was submitted as follows:

LIABILITIES		
Capital Stock.....		\$ 36,000,000.00
Rest.....	\$ 38 000,000.00	
Balance of Profits carried forward.....	1,248,856.50	
	\$ 39,248,856.50	
Unclaimed Dividends.....	12,098.10	
Quarterly Dividend, payable 1st December, 1932.....	900,000.00	
		40,160,954.60
		76,160,954.60
Notes of the Bank in circulation.....	\$ 34,102,970.00	
Deposits not bearing interest.....	115,347,203.54	
Deposits bearing interest, including interest accrued to date of statement.....	520,407,410.35	
Deposits made by and Balances due to other Banks in Canada.....	2,803,635.41	
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	10,274,413.86	
Bills Payable.....	180,186.44	
		683,115,819.60
Letters of Credit outstanding.....		8,343,722.33
Liabilities not included in the foregoing.....		1,545 776.16
		<u>\$769,166,272.69</u>
ASSETS		
Gold and Subsidiary coin current.....	\$ 19,618,676.09	
Dominion notes.....	59,062,220.75	
Deposit in the Central Gold Reserves.....	6,000,000.00	
Deposits made with and Balances due from other Banks in Canada.....	\$.25	
United States and other foreign currencies.....	295,285.37	
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	31,827,851.38	
Call and Short, not exceeding thirty day, Loans in Canada on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover.....	5,157,690.80	
Call and Short, not exceeding thirty day, Loans elsewhere than in Canada, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover.....	20,071,135.74	
	57,351,963.54	
Dominion and Provincial Government Securities, not exceeding market value.....	206,043,909.96	
Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	7,939,259.08	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value.....	53,364,783.39	
Notes of other Banks.....	3,204,664.01	
Cheques on other Banks.....	27,183,029.82	
		\$ 439,768,506.64
Current Loans and Discounts in Canada, less rebate of interest, after making full provision for all bad and doubtful debts.....	\$252,121,638.59	
Loans to Cities, Towns, Municipalities and School Districts.....	28,689,492.47	
Current Loans and Discounts elsewhere than in Canada, less rebate of interest, after making full provision for all bad and doubtful debts.....	17,879,400.41	
Non-current Loans, estimated loss provided for.....	4,240,738.33	
		302,931,269.80
Bank Premises, at not more than cost, less amounts written off.....		14,500,000.00
Real Estate other than Bank Premises.....		443,207.03
Mortgages on Real Estate sold by the Bank.....		1,278,564.14
Liabilities of Customers under Letters of Credit as per Contra.....		8,343,722.33
Deposit with the Minister for the purposes of the Circulation Fund.....		1,542,872.35
Shares of and loans to controlled companies.....		239,253.55
Other Assets not included in the foregoing.....		118,876.85
		<u>\$769,166,272.69</u>

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

CHARLES B. GORDON,
President.

W. A. BOG,
JACKSON DODDS,
Joint General Managers.

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) 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,
CHARLES A. HODGSON, C.A.,
of the firm of Creak, Cushing & Hodgson.

} Auditors.

MONTREAL, November 25th, 1932.

COMPANIA TERRITORIAL MEXICANA, S. A. EN LIQUIDACION

Balance Sheet as at 29th October, 1932

ASSETS		LIABILITIES	
	Mexican Pesos		Mexican Pesos
Real Estate.....	\$ 518,685.57	Capital Stock:—500 Shares of \$100. each.....	\$ 50,000.00
Mortgages.....	87,980.24	Accounts Payable.....	34.32
Bonds and Shares.....	16.00	Bank of Montreal, Loan Account.....	2,162,955.65
Accounts Receivable.....	8,132.44		
Cash on Hand.....	1,901.08		
Bank of Montreal, Collateral Account, Mortgages.....	1,335,824.32		
Profit and Loss Account Balance.....	260,450.32		
	<u>\$2,212,989.97</u>		<u>\$2,212,989.97</u>

NOTE:—

This Company was formed by the Bank in February, 1911, 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; provision has been made by the Bank to cover the impairment, if any, of its loan.

MONTREAL, 15th NOVEMBER, 1932.

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 report that it is in accordance therewith.

We are unable to say if the Assets will realize the amounts at which they appear in the Company's Books.

(Signed)

JAMES HUTCHISON, C.A.,
CHARLES A. HODGSON, C.A.,
Auditors.

THE ST. JAMES LAND COMPANY LIMITED

Balance as at 31st October, 1932

ASSETS		LIABILITIES	
*The 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.....	297,205.14
	<u>\$317,205.14</u>		<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 and the shares appear on its books at a nominal value of \$1.00.

C. H. CRONVN, Director.
THOMAS CARLISLE, Director.

MONTREAL, 15th NOVEMBER, 1932.

Auditors' Report

We have examined the Books and Accounts of The St. James Land Company Limited for the year ended 31st October, 1932, and we report 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, 1932, according to the best of our information and 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.,
CHARLES A. HODGSON, C.A.,
Auditors.

THE MONTREAL COMPANY OF NEW YORK, INC.

Balance Sheet as at 31st October, 1932

ASSETS		LIABILITIES	
Cash in Bank.....	\$ 1,000.00	Capital:	
		Authorized and Issued 1000 shares of \$1.00 each fully paid up.....	\$ 1,000.00
	<u>\$ 1,000.00</u>		<u>\$ 1,000.00</u>

NOTE:—

This company's activities have been discontinued. The Capital Stock is entirely owned by the Bank.

MONTREAL, 15th NOVEMBER, 1932.

Auditors' Report

We have examined the Books and Accounts of The Montreal Company of New York, Inc., and report 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, 1932, according to the best of our information and 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.,
CHARLES A. HODGSON, C.A.,
Auditors.

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 31st October, 1932

ASSETS		LIABILITIES	
Cash in Bank.....	\$ 23,540.24	Capital Stock:—100 Shares of \$100 each.....	\$ 10,000.00
Accounts Receivable.....	Nil	Debtore Bonds.....	1,220,000.00
Buildings, Real Estate, etc., 64-68 Wall Street, New York,		Accounts Payable.....	2,080.10
less depreciation.....	1,196,421.43	Bond Interest Payable and Accrued.....	32,533.28
Profit and Loss Account Balance.....	58,051.71	Reserved for Taxes.....	13,400.00
	<u>\$1,278,013.38</u>		<u>\$1,278,013.38</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, 15th NOVEMBER, 1932.

Auditors' Report

We have examined the Books and Accounts of the Hochelaga Realty and Development Company, and report 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, 1932, according to the best of our information and 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.,
CHARLES A. HODGSON, C.A.,
Auditors.

THE LAND SECURITIES COMPANY OF CANADA LIMITED

Balance Sheet as at 31st October, 1932

ASSETS		LIABILITIES	
Investments and Advances less Reserves.....	\$127,694.38	Reserves for Commissions, etc.....	\$ 1,159.36
Accrued Interest considered good.....	887.27	Bank Loans.....	235,000.00
Cash in Bank of Montreal.....	3,568.73	Capital Stock:—2000 Shares of \$100 each.....	200,000.00
Profit and Loss Account Balance.....	304,008.98		
	<u>\$436,159.36</u>		<u>\$436,159.36</u>

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 on its books at a nominal value of \$1.00; a specific reserve of \$165,000 is also held for this Company.

O. R. SHARP, Director.
R. P. JELLETT, Director.

MONTREAL, 15th NOVEMBER, 1932.

Auditors' Report

We have examined the Books and Accounts of The Land Securities Company of Canada Limited, and report 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, 1932, according to the best of our information and 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.,
CHARLES A. HODGSON, C.A.,
Auditors.

EDIFICIO MONTREAL, S.A.

Balance Sheet as at 29th October, 1932

ASSETS		LIABILITIES	
Real Estate and Building.....	\$750,000.00	Capital Stock—100 Shares of \$7,500 each.....	Mexican Pesos \$750,000.00
Expended on Building to date.....	247,506.88	Bank of Montreal Loan Account.....	250,000.00
	<u>\$997,506.88</u>		
Furniture and Fixtures, less written off.....	2,493.12		
	<u>\$1,000,000.00</u>		<u>\$1,000,000.00</u>

NOTE:—

The Company was formed in July 1930, in conformity with Mexican legal requirements for the purpose of holding and administering the property in which the Bank's Mexico City Branch is housed. The Capital Stock is entirely owned by the Bank and the shares appear on its books at a nominal value of \$1.00.

MONTREAL, 15th NOVEMBER, 1932.

Auditors' Report

We have examined the Books and Accounts of the Edificio Montreal, S.A., and report 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 29th October, 1932, according to the best of our information and 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.,
CHARLES A. HODGSON, C.A.,
Auditors.

THE PRESIDENT'S ADDRESS

Gentlemen,—The report of the business of your Bank for the year ended October 31st, which has just been read, will, I trust, be deemed satisfactory, having regard to the difficult conditions prevailing throughout the period. We have been confronted with declining trade, dislocated foreign exchange, lessened demand for banking accommodation and low rates of interest in the world's monetary centres; yet we have managed to earn fair profits, to preserve a strong liquid position and to meet the legitimate requirements of our customers.

Before moving the adoption of the report, I desire briefly to survey conditions both here and abroad. The decennial revision of the Bank Act, which precedes the renewal of our bank charters, is not to be made until the next session of Parliament. Meantime, indeed for many months past, discussion of the monetary question has been rife, and in some quarters there is advocacy of a central national bank, after the pattern of the Federal Reserve Bank in the United States; of restriction of note circulation to direct agencies of the Dominion Government; and of the introduction of inflationary measures by Government issues of irredeemable Dominion notes.

Now, in the first place, I submit, there is no need of a central bank in Canada. For all practical purposes, such an agency already exists in the Finance Act, under the provisions of which the chartered banks borrow at the Finance Department and obtain such amounts of Dominion notes as may be required. For these advances the banks pay interest. This legislation has been in operation eighteen years and admirably performs its purpose.

