

1934
BANK OF MONTREAL

ANNUAL GENERAL MEETING

HELD 3RD DECEMBER, 1934

The 117th Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 3rd December, 1934, 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, Arthur Barry, S. M. Baylis, E. W. Beatty, K.C., L. G. Beaubien, Frank Beemer, M.D., W. A. Black, W. B. Blackader, W. A. Bog, W. W. Bruce, Arthur Browning, the Hon. Patrick Burns, George A. Campbell, K.C., G. Rutherford Caverhill, Ross Clarkson, Ronzo H. Clerk, F. W. Collins, D. E. Crutchlow, A. O. Dawson, Jackson Dodds, H. R. Drummond, W. R. Eakin, William C. Finley, C. Fairall Fisher, A. B. Foster, A. E. Francis, M. Henry Gault, G. H. Greening, Sir Charles Gordon, G.B.E., Samuel Hart, C. A. Hodgson, C.A., A. J. L. Haskell, R. P. Jellett, John Jenkins, J. M. Kilbourn, J. N. Laing, F. X. Leduc, the Hon. Rodolphe Lemieux, K.C., C. W. Lindsay, Lt.-Col. Walter E. Lyman, J. W. McConnell, Ross H. McMaster, 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., Verne A. Miller, D. J. Munn, W. A. Murray, G. H. Napier, Major S. C. Norsworthy, D.S.O., M.C., C. A. Neville, Lt.-Col. W. P. O'Brien, Lt.-Col. G. L. Ogilvie, Elzear Orchard, A. M. Peters, L. H. Pinsonnault, Col. E. M. Renouf, O. R. Sharp, C. F. Sise, G. W. Spinney, E. H. Stewart, Sir William Stavert, K.B.E., W. W. Thompson, W. N. Tilley, K.C., L. W. Townsend, L. O. P. Walsh, Sir Frederick Williams-Taylor, E. P. Winslow.

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

Mr. A. O. Dawson moved, seconded by Mr. Arthur Browning, that Sir William Stavert, K.B.E., and Lt.-Col. G. L. Ogilvie 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 117th Annual General Meeting, held on Monday, December 3rd, 1934.

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, 1934.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1933.....	\$1,585,451.28
Profits for the year ended 31st October, 1934, after making appropriations to Contingent Reserve	
Fund, out of which Fund full provision for Bad and Doubtful Debts has been made.....	\$4,105,024.34
Less Dominion and Provincial Government Taxes.....	900,654.83
	<u>3,204,369.51</u>
	\$4,789,820.79
Quarterly Dividend 2 per cent. paid 1st March, 1934.....	\$ 720,000.00
Quarterly Dividend 2 per cent. paid 1st June, 1934.....	720,000.00
Quarterly Dividend 2 per cent. paid 1st Sept., 1934.....	720,000.00
Quarterly Dividend 2 per cent. payable 1st Dec., 1934.....	720,000.00
	<u>\$2,880,000.00</u>
Reservation for Bank Premises.....	100,000.00
	<u>2,980,000.00</u>
Balance of Profit and Loss carried forward.....	<u>\$1,809,820.79</u>

(Signed) CHARLES B. GORDON,
President.

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

During the financial year, two branches were opened and nine were closed throughout the Dominion of Canada. Our branch in Mexico, D.F., Mexico, was closed in April, completing the withdrawal of our representation in the Republic of Mexico.

The Board accepted with regret the resignation of Mr. Harold Kennedy, a member of the Board since 1916. In June, Mr. A. B. Purvis was appointed a member of the Board.

The Directors have to record with deep regret the death of M. le Sénateur Gaston Menier, who was appointed Comité Consultatif to the Bank of Montreal (France) in 1921.

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

(Signed) CHARLES B. GORDON,
President.

Bank of Montreal, 3rd December, 1934.

THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1934, was submitted as follows:

LIABILITIES		
Capital paid up.....		\$ 36,000,000.00
Rest.....	\$ 38,000,000.00	
Balance of profits carried forward.....	1,809,820.79	
	\$ 39,809,820.79	
Unclaimed Dividends.....	8,989.29	
Quarterly Dividend, payable 1st December, 1934.....	720,000.00	
		40,538,810.08
		\$76,538,810.08
Notes of the Bank in circulation.....	\$ 35,255,876.00	
Deposits by and balances due to Dominion Government.....	36,803,966.60	
Deposits by and balances due to Provincial Governments.....	9,897,320.94	
Advances under the Finance Act.....	9,000,000.00	
Deposits by the public not bearing interest.....	98,958,738.52	
Deposits by the public bearing interest, including interest accrued to date of statement.....	476,551,845.80	
Deposits by and balances due to other banks in Canada.....	2,869,035.54	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries.....	5,137,927.70	
Bills payable.....	185,183.19	
		674,659,894.29
Letters of Credit outstanding.....		6,522,749.56
Liabilities to the public not included under the foregoing heads.....		1,386,724.55
		\$759,108,178.48
ASSETS		
Gold and coin.....	\$ 15,127,994.08	
Dominion notes.....	62,719,116.50	
Deposit in the Central Gold Reserves.....	9,000,000.00	
Notes of other banks.....	\$ 2,401,016.04	
Cheques on other banks.....	26,269,901.70	
United States and other foreign currencies.....	363,777.68	
Due by other banks in Canada.....	280.81	
Due by banks and banking correspondents elsewhere than in Canada.....	16,790,916.89	
Call and short (not exceeding thirty days) loans in Canada on Bonds, Debentures and Stocks, and other securities, of a sufficient marketable value to cover.....	8,399,657.67	
Call and short (not exceeding thirty days) loans elsewhere than in Canada on Bonds, Debentures and Stocks, and other securities, of a sufficient marketable value to cover.....	32,133,844.20	
		86,359,394.99
Dominion and Provincial Government securities, direct and guaranteed (maturing within two years), not exceeding market value.....		149,192,665.58
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value.....		135,716,136.64
Canadian municipal securities, not exceeding market value.....		17,147,832.78
Public securities other than Canadian, not exceeding market value.....		12,350,509.10
Other Bonds, Debentures and Stocks, not exceeding market value.....		3,633,558.08
		\$491,247,207.75
Other current loans and discounts in Canada, less rebate of interest, estimated loss provided for Loans to Cities, Towns, Municipalities and School Districts.....	\$197,270,857.94	
Other current loans and discounts elsewhere than in Canada, less rebate of interest, estimated loss provided for.....	33,547,778.19	
Non-current loans, estimated loss provided for.....	8,816,921.38	
	3,841,483.70	
		243,477,041.21
Bank premises, at not more than cost, less amounts written off.....		14,500,000.00
Real estate other than bank premises.....		490,068.85
Mortgages on real estate sold by the bank.....		997,906.25
Liabilities of customers under Letters of Credit as per contra.....		6,522,749.56
Deposit with the Minister of Finance for the security of note circulation.....		1,637,307.35
Shares of and loans to controlled companies.....		97,079.16
Other Assets not included under the foregoing heads.....		138,818.35
		\$759,108,178.48

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.

CHARLES A. HODGSON, C.A.,
of the firm of Creak, Cushing & Hodgson.
W. D. GLENDINNING, C.A.,
of the firm of Campbell, Glendinning & Co. } Auditors.

MONTREAL, November 22nd, 1934.

COMPANIA TERRITORIAL MEXICANA, S.A.

Balance Sheet as at 31st October, 1934

ASSETS		LIABILITIES	
	Mexican Pesos		Mexican Pesos
Real Estate.....	\$ 332,422.37	Capital Stock:—	
Mortgages.....	197,440.97	Authorized and Issued—500 Shares of \$100. each.....	\$ 50,000.00
Bonds and Shares.....	51,841.00	Accounts Payable.....	1,017.79
Accounts Receivable.....	87,380.37	Bank of Montreal Loan Account.....	944,505.17
Cash on Hand.....	32,060.78		
Bank of Montreal, Collateral Account, Mortgages.....	48,967.78		
Profit and Loss Account Balance.....	245,409.69		
	<u>\$995,522.96</u>		<u>\$995,522.96</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 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.

Auditors' Report

We have examined the Books and Accounts of the Compania Territorial Mexicana, S.A., as at 31st October, 1934, and have obtained all the information and explanations we have required. Subject to the Assets realizing the amounts at which they appear in the Company's Books, 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 as at 31st October, 1934, according to the best of our information and the explanations given to us and as shown by the Books of the Company.

(Signed)

MONTREAL, 15th NOVEMBER, 1934.

CHARLES A. HODGSON, C.A.,
W. D. GLENDINNING, C.A.,
Auditors.