In the second place, monopoly of the note issues by the Government would not increase by a single dollar the amount of currency in the hands of the public, unless the notes were made irredeemable and recklessly emitted regardless of the security and solvency of the borrower.

The shore of financial history is strewn with wrecks of ventures in irredeemable paper money, from the time of the French Revolution in the 18th century down to the days of the Great War and subsequent years. If there is one fact in finance more firmly fixed than another, it is the certainty that the unrestricted issue of paper currency culminates in disaster. I may point out, moreover, that we in Canada do not suffer from inadequate credit or inadequate currency. Trade has contracted in volume and value to a degree where much less currency and credit are required for its conduct. Our banks welcome borrowers to whom they can safely lend, and as trustees of depositors from whom their loaning resources are derived, banks ought not to lend on any other condition.

Upon the subjects of a central bank, the revision of the Bank Act and also the tying up of the dollar with the pound, much has been said and written of late. All these questions are difficult for the lay mind to grapple with, and it is not my purpose to deal with them at this time in detail.

So far as our banking system is concerned, it is well to remember that not a single depositor has had to wait for a moment to get his money from a Canadian bank during the past year, while tens of thousands of depositors in the United States have had to wait in line, only to be told finally that their bank had closed its doors. This fact is an argument that will appeal to most people.

THE IMPERIAL ECONOMIC CONFERENCE

The outstanding event of the year has been the meeting at Ottawa of the Imperial Economic Conference, made possible by

the changed fiscal policy of the British Government. By consent of the delegates, who came from the four corners of the Empire, a new economic policy of profound significance to the future course of world trade was adopted. The agreements, by which the United Kingdom and the more important units of the British Empire have undertaken to trade on a basis of mutual preference, open up to the countries concerned trading vistas of vast significance, and, as far as Canada is concerned, it is impossible not to believe that highly beneficial results will accrue. Not only is Canada given a favoured place in the markets of the United Kingdom for the more important of her primary products, and not only does she secure free entry into the United Kingdom for a wide range of manufactured products upon which substantial duties are levied against other countries, but these advantages are secured to us for a definite period, long enough to test the efficacy of the agreement. In consideration of these advantages, Canada has given freer access to her markets for an extensive range of the products of the United Kingdom, both by enlarging the preference as between these products and those of foreign countries and by lowering the protection accorded many of her own industries. Canadian manufacturers on this account have been called upon to make substantial sacrifices, but I think I can say that in every case they have done so in a spirit of loyalty and co-operation, as their contribution to the common cause.

There has been during the last three years a somewhat constant decline in Canada's external trade, whether measured by volume or by value. In the twelve months ending with October 31st last, that trade amounted to \$989,000,000 against \$2,584,000,000 in the corresponding period in 1929, a decrease of about 60%, but it is interesting, perhaps significant, to learn that the ratio of decline has lessened in recent months. Two features may be noted: Canada's commerce with Great Britain is again rising and our imports from the United States have fallen off. Factors causing a larger trade with Great Britain are: tariff exclusion of Canada's farm, forest and mine products from the United States, and the giving of tariff preferences to Empire products by Great Britain. Our adverse balance has been converted into a favourable one. In the twelve months to October 31st last, exports of domestic products exceeded imports by \$43,013,000, while in the like period a year ago imports were \$42,995,000 in excess of exports, so that the net gain amounts to \$86,008,000.

CONDITIONS IN EUROPE

In regard to conditions in Europe, especially as they affect the outlook for the recovery of international trade, it may be said that the Lausanne Agreement designed to reduce the burden of reparations, the ratification of which is subject to a revision of war debts, has provided the first evidence of practical co-operation between nations, and the forthcoming World Economic Conference will, it is hoped, mark a further advance in concerted action and succeed in evolving measures that will permit of a freer movement of goods and money. Great Britain, since her departure from the gold standard some fifteen months ago, has recovered in large measure the confidence of the world, and although for the time being the ability of London to function as a financial centre is limited because of the existing hindrances to the free flow of credit, there is assurance that when these are overcome the invaluable experience and machinery that London can offer will again be availed of and will play their part in the reconstruction of the economic and financial fabric of the world.

During the year Great Britain has balanced her budget, has repaid the credits obtained from the United States and France to support the pound, and has effected a series of conversion operations totalling the vast sum of £2,500,000,000. These

conversions will produce a saving to the Exchequer of £38,000,000 per annum in interest, will make for a lowering of interest on all borrowings, and it may be will permit a lightening of the burden of taxation that is bearing so heavily on the country. British Government securities now stand on a basis of about 3½%.

In connection with the decline of the pound sterling, changes in the cost of living, as measured by the purchasing power of the pound, have not been important, as the decline in the values of commodities and raw materials has kept pace with the decline in that purchasing power. This, of course, cannot be expected to go on indefinitely. In the meantime, however, there has been no important advance in the cost of living in the United Kingdom.

CONDITIONS IN THE UNITED STATES

In the United States, as a result of the increasing severity of the depression and the persistence of price declines, the number of commercial failures reached the highest total on record. Liabilities involved were also greater than in any previous year. Particularly sharp declines occurred in the iron and steel industries, and the output of automobiles and related lines dropped to the lowest level of a decade. Agricultural income suffered a sharp decline, owing to the decrease in prices of farm products. Evidence of this is found in the fact that the average value per acre of the ten leading crops was less than \$9 in 1932, as compared with over \$13 in 1930 and over \$19 in 1929. The year was marked by serious runs on banks, followed by many bank suspensions. In recent months remedial measures adopted by the Government have caused a sharp drop in such failures and reopenings of closed banks during this period equalled or exceeded the number of suspensions.

Owing to doubt of the stability of the American gold standard, heavy withdrawals of foreign balances took place at one period, causing an unprecedented demand for gold; all such demands were met, however, without weakening the financial structure of the country. At the peak of the demand in June last, the monetary gold holdings of the United States were reduced to \$3,919,000,000, as against average holdings of \$4,454,000,000 in 1926, considered a normal post-war year. Gold holdings are now back to \$4,260,000,000 and the flow continues inward.

It has been a problem to employ profitably that portion of the Bank's reserves carried in New York, as money rates have been extremely low.

MANUFACTURE AND AGRICULTURE

In common with those of all other countries manufacturing conditions in Canada have been far from satisfactory. Outstanding in this respect has been the situation in regard to the pulp and paper industries which have headed the industrial lists of the Dominion in wage and salary distribution since 1922 and have been the first in gross value of products since 1925. Canada's exports of newsprint have for years been second only to her exports of wheat, and it is unfortunate that over-development of productive capacity, combined with sharp reduction in demand, has reduced the industry to a non-profitable basis. Recent price-cutting has added to these disabilities and has shown more clearly than ever that there can be no permanent betterment until measures for co-ordinating production are put into effect. Leaders in the industry have been working earnestly and assiduously to this end and are well advanced in the intricate valuations and other compilations necessary as a basis upon which to formulate plans for a practical solution. Other major industries have felt the depression acutely during the year. The lack of export demand and the low ebb to which building construction has fallen have brought the lumber industry practically to a standstill. In the mining field, producers of silver, copper, lead,

zinc and asbestos have laboured under great disadvantages owing to low world prices for their products, and the only branch of the industry which has advanced its position during the year is gold production. Unsatisfactory world markets have rendered fishery operations in the East relatively unproductive of profit, but on the Pacific Coast the salmon pack of approximately 1,050,000 cases is being marketed satisfactorily.

Among factories, those engaged upon cotton, woollen and artificial silk products have been fairly well employed, as also have boot and shoe factories. Public works are not being proceeded with on any large scale, and railway construction, together with the production of railway equipment and materials required for maintenance, once a large source of employment of labour, is at a standstill. Such indices as car loadings, railway earnings, bank clearings, bank debits and note circulation attest the recession in the volume of business. Hydro-electric development has reached the point of saturation, and until trade and industry take on more activity new projects are not likely to be undertaken.

The fall in commodity prices and the fluctuations in foreign exchange have dislocated the commerce of the year. The index number of commodity prices as a whole has declined in Canada from 100 in 1926 to 65.9 in October last, or by one-third. This recession has hit hardest the agricultural classes, the prices of whose products have dropped to 44.9 from 100 in 1926, or more than one-half. In such circumstances, inducement to retailers to carry more than hand-to-mouth stocks is lacking. In the security markets the lowest point was reached in June, since which time there has been some betterment.

The harvest, notably of grain, in Canada was of good average, the 411,000,000 bushels of wheat produced in the three prairie provinces being 127,000,000 bushels in excess of last year's crop, and of coarse grains production was substantially larger than in 1931. The Western wheat crop moved rapidly, deliveries between August 1st and November 10th exceeding 230,000,000 bushels. It is unfortunate that the price of wheat has dropped to the lowest figure in the history of the Winnipeg Exchange, duplicating in this decline to new low levels the course of many other world commodities. There has been a large make of cheese, butter and other dairy products, and a greatly increased export of meats to Great Britain. The removal of restrictions on Canadian cattle imported into Great Britain as a result of the Ottawa Conference is expected to stimulate shipments to that market next season.

PUBLIC DEBT AND TAXATION

The weight of public debt and taxation restricts trade. In less than two decades our Federal funded debt has increased from \$336,000,000 to \$2,500,000,000, or nearly eight-fold, while in the same period provincial and municipal debts have mounted in relative ratio. Seventeen years ago, no direct taxation was imposed by the Dominion Government; in the last fiscal year the amount raised by such levy was \$122,266,000, and within sixteen years provincial government taxation has risen from \$15,700,000 to \$125,000,000. I may point out that this is an annual levy of a quarter of a billion dollars for Dominion and Provincial Government obligations alone. In this connection I may mention that in 1931 a conversion offer was made by the Dominion Government in the nature of an exchange of the 5½% bonds due 1932, 1933 and 1934 for bonds of a new issue which would bear the same rate over the same period, and after that a rate of interest of 4½%. The total amount converted was \$599,983,000. The interest charges on this sum at 5½% amounted to \$33,000,000 per annum. At 4½% the interest charges are \$27,000,000, so that after 1934 the interest saving as a result of the conversion operation will amount to \$6,000,000 per annum. Of the 1933

and 1934 issues there are still outstanding \$396,110,000, and if ways and means can be found for replacing this balance at or before maturity at a rate of $4\frac{1}{2}\%$ the additional saving per annum will amount to \$4,306,000, or a total of over \$10,000,000.

It is a new experience for Canada to be confronted by the fact that the cost of government has become a major factor in the cost of doing business. Unemployment relief has, of course, added to the burdens, but even so, if government were strictly confined to its appropriate functions, a large scaling down of expenditures could be accomplished. There is a disposition in many quarters to look to the government, both local and federal, for bounty in one form or another, but it should be remembered that a government of itself produces nothing. The funds it disburses are a levy on the business activities of the people, no matter what form taxation may take, and the heavier the burden the greater the difficulty of business revival. I am glad to be able to say that in many quarters active steps are being taken to reduce substantially government outlays, and it is to be hoped that this movement will spread until all classes of public expenditure are brought into relation with the actual tax-paying capacities of the people.

THE RAILWAY SITUATION

In the total public debt which I have quoted is included \$1,044,000,000 borrowed by the Dominion Government and loaned to the Canadian National Railways, but I have not included that other liability of the Dominion Government as guarantor for securities issued direct by the Canadian National Railways which amount to 970 millions of dollars, upon which and other funded debt of the Canadian National Railways, totalling \$306,000,000, interest of approximately \$56,000,000 was paid in 1931. The Canadian National Railways are costing the people \$5,000,000 monthly in interest on bonds of the Canadian National Railways in private hands, and about the same amount in interest on Dominion debt representing advances to the Canadian National Railways—a total of \$10,000,000 monthly.

Public ownership of more than half the railway mileage of Canada has increased the burden of general taxation and complicated Federal finances. In view of this serious state of affairs the Dominion Government appointed a Commission on Railways and Transportation to examine the situation. Following upon the report of this Commission, and the presentation to Parliament of a Bill drafted upon its recommendations, Parliament and the people of this country are now giving serious study to the whole railway situation.

The position is that, on the one hand, we have the Canadian Pacific Railway Company with a capital of \$1,100,000,000 composed of bonds, preferred and common stock subscribed for by the public, partly in Canada but for the most part abroad, not a dollar of which vast sum is guaranteed in any way, either as to principal or interest, by the people of Canada, and the payment of interest upon this capital depends entirely on the ability of the directors and management to make the road pay. This money has been used by the Canadian Pacific Railway Company to carry out the terms of its original contract with the Dominion made in 1881, which provided for the establishment of a perpetual service. It has been used, not only in the building of a railway and of all the services that go with it, but in the development of many other projects, such as immigration, agriculture, mining and other activities which have played a conspicuous part in the development of the country.

On the other hand, we have the Canadian National Railways, owned and operated by the Government, upon which the immense sums I have already mentioned, provided or guaranteed by the

public exchequer, have been expended. This money has been used to build up a separate transportation system, but no matter how carelessly or how extravagantly it may be managed, every dollar of both principal and interest is guaranteed by the people of Canada.

Thus, in the first instance you have a property requiring the most careful management in order to make good, and on the other hand you have a property without a balance sheet; and no matter what the results may be, those investors who hold the obligations of the Dominion Government, representing expenditures upon the publicly owned system, need have no fear as to the payment of principal or interest, for the people pay these in any case.

The Bill now before Parliament, which in its present form proposes to place the control of both properties in the hands of arbitrary tribunals, is receiving challenge as an interference with the rights of the private company, and it is doubted that in its practical results such a Bill can achieve its object. It will be apparent that a scheme of co-operation and arbitration of differences under a system which continues the parties in competition presents difficulties, and it is to be feared that it would not effect the economies which the situation imperatively demands. It will be apparent, also, that the maximum of economy can only be obtained by a union of interests which will make united administration possible, and it is to be hoped that some plan may yet be devised to provide for this. Obviously, the more permanent such an arrangement can be made the more effective and advisable it will be.

THE OUTLOOK

In this brief sketch I fear that some may think I do not strike a very optimistic note. At this time last year most of us thought we were nearing the end of the depression and that during 1932 we would see a marked change for the better. Unfortunately, 1932 has seen a further recession in business, and any improvement that has taken place from the low point, which was reached in June last, has not been up to expectations.

It must be borne in mind, however, that the present depression is world-wide, few, if any, countries escaping, and that it has been most severe in the most highly developed countries; I mean those such as Canada, the United States, Great Britain and others that do a world-wide business and in which manufacturing, agricultural and other industries combine to make up the volume of trade.

I am asked the question every day, "Do you see any light in the situation and has there been any change for the better?" The answer to this must be very guarded, because although there has been a decided turn for the better in the stock market since June, during which month it reached its lowest point, and whilst the general financial situation is easier, still we have not seen that improvement in general business or in railway car loadings which usually follows within a reasonable time the two changes I have mentioned. Nevertheless, I think I can truthfully say that Canada has come through the extreme depression and difficulties better than other countries in a similar economic position. We have managed to keep well in the middle of the road and must continue to do so. We require honest and efficient leadership in our railway policy for the future, as this is our most serious problem. We must continue to safeguard our financial and economic position to the very limit of our ability, hoping that the turn for the better is not far off and that the long road of depression will soon come to an end, with our country quickly responding because of the general soundness of its position.

THE GENERAL MANAGERS' ADDRESS

The Chairman then called upon Mr. W. A. Bog, as Joint General Manager, to read the address of the Joint General Managers, which was as follows:

Mr. President and Gentlemen,—

On behalf of Mr. Dodds and myself, I have the honour to present to you the one hundred and fifteenth annual balance sheet of the Bank.

A reflex of the further shrinkage in general business which has occurred throughout the Dominion this year is to be found in the figures submitted, which show that the Bank's assets now total \$769,200,000 against \$794,500,000 a year ago, a decrease of \$25,300,000. This decrease, I think you will agree, is a moderate one, in view of the state of domestic business, the large decline in foreign trade and the low levels to which all commodity values have fallen.

As illustrating the effect of the business situation on banking figures in general, the total debits of all banks in Canada to individual accounts for the 12 months ending 31st October last amounted to \$26,774,000,000, a decline of \$5,318,000,000.

Commercial failures in Canada for the year ending 30th September numbered 2,427, with liabilities of \$49,684,000. This compares with 2,258 failures, with liabilities of \$44,397,000 in 1931.

The Bank has maintained its traditional liquid position and this has been done without in any way curtailing the legitimate needs of our customers. The cash and quick assets that we held at the close of our bank year amounted to \$439,768,000, representing 63.46% of our total liabilities to the public. Of these assets actual cash, i.e. Government legals and coin, amounted to 12.22%.

Call Loans at \$25,200,000 show a decrease of \$12,300,000. Those in Canada are down \$4,100,000, those abroad \$8,200,000. We hold in New York a substantial amount of United States Government short term obligations which are immediately realizable.

Our deposits in other banks are \$31,800,000, an increase of \$9,600,000.

Investments, not exceeding market value, amount to \$267,000,000, as compared with \$238,000,000 last year; the increase of \$29,000,000 being entirely in Dominion and Provincial Government securities.

Current Loans in Canada (including advances to municipalities) total \$281,000,000, a decrease of \$41,000,000.

Current Loans elsewhere aggregate \$17,900,000, a decrease of \$5,100,000.

Bank Premises are shown at \$14,500,000, the same figure as in 1931.

In valuing our assets, ample provision has been made for all bad and doubtful debts and depreciation of securities.

Capital and Rest remain unchanged at \$36,000,000 and \$38,000,000 respectively.

Deposits total \$635,700,000, a decrease of \$21,100,000. Notice Deposits show a decrease of \$13,000,000, Demand Deposits a decrease of \$20,000,000 and Dominion and Provincial Government Deposits an increase of \$12,000,000.

Balances due to other Banks are \$13,000,000, an increase of \$900,000.

Profits amount to \$4,663,000 as compared with \$5,386,000 last year. The decrease of \$723,000 is in keeping with the

reduced turnover of business generally and the lower rates earned on our reserve funds.

In the past we have published a half-yearly report at the end of April. We shall probably not continue this as it does not properly indicate the result of the full year's business.

On the 31st October we had 606 branches in operation.

A DIFFICULT YEAR

The year through which we have just passed has been one of stress and anxiety to all nations of the world—there has been no exception. In Canada we have done better than most other countries but there are still many difficulties to overcome. The partial paralysis of international trade, induced principally by the determination of creditor nations not to accept payment of debts in goods, has adversely affected commodity prices and particularly those of natural products. All countries have been endeavouring to live within themselves—to do this they are producing all the necessities possible within their own borders and heavily taxing imports—high tariffs are the rule, many adopted, as those in Canada, in self-defence.

During the year the opportunity for safe and profitable employment of our funds has been greatly limited, resulting in lower net earnings notwithstanding many economies instituted, and the shareholders were probably not unprepared to learn that the directors had deemed it advisable to reduce the amount of dividend disbursement. While at first sight the present dividend of 10% may seem a high return, it must be remembered that the shareholders' investment in the Bank is vastly greater than the simple total of capital on which the dividend rate is calculated. In addition to the capital there are a rest account and undistributed profits, the property of the shareholders, which are higher by several millions of dollars than the total capital. Our rest account is made up of undivided profits, which have been accumulating since the establishment of the Bank in 1817, and of stock premiums representing money actually paid in by shareholders which have reached as high as 100%. Therefore, while the dividend is 10%, as a matter of fact it works out on the total amount which the shareholders have invested in the Bank at a figure which is less than one-half this rate.

Our staff of over 6,000 have shared in the sacrifices that have been required, through the dropping of the salary bonus which we had for thirty years granted to them, as well as through the omission of increases. They have loyally co-operated with the management, thus showing their appreciation of the difficult conditions under which all financial institutions are operating and the advantages of steady employment with a pension when they retire, and in the case of married men, provision for widows and minor children.