THE ST. JAMES LAND COMPANY LIMITED

Balance Sheet as at 31st October, 1934

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. CRONYN, Director.
THOMAS CARLISLE, Director.

Auditors' Report

We have examined the Books and Accounts of The St. James Land Company Limited for the year ended 31st October, 1934, 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, 1934, 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)

MONTREAL, 15th NOVEMBER, 1934.

CHARLES A. HODGSON, C.A.,
W. D. GLENDINNING, C.A.,
Auditors.

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 31st October, 1934

ASSETS		LIABILITIES	
Cash in Bank.....	\$ 1,817.34	Capital Stock:—	
Unpaid Rentals.....	2,500.00	Authorized and Issued—100 Shares of \$100. each.....	\$ 10,000.00
Buildings, Real Estate, etc., 64-68 Wall Street, New York, less depreciation.....	1,172,705.99	Debtenture Bonds.....	1,220,000.00
Prepaid Taxes.....	5,734.66	Accounts Payable.....	1,790.74
Profit and Loss Account Balance.....	57,166.03	Bond Interest Accrued.....	8,133.28
	<u>\$1,239,924.02</u>		<u>\$1,239,924.02</u>

NOTE:—

The Company was granted corporate existence by the State of New York on 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.

Auditors' Report

We have examined the Books and Accounts of 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, 1934, 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)

MONTREAL, 15th NOVEMBER, 1934.

CHARLES A. HODGSON, C.A.,
W. D. GLENDINNING, C.A.,
Auditors.

THE LAND SECURITIES COMPANY OF CANADA LIMITED

Balance Sheet as at 31st October, 1934

ASSETS		LIABILITIES	
Investments and Advances less Reserves.....	\$ 91,828.93	Capital Stock:—	
Cash in Bank of Montreal.....	3,803.65	Authorized and Issued—2000 Shares of \$100. each.....	\$200,000.00
Profit and Loss Account Balance.....	329,681.32	Bank Loans.....	224,000.00
	<u>\$425,313.90</u>	Reserves for Commissions, etc.....	1,313.90
			<u>\$425,313.90</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. JELLET, Director.

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, 1934, 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)

MONTREAL, 15th NOVEMBER, 1934.

CHARLES A. HODGSON, C.A.,
W. D. GLENDINNING, C.A.,
Auditors.

EDIFICIO MONTREAL, S.A.

Balance Sheet as at 31st October, 1934

ASSETS		LIABILITIES	
	Mexican Pesos		Mexican Pesos
Real Estate and Building.....	\$750,000.00	Capital Stock:—	
Expended on Building to date.....	247,506.88	Authorized and Issued—100 Shares of \$7,500. each.....	\$750,000.00
	\$997,506.88	Bank of Montreal Loan Account.....	250,000.00
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 Office 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.

Auditors' Report

We have examined the Books and Accounts of 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 31st October, 1934, 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)

MONTREAL, 15th NOVEMBER, 1934.

CHARLES A. HODGSON, C.A.,
W. D. GLENDINNING, C.A.,
Auditors.

THE PRESIDENT'S ADDRESS

Gentlemen,—You will observe in the report that reference is made to the retirement from the Board on account of ill-health of Mr. Harold Kennedy. To me and to his other fellow-directors, Mr. Kennedy's retirement has been a matter of keen regret. He had been on our Board for over seventeen years, and his counsel was at all times valuable. To fill the vacancy thus occasioned the Board elected Mr. A. B. Purvis, who is well known to you as the President and Managing Director of Canadian Industries Limited. He brings to our meetings a wide experience in business matters, not only in Canada but in other countries.

The general statement of the Bank for the past year, copies of which have been distributed to the meeting, will be presented to you in its details by the General Managers, and will, I hope, prove satisfactory. In the matter of profits you will observe that these are continuing in smaller figures than in times past. The demand from commercial borrowers for bank loans is still at a comparatively low level, due to the fact that these customers are in large measure able to finance the present volume of business from their own resources, with the result that a larger proportion of the Bank's assets than we might wish to see must perforce be invested in high-grade securities. This, while giving greater liquidity and greater strength to our position, must naturally be reflected in smaller profits. You will note, however, that we have been able to earn the reduced dividend which has prevailed for some time past, with a comfortable margin to be carried forward to profit and loss.