Our new main office buildings in Ottawa and Calgary are now completed, and in appearance and equipment are fully in keeping with the standing of the Institution. This, for the time being, completes our building programme.

TRADE AND COMMERCE

Detailed reviews of agricultural, industrial and business conditions in the various provinces will be included in the printed reports of these proceedings. The reports will be mailed to shareholders and also will be available upon request to all who may be interested in receiving them. They show how serious has been the decline in practically every branch of business activity. As far as the agricultural industry is concerned, the outstanding feature has been the remarkably good yields, both in volume and quality, of the staple crops in nearly every part

of the Dominion. Although prices of all farm products continue disappointingly low, excellent crops have brought some measure of compensation and, in the case of grain, resulted in greater activity in transportation. In the mining field the outstanding feature has been the continued increase in our gold production; the total production this year will reach \$60,000,000. In the field of transportation a feature has been the increasing importance of Vancouver as a seaport, shipments of grain from that port having been particularly heavy throughout the year.

A year such as the one under review is not conducive to vacation travel. Yet it is significant that the volume of the tourist traffic in Canada has been maintained in such degree that the Dominion stands out to-day as one of the premier tourist countries in the world from the standpoint of attracting outside visitors.

The past year has seen a continuation of the movement to establish in Canada branch industries for the manufacture of products that formerly were imported. In view of the preference now accorded to Canada in the markets of the Empire on a wide variety of manufactured goods, it may be expected that this movement will continue and that domestic trade in manufactures will be supplemented more largely than in the past by export trade, to the advantage of Canadian workmen.

FINANCIAL CONDITIONS ABROAD

In London the course of the year has been marked by a chain of developments that has brought about a remarkable change in money market conditions. A year ago the Bank of England rate stood at 6%—it is now 2%. Call money was 5% against $\frac{1}{2}$ % to 1% to-day, while the rate for three months Treasury Bills was $\frac{5}{4}$ % against 1%. Money has been in superabundant supply, attributable to a restricted demand from trade and industry and for financial operations, and also to policy. This ease in money permitted great conversion operations, approximately 40% of the total internal debt, and moreover, has encouraged the repatriation of large foreign balances employed in London and left the market in a healthier condition.

The pound sterling has depreciated in terms of gold, although at one time it appeared that a fair measure of stability could be maintained notwithstanding the absence of a gold backing. It must be recognized, however, that London is almost the only centre off gold that has allowed freedom in trading and exchange.

During the process of the conversion loan operations an embargo was placed on capital issues in London, but this has now been partially relaxed so far as domestic and Empire needs are concerned.

In France during the year, trade and commerce, both internal and foreign, have been on a greatly reduced scale and many industries have also seriously felt the strain. Export trade is hampered by reduced purchasing power abroad and by high tariffs against France. Imports have fallen owing to the slowing up of manufacturing and also on account of the introduction of the quota system, notwithstanding which the visible adverse balance of trade for the ten months up to 31st October was Fcs. 8,329,000,000.

The highly successful conversion of several high interest Government issues into a $4\frac{1}{2}$ % issue has been an important step towards placing the country's finances on a sounder and more economical basis.

In the United States, throughout the past year the scene in the financial world has been a shifting one, without parallel, and in industrial and agricultural pursuits continued falling prices and bewildering uncertainty have prevailed. The year has

seen liquidation in commodity and security markets, widespread commercial and banking failures, hoarding of currency and general impairment of confidence.

Early in the year, for a short time commercial and industrial activity showed a slight expansion, but thereafter for a number of months there was an almost steady and continuous decline, reaching a lower level than at any time in many years and covering all lines. It is gratifying to note that recently this decline has been somewhat checked—it is hoped and believed permanently.

There are still some disorganized situations and it seems probable that there will have to be additional taxation to balance the Federal budget. Nevertheless, the conclusion may fairly be drawn that the country is making slow but none the less steady progress towards recovery. The Presidential and Congressional elections are now past events and although there is to be a change in administration it is felt that this need cause no really disquieting thought.

THE BANK ACT

A matter which ordinarily would have come up for consideration at the present session of Parliament at Ottawa is the decennial revision of the Bank Act; but this has been postponed for a year awaiting the outcome of the World Economic Conference at which banking and monetary reform will be discussed.

Reform of the banking structure is not a real issue in this as in some other countries, not only because under the Finance Act Canada already possesses through Government channels those advantages which would come from a central bank if one existed, but also because the strength of the present banking structure has been the outstanding favourable feature of the business depression through which we have been passing.

If the circulation privilege were taken away from the banks, as has been mooted, I do not see how they could justify continuing many of their smaller branches, of which even now a large number are operated at a loss, for instead of holding their own notes for till money they would require to hold Government notes, which would be an added burden as it would mean that the banks would have to carry, over and above their necessary reserves, many millions of idle Government notes at a substantial sacrifice in revenue.

That the declining trend in commercial loans in Canada is due to deliberate restriction of credit by the chartered banks is a suggestion which has been advanced from time to time; but so far as your Institution is concerned, there has been no withholding of credit to those to whom we could safely lend our depositors' money. We have over one million deposit accounts in the Bank of Montreal and the average is, therefore, of modest proportions—the banker must always keep his depositors in mind, especially the smaller ones, as their savings are often their all. We would fail to justify the trust reposed in us by these capitalists if we were to make what we consider unsafe advances. Never was the advantage of a Savings account better illustrated than during the last few years. The depositors' capital is intact, it has always been immediately available and a fair income has been received thereon. Furthermore, I should like to draw to your attention the important principle that banks, while seeking new business, should not press money on a borrower no matter how high his standing—business must generate its own steam. It would be a most dangerous procedure for banks, in addition to supplying credit, to encourage expansion which they feel is not warranted.

The decrease in loans which follows the downward swing of a trade cycle is mainly due to reduced borrowing on the part of those who of their own volition contract their operations to conform to decreased consumption.

It has been suggested that a money market should be established in Canada, but money markets can hardly be created; they grow naturally in great centres where wealth and capital congregate. Only countries which have plentiful capital of their own are likely to attract day-to-day money; a debtor country such as Canada can hardly hope to compete in this respect with the United States. The only real money market at the present time on this continent is New York, and in my opinion it will so continue for years to come.

CURRENCY AND CREDIT

A substantial portion of our governmental debts is payable abroad and, in order to ensure that all maturing payments thereon may be effected promptly, the Federal Government has very properly placed certain restrictions upon the export of gold. Nevertheless, the Canadian dollar is firmly linked with sound money. In other countries, capital fled to foreign centres as soon as confidence was undermined through the undue issue of currency—under like conditions the same thing would happen in Canada with a most disturbing effect upon general business and a disastrous effect on our foreign credit. In view of our heavy foreign payments and future needs, the credit of the Dominion must be maintained unimpaired.

There is something to be said in favour of a reasonable discount on our dollar in New York, although it is burdensome to those having obligations to meet in New York funds, but to increase this discount artificially in a competitive way to a level with those countries whose currency is depreciated to a greater extent than ours would be an extremely dangerous experiment as no one could tell where it would end.

We have had three years of business depression, and while there is still no strong indication of a return to normal conditions, yet in world affairs certain correctives necessary to the process of rehabilitation have been achieved, so hope may reasonably be entertained of brighter days from now on. Settlement of the questions of disarmament, war debts and freer international trade remains to be accomplished before a full general recovery can be expected. As far as Canada is concerned, these trying times have brought us to a realization of some of our national problems—among them the paper industry, the railway situation, the wheat and unemployment problems, the extravagances in administrative expenditures with resulting heavy governmental debts and excessive taxation—which latter is one of the great handicaps to business recovery and expansion. At the same time it is impossible not to be struck by the strength and resilience which this country has exhibited. We have experienced a great contraction in our export trade, we have sustained substantial rebuffs in the form of heightened tariffs against our products, we have seen our dollar go to a heavy discount in the United States; and yet with all this we have maintained as high a level of general well-being as any other country, and we are among the few nations of the world promptly meeting every obligation, both externally and internally. These considerations should strengthen our confidence in our country and its future.

Your Bank has come through this period with undiminished prestige, for it can be claimed without exaggeration that events have only served to emphasize the important and outstanding position which it occupies in the business affairs of this country.

QUEBEC

Crops, generally, were above average but prices have been lower than last year. In some sections potatoes were affected by rot. Hay was generally satisfactory. Pasturage was good, resulting in a steady flow of milk. Production of butter and cheese was about average. Owing to low prices prevailing for

grain and fodder, more cattle are being wintered than usual. The yield of maple syrup and sugar was less than last year.

The softwood lumber industry continues in an unsatisfactory condition owing to lack of demand and continuous pressure from "distress" stocks. Hardwood lumber is in a relatively better position but stocks are moving slowly at low prices.

Pulpwood inventories at mills are generally low. Woods operations are being undertaken by certain mills on a moderate scale and at low cost to replenish wood piles. A substantial amount of pulpwood in the hands of farmers and jobbers cannot profitably be moved at present prices.

The newsprint industry has been in a disorganized condition throughout the year. Exports have declined and recent price cuts have aggravated the situation.

Production of all grades of pulp was smaller than last year. The market has been weak and exports were on a reduced scale.

Iron and steel trades have experienced another difficult year, owing to the continued depression in industry and curtailment in railway expenditures. Equipment companies and manufacturers of machinery have also been adversely affected.

Operations of the Aluminum Company at Arvida were at a low level during the first half of the year, but during the last few months production has increased substantially.

Gold and silver mines are steadily increasing their production. The output of copper has been well maintained, although slightly less than last year; production of asbestos declined about 25% as compared with 1931.

Production of cotton goods was greater than last year but the dollar value lower. Artificial and real silk mills have been operated at near capacity for most of the year.

Flour millers have experienced difficult conditions; exports declined substantially and as a result competition for domestic business was keen.

The fur trade in the past year continued the unprofitable trend of the preceding two years and has probably reached the lowest point in the past decade. Stocks on hand are reported low.

The boot and shoe industry has been fairly well employed but keen competition has diminished profits. Some weaker units have been obliged to close down. Hide and leather prices declined during the first six months of the year but subsequently rose and are currently higher than at the corresponding period last year.

Distress selling by weaker firms featured the clothing trade during the past year. The record of failures shows a tendency towards the gradual elimination of the smaller manufacturers.

General conditions in the sugar refining industry continue satisfactory. Consumption has declined slightly but prices are more stable.

Production of rubber goods was definitely lower than last year owing to decreased industrial activity generally and smaller demand for tires. The volume of footwear produced continued the declining trend of recent years. Export business was greatly handicapped by exchange fluctuations, foreign tariffs and lack of credit stability.

Wholesale and retail trade generally has gone through a trying period. Difficulties encountered in collecting accounts, coupled with a reduction in the purchasing power of the public, have resulted in many failures. More sales are being made on a cash basis than formerly.

Building construction and property values generally have declined. Mortgage money has been difficult to obtain. There has been little demand for farm lands.

Tourist traffic was less than last year and the trend has been towards the less expensive resorts and smaller expenditures by the individual.

The Federal and Provincial Governments and Municipalities spent substantial amounts to relieve unemployment.

The Provincial Government passed legislation establishing the Quebec Municipal Commission to exercise closer supervision over the finances of practically all municipal bodies and school-boards.

To sum up, while crops generally were good, prices have been low and the purchasing power of the rural sections has been curtailed. The two most important industries in the Province, lumber and paper, have again experienced difficult conditions. Wages and salaries in practically all fields have been reduced but, notwithstanding this, the profits of business generally have been negligible.

All classes are continuing their efforts to meet existing conditions but marked improvement can hardly be expected until the farmer and the producer of basic raw materials obtain better returns for their products.

ONTARIO

The farmers of Ontario have again harvested very satisfactory crops. Preliminary estimates of the Ontario Department of Agriculture indicate per acre yields for wheat, oats and barley all slightly up from last year, with fall wheat of good, oats of fair, and barley of average quality. Hay and clover crops were heavy in Western and Central Ontario but the quality was impaired by rains during harvest; in the Eastern section yields were light owing to drought. Fodder corn acreage was again increased and the yield was very satisfactory. The acreage of canning crops was much reduced and yields were average. Potatoes, in reduced acreage, were affected by blight and rot and the yield was below average. Mangolds, turnips and sugar beets were heavy. Small fruits were average, peaches and grapes satisfactory and apples under average. Prices have been extremely low and the demand poor.

Tobacco, in approximately the same acreage as last year, yielded a heavy crop estimated at over 40,000,000 pounds, and the quality, particularly of the flue-cured variety, is the finest yet grown in Ontario. Prices are lower than last year.

Pasturage, except in Eastern Ontario, was uniformly good throughout the season. The flow of milk was heavy and the resultant over-supply depressed prices of all dairy products to new low levels. The export of cattle to Great Britain during the early months of the year helped to maintain prices on a fairly stable basis, but after July, when shipments ceased, prices reacted to very low levels. Hog prices have ruled below the cost of production throughout the year. The export of bacon to Great Britain has recently become unprofitable due to the low price prevailing there.

The timber cut for the season 1931-1932 was approximately 40% of that for the previous year. Mill stocks are moving very slowly and bush operations this winter will be of a minor nature. Consumption of pulp and paper decreased and many plants are idle or working on limited schedule.

It is estimated that gold production for the current year will exceed \$46,000,000, an increase of \$5,000,000 over 1931. This is exclusive of exchange compensation of probably \$7,000,000. New showings in the Thunder Bay and Sudbury Districts give good promise. Production of base metals showed marked contraction owing to weak markets.

Fishing on the Great Lakes resulted in a poor catch, for which unsatisfactory prices were obtained.

With few exceptions, industrial plants have been operating on a part-time basis and below the levels of last year. Industries largely dependent on the building trade and agriculture have been particularly affected. Those enjoying increased tariff protection have been reasonably employed. Export trade has diminished to small proportions. Competition is keen.

Both wholesale and retail trade showed reduction in volume and under pressure of competition prices have been reduced to the point where profits are negligible. Tourists were fewer and their expenditures were noticeably less.

No new works of importance have been undertaken by the Dominion and Provincial Governments or the Municipalities. The Province constructed 99 miles of pavement and built 16 bridges. Maintenance and extension of highways involved expenditures by the Province of \$12,000,000. Construction of a part of the Ontario section of the Trans-Canada Highway was carried out, to relieve unemployment, at a cost of \$6,500,000.

There has been a decided reduction in real estate values. The shortage of money for mortgage loans has contributed to the curtailment of building operations. Rentals are under pressure and are gradually declining. There is little demand for city or farm properties.

This year the Temiskaming and Northern Ontario Railway completed the ballasting of the line from Cochrane to Moosonee on James Bay. Suitable terminal facilities have been provided and a train service established.

During the year the Hydro-Electric Power Commission of Ontario purchased the partly completed Abitibi Canyon development from the Ontario Power Service Corporation. The estimated potential capacity is 375,000 h.p. Approximately 130 miles of new low voltage transmission lines and 550 miles of new rural primary lines will be erected this year by the Commission.

The present inadequate prices for farm products have far-reaching effects in communities largely dependent upon a prosperous agricultural population. Splendid crops have been harvested, but in the main the proceeds have barely covered the cost of production. This also applies to livestock. By the exercise of rigid economy farmers who are well established are making a living, but those who are burdened with mortgage and other debts encounter increasing difficulty in meeting their money obligations. Taxes have become a serious matter. The Provincial Government and Municipalities are under the added necessity of providing for the large number of unemployed, but this problem, on the whole, is being well looked after. There are no signs of extreme social unrest. The situation is being faced with intelligent moderation in the expectation that adjustments in living costs will correct existing inequalities within a reasonable time.

MARITIME PROVINCES

Hay and cereal crops were above average. Reduced acreage, blight and inability of some producers to purchase sufficient fertilizer resulted in a potato crop below normal. The Annapolis Valley suffered severely from wind storms in September, reducing the quantity of high-grade apples suitable for export. Prices of all farm products have been low.

Lumber markets have been depressed throughout the year. A large part of last year's cut is still in first hands; this winter's operations are expected to be on a small scale.

Coal production was about 20% less than last year and substantially below the past five-year average. Gypsum mined in Nova Scotia was less than half of last year's output.

Fewer vessels were engaged in the fishing industry this year; very low prices prevailed and the total landed value was substantially less than average. World markets for codfish have been

more or less demoralized. Lobster fishing was satisfactory but prices low.

Manufacturing generally has remained at low levels. Steel plants operated at a low percentage of capacity. Cotton mills have only been partially employed. Sugar refineries have been fairly busy; manufacturers of confectionery have operated at partial capacity. Shoe factories have experienced difficult conditions.

Wholesale and retail trade has been in smaller volume than last year. Collections have been fair.

Dominion, Provincial and Municipal authorities restricted their capital expenditures to a limited amount of work, mainly for unemployment relief.

Real estate has been inactive in the larger centres; farm properties have been practically unsalable. There has been very little construction of residential or commercial buildings.

Tourist traffic decreased both in numbers and in amount of money spent.

Lumbermen, farmers and fishermen are all suffering from the low prices prevailing for their products and the consequent decrease of purchasing power has affected all sections of the community. The Maritime Provinces, in common with other sections of the Dominion, are passing through difficult times, but the people are meeting conditions with commendable spirit.

PRAIRIE PROVINCES

This year's wheat production is estimated at around 410,000,000 bushels, compared with the ten-year average of 377,000,000 bushels and last year's short crop of 300,000,000 bushels. Top grades prevail and wheat is rich in protein. The area sown was 1,040,000 acres greater than last year. There were possibilities for a bumper crop, but hot weather in early July over southern areas and a plague of grasshoppers in districts in Saskatchewan and Manitoba wrought extensive damage.

The acreage in oats, barley and flax changed little from last year, although, taking flax alone, acreage was down 28%. The yield of approximately 340,000,000 bushels for the three crops is 100,000,000 bushels over 1931.

Sowing and harvesting were carried out at a minimum cost.

The livestock industry continues to expand, for notwithstanding drops in prices from already low levels the turning of grain into meat is more profitable than selling the grain. Tariffs and adverse foreign exchange rates militated against exporting.

Low prices for dairy products have ruled and the year's output may show some decline.

Returns from grain and livestock have shrunk so much that large numbers of farmers find it difficult to liquidate debts. Fortunately the mortgage debt on farms is not relatively heavy. According to the 1931 census, 85% of all Western farms were occupied by owners or part owners and 45% of these farms were free of registered encumbrances of any kind.

The search for gold continues, and production, although still relatively small, is growing. This also applies to copper and zinc despite low prices. Reduced coal consumption, due to slackened industry, has affected the Alberta mining fields. Saskatchewan is using more of its domestic lignite coal. Oil production in Alberta has been curtailed, due partly to the new gas conservation policy.

The plight of the farming community is reflected in sluggishness in all business. With a few exceptions, manufacturing business is poor. Flour mills continue at approximately last year's reduced pace. Packing and some other food processing

businesses have held up fairly well. Garment makers have been fitfully busy. Many of the more active industries cannot operate at a profit.

Wholesale trade is substantially down and, gradually, consolidations are taking place. A few concerns, notably food-stuffs distributors, are doing well on a quick turnover and narrow margin policy. Departmental stores have a reduced but fairly satisfactory turnover. Independent stores find it difficult to carry on. Cash-and-carry buying is increasing. Automobile business is poor. In country districts much trade is now done by barter and home canned goods are replacing factory products.

Business is largely on a short term or cash basis; current trade accounts are being paid reasonably well but heavy losses have been suffered on old accounts.

Farm machinery companies experienced a much better demand for implements and parts but concessions offered for settlement of old accounts have not brought anticipated results.