During the past year I have travelled extensively in our Maritime Provinces, in Ontario and also through Western Canada, and have visited many of your Bank's branches. I have much pleasure in informing you that in all cases I have found your Bank housed in well-equipped and modern premises and officered by a keen and intelligent staff.

I found conditions in the Prairie Provinces better than I expected. The northern parts of Saskatchewan and Alberta had had a particularly good crop, some of which, unfortunately, was not harvested in time to avoid the bad weather, rain and snow having set in before it could be threshed.

BANKING

Following upon the report of the Royal Commission on Banking and Currency presented some fourteen months ago, the past year has witnessed the decennial revision of our Bank Act by Parliament and the passing of the Bank of Canada Act, with the promise of the commencement of business by the newly-formed Central Bank early in the coming year. The revision of the Bank Act was most thorough and the net result was largely an endorsement of past legislation and banking practices. The most important innovations were those necessitated by the decision of the Government to proceed with the establishment of a Central Bank.

In consequence of the establishment of the Bank of Canada, the note circulation of the chartered banks will be curtailed as from January 1st, 1936, by progressive annual reductions over a period of ten years until the amount of notes of the chartered banks outstanding is reduced to 25% of the paid-up capital of each bank. The legislation also provides that gold holdings, with the exception of those required to carry on foreign business, are to be transferred by the commercial banks to the custody of the Bank of Canada.

Under wise management we may hope that the Bank of Canada will prove useful and constructive, but in respect to its operations it would be as unfair as it would be unwise to expect

miracles to be performed. Your bank, in common with other banks, has pledged co-operation with the Central Bank, and I think it not unreasonable to expect equal co-operation from that institution.

The effect on the commercial banks of the banking legislation of the year will in the main be to lessen their earning power by the curtailment of their note circulation privileges and by the operation of interest-limitation features. Any move which would further curtail the earning power of our commercial banks would be highly unwise. That our banks should be maintained in a sound position, both in respect of the character of their assets and of their earning power, is a matter of supreme importance to the country and particularly, I may say, to every depositor. Depositors in our banks throughout the Dominion have a very direct interest in the maintenance of a sound banking structure, and it is to be expected that their influence will make itself felt to that end.

Now that we are upon the subject of banks and banking in Canada, I might touch upon a few points particularly which I should like to bring to the attention of our own stockholders and depositors and also of the whole Dominion. Such a mass of evidence has been produced with regard to banks during the past year that it is a question whether or not the public, or our own stockholders, have found time to read it, or, if they did read it, whether or not they concentrated on the most essential points. I should like, therefore, to present a few figures which can be understood and carried away.

1. The total of assets under administration by our chartered banks is nearly three billions of dollars.
2. In the banks of Canada there are some 4,700,000 depositors, our own bank having over a million.
3. Depositors received during last year some \$37,000,000 in interest.
4. The interest which shareholders in the banks received was \$12,000,000.

I think we may therefore consider that this vast body of depositors, which outnumber the people who voted at the last general election in Canada, are vitally interested in the strengthening of our banks and the maintenance of their earnings. They may be considered as the preferred shareholders of the banks, whilst those who have supplied the capital of the banks, and who receive their dividends only after the \$37,000,000 to which I have referred have been paid, may be considered as the common shareholders.

In addition to this, it must be borne in mind that no shareholder of our chartered banks can receive one cent of his capital invested in shares until all the depositors have been paid in full.

Another matter which should be impressed upon the public is the nature of the services which the banks are performing. In a country as vast as this, with towns and villages in remote districts, the value of these services can hardly be estimated. Within reasonable distance of nearly every point in the West where a farmer brings his grain to a country elevator, he can get his cheque cashed, or make his deposit, in a chartered bank, and he knows that when he wants his money and comes back to get it he will not find the bank door closed.

TRADE AND INDUSTRY

The trade and industry of Canada, I am happy to say, present a brighter picture than has been the case for several years past. Most of the basic industries upon which our business structure rests have shown progressive betterment during the year, some

indeed a remarkable improvement. The latter is true of the lumber industry, which, long in a moribund condition, has experienced a revival through the development of overseas markets. In volume of production the newsprint industry has shown a notable gain, to the advantage of labour and transportation, but an unsatisfactory price situation has prevented the earning of profits. A wide range of manufacturing industries has operated on more active schedules. Outstanding in the way of new development has been the rise of the mining industry, which is not only important in itself, but which has had a beneficial effect on numerous contributory industries. The wealth of hydro-electric power which has been made available has resulted in the establishment of a number of important new industries, and notably of large-scale chemical and metallurgical industries of a character entirely new to Canada. Hydro-electric power has proved of the greatest value to the mining business of the country, as many of the properties could not be operated successfully were it not for the fact that hydro-electric power is available at comparatively short distances and at a low price as compared with coal or oil. If those who are prone to criticize what is called the capitalistic system would look around in Canada and observe what private initiative is accomplishing everywhere, they would in all fairness have to admit that it is doing its full part in laying anew the foundations of prosperity.