Provincial Governments have passed legislation to protect debtors. Creditors have adopted a lenient policy, but further restriction of legal rights can only be prejudicial to borrowers. Obviously it is possible to extend credit only so long as the debtor has the will to repay. Creditors generally are compromising indebtedness of those who would otherwise have little hope of working out of their difficulties. No general scale of debt revision is workable and individual cases must be treated on their merits. The proponents of general debt revision are prone to overlook the fact that the creditor classes have obligations of their own to meet.

Unemployment continues in the larger urban centres and relief is costing the Governments and Municipalities large amounts. Fortunately relief requirements of Saskatchewan farmers this year will be very greatly reduced.

Despite new forms of taxation and economies, Provincial Governments and cities will again have to face budget deficits. Apart from some rural telephone companies and school districts and one small city, there have been no defaults in interest payments on municipal obligations, which reflects creditably on the management.

Federal and Provincial Government expenditures, outside of relief, have been reduced.

The port of Churchill on Hudson's Bay has been opened and 2,700,000 bushels of wheat was shipped to Europe.

Railway services have been reduced and construction of branch lines has ceased. Immigration is at a standstill.

Building costs are low but construction, apart from relief works, is small. There is little demand for city property and farm lands. Notwithstanding conditions, interest on city mortgages has been remarkably well met. Interest on farm mortgages is heavily in arrears. Owners of farm mortgages are suffering through lack of income and through outlays for taxes to protect their security.

Our tempo of business is largely regulated by the vicissitudes of grain growing the world over, and wheat prices are the lowest in living memory. The net value of Western wheat marketed has fallen from \$400,000,000 in 1928-29 to probably \$120,000,000 this year. Prices of all other farm products have shrunk in like manner. It is estimated that the value of all field crops in the Prairie Provinces dropped from \$703,000,000 in 1927 to \$187,000,000 in 1931. On the other hand, the price of goods needed by the farmer has not fallen correspondingly, and in addition he is burdened with debts incurred in days of higher prices. At the moment the situation is trying, but farmers have reduced expenses to a minimum and are reverting to old-time methods of farm life.

Higher prices for farm produce or a right relation between prices and the cost of the many commodities needed by the farmer must precede any general improvement in business.

Betterment in agricultural conditions should come through easier access to British markets for our wheat, livestock and dairy products made possible through the Anglo-Canadian trade agreements.

Notwithstanding existing unfavourable factors in the situation in the Western Provinces, the great assets remain of their soil, their climate, the quality of their grain and the characteristics of their people. Moreover, there is improved stability in Western farming, as practically every farmer is now trying first of all to produce what he requires for his own subsistence. It is also noteworthy that the Prairie Provinces possess much more liquid wealth in bank deposits, Government bonds and other securities than is generally believed, and these reserves, in conjunction with the relatively low land indebtedness and the prevailing leniency of creditor classes, should enable the West to carry on until conditions improve.

BRITISH COLUMBIA

Generally speaking, good crops have been harvested throughout the Province, but owing to the abnormally low prices for agricultural produce returns to the farmer have been poor. Dairy farming continues to be in an unsettled condition and the problem of dealing with the surplus milk supply is still unsolved. The apple crop is estimated at 15% above average and, though prices have shown little improvement, the crop is being marketed in an orderly manner. Livestock are in excellent condition and there are ample supplies of hay for winter feeding. The demand for cattle, however, is unusually light, even at the present exceptionally low prices.

Lumber production during the past year has been on a steadily declining scale and the industry is now operating at only 25% of capacity. The tariff of \$3 per M feet levied by the United States is prohibitive. Though exports to the United Kingdom and Australia show a substantial increase, the demand in these markets is chiefly for the higher grades and it is essential for profitable operation that an outlet be found for the common grades which were absorbed previously by the United States. While the export trade with China and Japan shows signs of strengthening, it has been very dull during the past year and, with little demand from the Prairie market, prices have reached a record low figure, very few mills having been able to operate at a profit.

In mining, the continued low prices for silver and base metals have prevented any resumption of general activity, and production for the first six months of this year shows a reduction of over 20% compared with the output for the corresponding period last year. Gold mining has been active, however, and with considerable development work under way it is estimated that the value of the output this year will amount to \$4,000,000 and in 1933 to \$5,000,000. Coal mining has also recorded a slight gain and the downward trend which had prevailed since 1928 has been reversed.

The large carryover resulting from the record pack of salmon in 1930 has been liquidated and the industry is in a more healthy position than for some years past. The pack for the present season amounts to 1,016,000 cases, compared with 685,000 cases last year and 2,221,000 in 1930. This year's production is being marketed satisfactorily and prices are slightly firmer.

Grain shipments from Vancouver totalled 84,587,000 bushels during the past season, compared with 74,154,053 bushels in the previous season. Indications point to an unusually heavy

movement during the next few months. Up to the end of October grain exports to the United Kingdom showed a 100% increase compared with last year and bookings are very heavy. Freight rates have been very low but have stiffened considerably during the last few weeks.

Manufacturers have been operating on a greatly reduced scale and little improvement can be expected until the lumber and mining industries revive. Exports of pulp and paper have been fairly well maintained in the face of keen competition and declining prices.

Wholesale trade has naturally been affected by the diminished activity in the basic industries. Retail stocks have been liquidated satisfactorily and are now very low. Current collections are being met fairly well, but old accounts are very slow. Tourist traffic was exceptionally quiet, being approximately 40% less than in 1931.

The necessity for rigid economy appears to be fully realized by the provincial and municipal authorities as well as by the public, and expenditure is being limited as far as possible to maintenance work and essential undertakings.

Several power plants were completed during the past year and the available horse power shows an increase of 10%, but no new development work is being undertaken.

There has been little movement in real estate; rentals and values have declined about 20%. A considerable amount of residential property is for sale and there is sufficient vacant office space to take care of probable requirements for some years to come.

Owing to restricted markets and low commodity prices, the basic industries are operating on a greatly reduced scale. Unemployment is prevalent and increased taxation has been necessary owing to declining revenues and to meet the cost of relief. Economies in operation have been effected by industrial and business concerns, and as stocks on hand are very low, it is felt that any upward trend in commodity prices would soon be reflected in increased activity throughout the Province.

NEWFOUNDLAND

The shore catch of codfish was satisfactory as to quantity but the fish taken were of small size and bad curing weather was experienced. Shipments to Europe were considerably in excess of those of the previous twelve months. The Labrador catch was about the same as last year. Owing to lower purchasing power in countries where codfish is consumed, and keen competition from Norway and Iceland, demand was weak and prices were low. Returns to the fishermen were meagre. Exchange conditions in Brazil caused restriction of exports of codfish to that country.

The lobster catch exceeded that of last year, but demand was weak and prices the lowest for many years. The salmon catch was below that of last year, with prices also lower.

The results of the seal fishery were disappointing, only a nominal number of steamers being engaged, with poor returns. Whaling has not been pursued for the past two years.

Iron ore shipments from Bell Island for the first nine months of this year, amounting to 61,038 tons, showed a decrease of 476,353 tons compared with the corresponding period a year ago. This is due to decreased demand from Germany, the principal consuming country for Newfoundland ore. It is hoped as a result of the Imperial Conference that a market for 500,000 tons of ore per annum will be found in England.

Lead and zinc mining operations at Buchans were carried on at capacity all year and, with the recent improvement in market conditions in London, the outlook at present is encouraging.

The Paper Company at Grand Falls operated at capacity throughout the year and that at Corner Brook at capacity until midsummer, when operations were reduced to about 75%.

Imports of boots and shoes were down 20% from those of the previous year, with prices unchanged. Local boot and shoe factories were closed prior to the beginning of September, after which they operated on full time. Wholesale and retail trade conditions were poor, with sales reported from 20% to 30% lower than last year; collections were slow.

While conditions in the country are trying at the moment, beneficial results of the drastic curtailment effected in the excessive cost of Government will quickly be felt when world conditions improve, as most of the Dominion's products are sold in foreign markets.

MEXICO

What little change has occurred in conditions in Mexico has leaned to the side of improvement; at least, a more hopeful view prevails. Recent Government enactments covering the fields of banking, commerce and labour, while imposing hardship on some interests, seem to be working for the advantage of the nation as a whole. Effort is being put forth to restore and maintain the earning power of the people and to assist the basic industries. The policy of the Government in this connection is aided by a favourable trade balance and the inclination of the people to buy Mexican products. A large number of Mexicans returned to the country during the year, apparently without seriously aggravating the unemployment situation.

Mineral and oil production is still on a restricted basis owing to world market conditions. Railway and public utilities are operating at a loss, and commerce in general is at a low ebb. Sugar production greatly exceeds consumption, but measures have been taken, and others are in contemplation, with the hope of rehabilitating this important industry.

The principal political event of the year was the resignation of Ingeniero Pascual Ortiz Rubio from the Presidency and the election to that office of General Abelardo Rodriguez. The Government continues in firm hands and the country would seem to be in a position to take advantage of improvement in world affairs.

REPORT ADOPTED

The Chairman then moved, seconded by Mr. H. R. Drummond, 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 Mr. G. B. Fraser, that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., be appointed Auditors for the ensuing year, and that the Ballot for the Auditors be taken at the same time as the Ballot for Directors is taken.

The motion was carried.

On motion of the Hon. Henry Cockshutt, seconded by Lt.-Col. Herbert Molson, C.M.G., M.C., resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

THANKS TO OFFICERS

Mr. George A. Campbell, K.C., then moved, seconded by Mr. W. C. Finley, that the thanks of the meeting are hereby tendered to the President, the Vice-Presidents and Directors for their attention to the interests of the Bank.

In speaking to this resolution, Mr. Campbell said:

"I realize that no advocacy on my part is necessary to secure the adoption of this resolution. There is, however, a tendency to let these resolutions of thanks become mere matter of meaningless routine. This ought not to be so. We are sincere in our appreciation of the highly valued services rendered to this Bank by its officers and directors.

"The Financial Statement now presented is an admirable one, in view of prevailing conditions, and we heartily congratulate them upon the results of their untiring efforts.

"Though it be mere repetition to remind each other of the difficulties through which this country has passed in the last year, in common with the rest of the world, though fortunately in a lesser degree, we should realize that a time of tribulation is a time of testing—not only of individuals, but of great corporations.

"It is ground for much gratification to the whole business community in Canada that our banking system has been able successfully to withstand the trials of this difficult period. That no Canadian bank has got into difficulties during this trying time, is matter for proper pride on the part of the officers and directors of our banking institutions. Above all, our banks have succeeded in retaining unimpaired the confidence of the whole community.

"I venture to think that the Bank of Montreal has contributed, at least as much as any other bank, to the accomplishment of this great achievement.

"For this, and for all the other notable services rendered to us, we shareholders offer our deepest thanks, and I have pleasure in proposing the resolution I have read." (Applause.)

Mr. Finley said: "It gives me great pleasure to second this vote of thanks, and I feel that the expression of the feelings of the Shareholders has been expressed in such adequate terms by Mr. Campbell that nothing more remains to be added."

The resolution was adopted unanimously.

The Chairman: "On behalf of myself and co-directors, I thank you very much for your kind remarks. Mr. Campbell has been quite right in saying that we have had a very difficult year, and not one year, but three years practically, and I think the reports of the Bank show that it has been very carefully managed, and that we have gone through this difficult period in a most satisfactory way." (Applause.)

Mr. W. N. Tilley, K.C., moved, seconded by Mr. Ross H. McMaster, "That the thanks of the meeting are hereby tendered to the General Managers, the Assistant General Managers, the Superintendents, the Managers and other officers of the Bank, for their services during the past year."

In speaking to the motion, Mr. Tilley said: "I am sure that we feel gratified that in these troublous times we have at the head of the Bank directing operations joint general managers who can share the work and responsibility that in these times have been very heavy. They have, I think, with the assistance of those under them, not forgotten that one of the chief things in these times is to keep out of trouble rather than embark upon ventures to yield a large return by way of profit. I have had opportunity each year for two or three years of meeting many of the officers who are outside of the Head Office, especially those in Ontario, and I can speak with first hand knowledge of the loyalty and goodwill which exists among them all, and particularly exists from them to their officers who are at the Head Office here in Montreal. I venture to say that in respect to officers and staff no bank could be better equipped than is the Bank of Montreal." (Applause)

Mr. Ross McMaster: "I have much pleasure in seconding the motion."

In reply to the resolution, Mr. Dodds said:

"On my own and Mr. Bog's behalf and on behalf of the staff of all ranks I wish to express sincere thanks for your warm words of appreciation of services rendered during the past trying year. The kind remarks made by Mr. Tilley in introducing the resolution will be recorded in the printed report of this meeting and will be read by members of the staff throughout the service. I know that your commendation is not a matter of formality but a genuine expression, based on a realization of the fact that our staff of men and women is one of the greatest assets possessed by the Bank. Their loyalty, efficiency and zeal have long been an outstanding feature of this Bank, which is equalled only by the esprit de corps." (Applause.)

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. The ballot is now open for these purposes."

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 elected Directors: the Honourable Thomas Ahearn, P.C., D. Forbes Angus, E. W. Beatty, K.C., W. A. Black, the Honourable

Patrick Burns, the Honourable Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., A. O. Dawson, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., Harold Kennedy, J. W. McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General the Honourable S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., Chris. Spencer, W. N. Tilley, K.C., Sir Frederick Williams-Taylor.

The meeting then terminated.

At a subsequent meeting of the Directors, 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.

The Executive Committee of the Board was appointed, consisting of Sir Charles Gordon, G.B.E., Mr. H. R. Drummond, Major-General the Honourable S. C. Mewburn, C.M.G., and Mr. E. W. Beatty, K.C.

Sir Frederick Williams-Taylor was appointed a member of the Advisory Committee of the Bank in London, England. The London, England, Committee is comprised of the following: His Grace the Duke of Devonshire, K.G., Mr. F. R. S. Balfour, Sir Hardman Lever, Bart., K.C.B., and Sir Frederick Williams-Taylor.

BANK OF MONTREAL

(ESTABLISHED OVER 100 YEARS)

INCORPORATED BY ACT OF PARLIAMENT.

HEAD OFFICE—MONTREAL

PRESIDENT

SIR CHARLES GORDON, G.B.E.

VICE-PRESIDENTS

H. R. DRUMMOND, ESQ.

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

GENERAL MANAGERS

W. A. BOG

JACKSON DODDS

DIRECTORS

D. FORBES ANGUS, ESQ.

G. B. FRASER, ESQ.

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

J. W. McCONNELL, ESQ.

W. N. TILLEY, ESQ., K.C.

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

THE HON. HENRY COCKSHUTT

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

W. A. BLACK, ESQ.

SIR FREDERICK WILLIAMS-TAYLOR

CHRIS. SPENCER, ESQ.

HAROLD KENNEDY, ESQ.

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

THE HON. THOMAS AHEARN,
P.C.

A. O. DAWSON, ESQ.

THE HON. PATRICK BURNS

ROSS H. McMASTER, ESQ.

EXECUTIVE COMMITTEE OF THE BOARD

SIR CHARLES GORDON, G.B.E.

H. R. DRUMMOND, ESQ.

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

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

LONDON COMMITTEE

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

F. R. S. BALFOUR, ESQ.

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

SIR FREDERICK WILLIAMS-TAYLOR

PARIS COMITÉ CONSULTATIF

M. GASTON MENIER

CAPITAL <i>paid up</i> ,	-	-	-	-	-	-	-	-	\$	36,000,000.00
REST AND UNDIVIDED PROFITS,	-	-	-	-	-	-	-	-		39,248,856.50
TOTAL ASSETS,	-	-	-	-	-	-	-	-		769,166,272.69

The Bank has 602 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.

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

BRANCHES

IN CANADA

ALBERTA

ACME
ALLIANCE
BANFF (May to Sept.)
BENTLEY
CALGARY
" Elbow Park
" Stock Yards
CAMROSE
CARBON
CARDSTON
CARSTAIRS
CASTOR
CHAUVIN
COUTTS
DAYSLAND
DELBURNE
DRUMHELLER
EDGERTON
EDMONTON
" 97th Street at
" 103rd A. Avenue
" 103rd Avenue &
" 101st Street
FORESTBURG
GRANDE PRAIRIE
HUGHENDEN
HYTHE
IRMA
ISLAY
KILLAM
LACOMBE
LAKE LOUISE (Chateau
Lake Louise Branch—June
to Sept.)
LEDUC
LETHBRIDGE
MAGRATH
MANNVILLE
MEDICINE HAT
MORRIN
MYRNAM
OKOTOKS
OLDS
PARADISE VALLEY—Sub
to Edgerton
PONOKA
RAYMOND
RED DEER
RIMBEY
SEDGEWICK
STETTLE
THORSBY
TOFIELD
TROCHU
TWO HILLS
VEGEVILLE
VIRKING
VULCAN
WAINWRIGHT
WESTLOCK
WETASKIWIN

BRITISH COLUMBIA

ASHCROFT
CHILLIWACK
CLOVERDALE
DUNCAN
ENDERBY
ESQUIMALT
KAMLOOPS
KASLO
KELOWNA
KIMBERLEY
MERRITT
NANAIMO
NELSON
NEW DENVER
NEW WESTMINSTER
NORTH VANCOUVER
OAK BAY
PENTICTON
PORT ALBERNI
PORT HANBY
POWELL RIVER
PRINCE GEORGE
PRINCE RUPERT
PRINCETON
REVELSTOKE
ROSSLAND
SIDNEY
STEWART
TERRACE
TRAIL
VANCOUVER
" Broadway & Granville
Street
" Broadway & Main
Street
" Carrall & Hastings
Streets
" Forty-fourth Avenue &
Fraser Street
" Fourth Avenue & Alma
Road
" Granville & Davie
Streets
" Homer & Hastings
Streets

BRITISH COLUMBIA— Continued

VANCOUVER (continued)
" Hotel Vancouver
" Kerrisdale
" Main & Hastings
Streets
" Marine Building
" Pender & Columbia
Streets
" Prior & Main Streets
" Thirty-fourth Avenue &
Victoria Drive
" Vancouver Heights
" West Point Grey
VERNON
VICTORIA
" Government Street
WEST SUMMERLAND
WILLIAMS LAKE

MANITOBA

BELMONT
BOWSMAN RIVER
BRANDON
CARBERRY
CHURCHILL
DAUPHIN
GLADSTONE
HARTNEY
MAGREGOR
MINOTONAS
MORRIS
NEPEAWA
OAK LAKE
OAK RIVER
OAKVILLE
PORTAGE LA PRAIRIE
RESTON
RUSSELL
SELKIRK
SOURIS
THE PAS
WINNIPEG
" Bannerman Avenue &
Main Street
" Corydon Avenue
" Ellice Avenue &
Sherbrook Street
" Fort Rouge
" Hart Avenue & Kelvin
Street
" Higgins Avenue &
Main Street
" Logan Avenue
" Lombard Street
" McGregor Street &
Selkirk Avenue
" Morley Avenue &
Osborne Street
" Portage Avenue &
Goulding Street
" Portage Avenue &
Vaughan Street
" Selkirk Avenue &
Arlington Street

NEW BRUNSWICK

BATHURST
CHATHAM
FREDERICTON
GRAND FALLS
HARTLAND
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
ALLISTON
ALMONTE
ALVINGTON
AMHERSTBURG
ARNPRIOR
ATHENS