AGRICULTURE

The harvest in Canada was again spotty, but, as a whole, about equal to that of last year, with the advantage of somewhat higher prices. The wheat crop is estimated at 275,000,000 bushels, an increase of 5,500,000 bushels over 1933. There was crop failure again in Southern Saskatchewan, due to drought in a large area once the most fertile in the Western Provinces, and extensive relief measures will again be necessary for the farmers there. Production of coarse grains was also in excess of last year and root crops were fairly large. It is encouraging to know that our farmers are, as a whole, in better condition than a year ago, though it cannot be said that they reap adequate recompense for their toil. With regard to the handling of the wheat crop, it is hoped that the measures taken by the Dominion Government will turn out successfully. They have undoubtedly proved of benefit to our Western farmers.

CONDITIONS IN THE UNITED STATES

In the United States the efforts of the Government to stimulate business have continued during the past twelve months, the outstanding feature being the spending of public funds not only for relief purposes but also for the creation of public works and the development of natural resources. As a result there has been some upturn in business created by these artificial means, but there has not as yet been any steady or sustained recovery.

Sufficient time has elapsed to study the effects of the New Deal, and after sifting out the propaganda, one comes to the conclusion that the expensive economic experiments that have been undertaken in an effort to bring about a revival of trade have not materially improved conditions. The result to date has been to increase Government debt to unprecedented heights, regiment industry, restrict profits, devalue the currency, and increase taxes.

The lowest semi-official estimate as to the number of those requiring relief within the United States is 17,000,000, and, unfortunately, the number is increasing in spite of the various schemes of the New Deal.

There are signs that the administration now realizes that large expenditures of public funds provide only temporary relief,

and that the problem of unemployment can be solved permanently only by the encouragement of private business, stimulated by the prospect of making legitimate profits and unhampered by too much Government interference.

UNEMPLOYMENT SITUATION

Never before in the history of Canada or the United States has the problem of unemployment and direct relief loomed so large as it does today. In fact, it has become the greatest problem that we have had to face since the war. There were always some people who were unemployed, but in the United States and Canada this fact did not give the Governments very much concern and no legislation of an important character was passed to deal with the question. In Great Britain, this problem, as you know, has been dealt with in a most thorough manner. Some of us thought, when we first heard of old age pensions, unemployment insurance—misnamed the dole—and other measures, that Parliament was going too far in introducing social legislation of this nature. It has taken some twenty-five years and many acts of Parliament to construct in Great Britain the organization which is now carrying on so effectively. It is not a haphazard way of dealing with the situation, but a highly organized department of government whose function it is to distribute to those who should have it the relief to which they are entitled.

Legislation to deal with this whole subject will have to be undertaken by the Governments of Canada and the United States; otherwise, the problem will get out of hand and it will be impossible to control the proper expenditure of the vast sums which are being voted for the purpose of unemployment relief.

In this connection, a recently-quoted letter by Lord Macaulay addressed to the Hon. H. S. Randall, of New York, seventy-seven years ago, merits attention because of the remarkable prediction it made as to the probable course of democracy in the United States. Citing reasons for believing that the time would come when a government elected entirely by the distressed and the malcontents would prevail in the United States, he said: "I sincerely apprehend that you will, in some such season of adversity as I have described, do things which will prevent prosperity from returning; that you will act like a people who should in a year of scarcity devour all the seed corn and thus make the next a year not of scarcity but of absolute famine. There will be, I fear, spoliation. The spoliation will increase the distress. The distress will produce fresh spoliation. When society has entered on this downward path, either civilization or liberty must perish."

It is not for me to say how far that prediction has gone toward fulfilment, but I think you will agree with me that events have at least awakened the fear that some such proceeding may actually be in process. I am not as pessimistic as Lord Macaulay was, because I believe that thought on this subject is much more advanced than it was in his day and because I believe also that ills in the body politic ultimately supply their own remedies. But I do think it would be as well to take his warning unto ourselves, and, by a well-considered plan for the care of the improvident and the unfortunate in times of distress, to arrest in its early stages such a process of destruction as he foresaw.