ONTARIO—Continued

AULTSVILLE
AURORA
AYLMER
BARRY'S BAY
BEACHVILLE—Sub to
Ingersoll
BELLEVILLE
BLENHEIM
BOBCAYGEON
BOTHWELL
BOWMANVILLE
BRAMPTON
BRANTFORD
BRESLAU—Sub to
Kitchener
BRIDGEPORT—Sub to
Kitchener
BRINTON—Sub to Iroquois
BROCKVILLE
BRONTE
BRUCEFIELD—Sub to
Hensall
CALABOGIE—Sub to
Renfrew
CAMPBELLFORD
CHATHAM
CHATHSWORTH
CHESLEY
CHESTERVILLE
CLARKSON
CLINTON
COBLEN
COLLINGWOOD
CORNWALL
" McConnell Avenue &
Montreal Road
COURTLAND
CREEMORE
DELHI
DELTA
DESBORO—Sub to Chats-
worth
DOUGLAS
DRUMBO
DUTTON
EAST WINDSOR
EGANVILLE
ELGIN
ELORA
EXETER
FENELON FALLS
FINCH
FOREST
FORMOSA—Sub to
Teeswater
FORT ERIE
FORT ERIE NORTH
FORT WILLIAM
FRANKFORD
GALT
GANANOQUE
GEORGETOWN
GLENCOE
GODERICH
GORE BAY
GRANTON—Sub to Lucan
GUELPH
HALIBURTON
HAMILTON
" Barton Street &
Victoria Avenue
" Central Market
" Gage Avenue & Barton
Street
" Holton Avenue
" James & Barton Streets
" Main Street East
(Delta)
" Victoria Avenue
" Westinghouse Avenue
HANOVER
HENSALL
HESPELER
HIGHGATE
HOLLAND CENTRE—
Sub to Chatsworth
HOLSTEIN—Sub to
Mount Forest
INGERSOLL
IROQUOIS
KAGAWONG—Sub to Gore
Bay (May to Oct.)
KINCARDINE
KING CITY
KINGSTON
KINGSVILLE
KIRKTON—Sub to Mitchell
KITCHENER
KOMOKA—Sub to Market
Square, London.
LAMTON MILLS
LANCASTER
LANDOWNE
LA SALLE
LEAMINGTON
LINDSAY
LISTOWEL
LITTLE CURRENT

ONTARIO—Continued

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—Sub to
Highgate
NAPANEE
NEWBURY
NEWINGTON
NEWMARKET
NEW TORONTO
NIAGARA FALLS
NORTH BAY
NORWICH
OAKVILLE
ORILLIA
OSHAWA
OTTAWA
" Bank Street
" Hintonburg
" Rideau Street
" Sparks Street
OWEN SOUND
PAISLEY
PARIS
PELEE ISLAND—Sub to
Leamington (May to Dec.)
PEMBROKE
PERTH
PETERBOROUGH
" George Street
PICTON
PORT ARTHUR
PORT HOPE
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 Street West
SCHREIBER
SIMCOE
SMITH'S FALLS
STIRLING
STRATFORD
STRATHROY
SUDBURY
TARA
TAVISTOCK
TEESWATER
THAMESVILLE
THORNDALE—Sub to Mar-
ket Square, London.
THOROLD
TICHBORNE—Sub to
Verona
TILBURY
TILSONBURG
TIMMINS
TORONTO
" Bathurst & King Streets
" Bay Street
" Bloor & Bay Streets
" Bloor Street &
Lansdowne Avenue
" Bloor Street &
Wendermere Avenue
" Brookdale Avenue &
Yonge Street
" College Street
" Danforth & Logan
Avenues
" Danforth Avenue &
Main Street
" Delaware Avenue &
Bloor Street
" Dundas Street &
Lansdowne Avenue

ONTARIO—Continued

TORONTO (continued)
" Dundas Street &
Roncesvalles Avenue
" Dupont Street
" Earlscourt
" Grosvenor & Yonge
Streets
" Hounslow Heath Road
& St. Clair Avenue
" King & Dufferin Streets
" King & Yonge Streets
" Oakwood & St. Clair
Avenues
" Parliament Street
" Queen Street East &
Beech Avenue
" Queen Street West &
Beaconsfield Avenue
" Queen Street & Broad-
view Avenue
" Queen Street & O'Hara
Avenue
" Queen & Portland
Streets
" Roselawn Avenue &
Yonge Street
" Royal York Hotel
" Royce Avenue
" St. George & Bloor
Streets
" St. Lawrence Market
" Spadina Avenue &
Adelaide Street
" Stock Yards
" West Toronto
" Yonge & Bloor Streets
" Yonge & Queen Streets
" Yonge Street & St. Clair
Avenue
TRENTON
TWEED
VERONA
WALES
WALKERTON
WALKERVILLE
" Walker Road
WALLACEBURG
WATERFORD
WATERLOO
WATFORD
WELLAND
WEST LORNE
WESTON
WESTPORT
WHEATLEY
WILLIAMSBURG
WILLIAMSFORD—Sub to
Chatsworth
WILLIAMSTOWN
WINDSOR
" London Street
WOODSTOCK
YARKER
ZURICH

PRINCE EDWARD ISLAND

CHARLOTTETOWN

QUEBEC

AMQUI
ARTHABASKA
ARUNDEL
ARVIDA
ATHELSTAN—Sub to
Huntingdon
BEAUFARNOIS
BEDFORD
BREAKEYVILLE
BRISTOL—Sub to Shawville
BUCKINGHAM
BURY
CHAPEAU
CHICOUTIMI
COOKSHIRE
COWANSVILLE
DANVILLE
DRUMMONDVILLE
GATINEAU
GRANBY
GRAND MERE
HULL
HUNTINGDON
KNOWLTON
LACHINE
LACHUTE
LEVIS
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
MONTREAL (continued)	MONTREAL (continued)	MONTREAL WEST	TEMISKAMING	LIMERICK
" Beaver Hall	" Molson Park	NAPIERVILLE	THREE RIVERS	MAPLE CREEK
" Bercy & Ontario Streets	" Mount Royal Avenue & St. Lawrence Boulevard	ORMSTOWN	VALLEYFIELD	MEACHAM
" Bleury & St. Catherine Streets	" Ontario Street & St. Lawrence Boulevard	OUTREMONT	VERDUN	MELVILLE
" Bordeaux Street & Mount Royal Avenue	" Papineau Avenue & St. Catherine Street	QUEBEC	" Beatty & Verdun Avenues	MOOSE JAW
" Charlevoix & Centre Streets	" Park & Bernard Avenues	" Chateau Frontenac	" Church Avenue	NIPAWIN
" Christopher Columbus Street & Mount Royal Avenue	" Park Avenue Extension	" Limoilou	" First Avenue & Wellington Street	NORTH BATTLEFORD
" City Hall Avenue & St. Catherine Street	" Peel Street	" St. John's Gate	VICTORIAVILLE	OUTLOOK
" Cote des Neiges	" Point St. Charles	" St. Roch	VILLE ST. PIERRE	PRELATE
" Cote St. Paul	" St. Antoine & Windsor Streets	" St. Sauveur	WATERLOO	PRINCE ALBERT
" Drummond & St. Catherine Streets	" St. Clement & St. Catherine Streets	" Upper Town	WESTMOUNT	PUNNICHY
" Fullum & St. Catherine Streets	" St. Henri	QUYON	" Claremont Avenue & Sherbrooke Street	REGINA
" Girouard & Monkland Avenues	" St. Jean Baptiste Market	RICHMOND		" Victoria Avenue & Albert Street
" Guy & Sherbrooke Streets	" St. Peter & St. James Streets	RIMOUSKI	SASKATCHEWAN	RHEIN
" Hingston Avenue & Sherbrooke Street	" St. Zotique & St. Denis Streets	RIVIERE DU LOUP	ANTLER	ROSE VALLEY
" Jacques Cartier Square & St. Paul Street	" Seigneurs & Notre Dame Streets	STE. AGATHE DES MONTS	ARBORFIELD	ST. BENEDICT
" La Salle Avenue & Ontario Street	" Sherbrooke & Drummond Streets	STE. ANNE DE BELLEVUE	BATTLEFIELD	SALT COATS
" Laurier Avenue & St. Lawrence Boulevard	" Sherbrooke Street & St. Lawrence Boulevard	ST. CESAIRE	BROMHEAD	SASKATOON
" Marci Avenue & Sherbrooke Street	" Snowdon	ST. GEORGES DE BEAUCE	CARNUFF	" Twenty-first Street & Third Avenue
" Masson Street & Fifth Avenue	" University & St. Catherine Streets	ST. JEROME	CEYLON	SEMAN
" McGill & St. Paul Streets	" Ville Emard	ST. JOHNS	DAVIDSON	SENAC
	" Villeray & St. Denis Streets	ST. JOSEPH D'ALMA	DOMREMY	SHAUNAVON
	" West End	ST. JOVITE	DUCK LAKE	SWIFT CURRENT
	" Wolfe & St. Catherine Streets	ST. LAMBERT	EASTEND	TISDALE
		ST. OURS	ESTEVAN	UNITY
		STE. THERESE	PIPE LAKE	WAKAW
		SAWYERVILLE	FLAXCOMBE	WEYBURN
		SHAWVILLE	GAINSBOROUGH	WHITEWOOD
		SHERBROOKE	GULL LAKE	WYNARD
		" Belvidere & King Streets	KAMSACK	YORKTON
		SOREL	KELLIHER	
		SUTTON	KINISTINO	YUKON
			KISBEY	DAWSON
			LAKE LENORE	MAYO
			LAMPMAN	

IN NEWFOUNDLAND

CORNER BROOK	BUCHANS—Sub to Grand Falls	GRAND FALLS
ST. GEORGE'S	CURLING	
	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, N.Y.—AGENCY—BANK OF MONTREAL, 64 WALL STREET
 CHICAGO, ILL.—BANK OF MONTREAL—27 SOUTH LA SALLE STREET
 SAN FRANCISCO, CALIF.—BANK OF MONTREAL (SAN FRANCISCO)—333 CALIFORNIA STREET

IN MEXICO

MEXICO, D.F.—BANK OF MONTREAL, AVENIDA ISABEL LA CATOLICA No. 54.
 MONTERREY, N.L.—BANK OF MONTREAL, DOCTOR MIER 116.

WEST INDIES

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