EUROPE AND GREAT BRITAIN

In Europe the situation is still far from reassuring, and the past months have witnessed events which have not helped the recovery of peace and prosperity. The sanguinary happenings of June in Germany, the assassinations in Austria and France, the revolt in Spain, the tense situation in the Saar, and political changes in France, have all contributed to retard international

understanding, a first step necessary toward general improvement in world conditions.

In Great Britain the situation presents a comforting contrast, as stability prevails and progress continues. The mother country's credit remains pre-eminent. Sound methods and cheap financing by the Government brought about a substantial budget surplus in the Spring, permitting some slight reduction and giving promise of further relief in the heavy tax burden borne by the British taxpayer. The ten months' total of all overseas trade at £974,000,000 increased some £82,000,000. For the first nine months of 1934 trade within the Empire at £342,000,000 increased £34,000,000. Imports from Canada increased 8.1% and exports and re-exports to Canada increased 20.7%. These are encouraging figures and are a measure of the leadership which Great Britain is giving in financial and economic rehabilitation.

EXTERNAL COMMERCE

The continued expansion in the external commerce of Canada which has gone on uninterruptedly for many months is especially gratifying. In the ten months ending October 31st, this trade had an aggregate value of \$957,000,000, compared with \$747,000,000 in the corresponding period last year, and \$798,000,000 in 1932. In both percentage and amount the increase this year has been substantial and significant. For each of the last eighteen months exports of Canadian products have exceeded those of the corresponding period of the preceding year, and for fifteen months imports have been rising, in which connection it may be noted that imports of free goods, the raw material of domestic manufactures, have kept pace with those of dutiable goods. The external commerce of nations is enlarging and in that enlargement Canada is having a due share. More notable in a survey of our external trade is the excess of exports over imports which, since March, 1930, has amounted to \$397,000,000. The advantage of this large favourable balance has been manifested in many ways, not least in maintaining the price of the Canadian dollar in terms of foreign exchange, and in keeping high the credit of the Dominion. Another satisfactory aspect of our external commerce is the wider market found for Canadian products in Empire countries, our exports to Empire countries in the six months ending September having been \$168,000,000, an increase of \$46,000,000, or 37.6% over the like period in 1933, while our exports to foreign countries rose but 4%.

RAILWAYS

I have in addresses to the shareholders in previous years mentioned some of our national problems which are yet unsolved, and the incidence of which bears heavily upon the citizens of Canada. Naturally, I put the railway question first, because of its great importance and because of the serious effects of the enormous annual deficits of the National system. The income losses for the past ten years have totalled \$593,000,000, an average of over \$59,000,000 per annum. In the last three years the average loss has been over \$95,000,000 per annum. It is only necessary to see these figures to realize the retarding influence they have on Canadian development and the serious burden imposed upon the taxpayers of Canada.

The co-operative measures between the Companies, directed by the Statute of 1933, have, so far as the public is aware, fallen far short of giving any adequate relief, and unless in the very immediate future more beneficial results can be secured under the present system, it is clear that other and more drastic remedies must be applied.

Our Government railway losses constitute the biggest leak in our finances and the greatest deterrent to Canada's financial

recovery. It is inconceivable that there should be undue delay in adopting effective remedial measures.

The figures I have given you are only part of the evidence that we must sooner or later—and the sooner the better—attack our railway problem on a scientific basis. We have to remember that today railways face extraordinary competition. Electricity, by carrying power to the sources of raw materials, has dispensed with much hauling of these materials to power plants, while canals, coastwise shipping, aeroplanes, automobiles, and trucks now all compete with the railways. Railways competing with each other can never succeed in adopting a common policy to meet these other forms of competition. The task before us is to co-ordinate all forms of transportation, not by the throttling of competitive systems but by the elimination of useless competition by means of intelligent direction. A first step is the co-ordination of our railways. A second step is the regulation of all forms of transportation under a Federal Board of Transportation Commissioners vested with powers similar to those of the Board of Railway Commissioners, but on a wider and more comprehensive scale.

GOVERNMENT FINANCE

There are signs that in the conduct of Dominion, Provincial and Municipal affairs the need for imperative economy is now being recognized, and many important steps have been taken toward correcting the extravagances which developed in more prosperous times. Governmental expenditures, however, remain in high figures. We cannot continue indefinitely to pile up debts, but must address ourselves with stern determination to the task of balancing the budget in every form of government.

The task of balancing the Federal budget is rendered difficult by the cost of unemployment relief, by the war legacy in the shape of pensions, and, above all, by National Railways deficits, these three items alone involving an annual charge of not less than \$150,000,000. Preliminary figures show the ordinary revenue of the Dominion Government in the seven months of the current fiscal year to October 31st last to have been \$215,839,000, an increase of \$26,705,000 over the corresponding period last year. There was an excess of revenue over ordinary expenditure of \$19,000,000. Special expenditure, however, amounted to \$30,363,000, mainly for unemployment relief, and loans and advances to \$78,535,000, made up chiefly of loans to Canadian National Railways \$54,319,000 and to provincial governments \$23,862,000. The low cost of money has enabled governments to borrow and to refund at reduced interest and so to effect a saving, but this advantage is offset by mounting debt. Including the successful Dominion Conversion Loan in October, a saving of \$14,000,000 annually has been made in interest charges in the last four years. On the other hand, interest on public debt in the first seven months of the current fiscal year was \$5,288,000 greater than in the same period last year. Manifestly, the need for close economy in public expenditure persists.

In the matter of government financing there is a point which does not appear to have been given the full attention it deserves, and that is the desirability of taking advantage of the present strong market for government bonds by effecting long-term rather than short-term borrowing. The United Kingdom has taken a lead in these operations and has effected immense savings in annual interest charges through exercising the privilege of redeeming before maturity a number of issues which were floated during or prior to the War. These operations have illustrated forcibly the wisdom of important governmental borrowers reserving the right of redemption on long-term issues for a reasonable period, in keeping with the term of the loan itself. For some years this type of financing was unwisely discouraged in Canada.

and as a result we have many borrowers who would gladly take advantage of present favourable conditions to refund part of their outstanding issues if these issues could be called in before the maturity date.

The United Kingdom has also set a wise example during the past few years in electing to arrange its public loans for the most part by means of long-term issues, thus making sure of low rates of interest on its funded debt for many years to come.

In the United States, and to a lesser degree in Canada, the tendency has been to resort more to short-term borrowing where the rates of interest admittedly are less onerous, but little recognition is given to the fact that short-term loans fall due within the compass of a very few years and that no one can predict what interest rates will then prevail.

In Canada, as elsewhere, we are in a period of unprecedentedly low interest rates and it is not unlikely that borrowers who have the foresight to fund loans at long term will presently reap the advantage of having adopted such a policy. The record of the United Kingdom in the matter of long-term financing since November, 1931, compared with that of the United States and of Canada, as shown in the following approximate figures, is enlightening:

	Percentage of public loans floated for terms of five years and less	Percentage of public loans floated for terms over five years
Government of the United Kingdom.....	3%	97%
United States Government.....	75%	25%
Canadian financing, including Dominion and Provincial Governments and larger Municipalities.....	45%	55%

THE OUTLOOK

Looking at conditions as a whole, it may be said that Canada has moved forward consistently on the road to recovery, and it is instructive to seek reasons why this progress has been more steady and pronounced than that of many other countries. Among the reasons I think we must count the fact that we have not been so ready as have some others to seek a panacea in the control of industry, or in economic experiments of one kind and another. In Great Britain, whose returning prosperity constitutes an inspiring object lesson, the people have made a united effort to promote business. In this single-minded objective extraneous reforms and experiments have been side-tracked. There has been no attack on private initiative. The low point of the depression occurred earlier in the United Kingdom than in Canada, and similarly, while recovery commenced in the United Kingdom during the summer of 1932, it was delayed in the case of Canada until the second quarter of 1933. It is a reasonable deduction that the wisest course for us to follow is to give single-minded devotion to reviving business by the methods which experience has shown to be fundamentally sound and not to interfere with the improvement now under way by applying new and untried theories and enacting hampering legislation.

With respect to the outlook for the coming year, there are many reasons which justify the hope for a continuation of the betterment which we have witnessed during the past year. In the first place, I would say that events are emphasizing how great is the national asset we possess in the good sense and the homogeneous character of our people. Then, as I have indicated, there

is comforting statistical evidence that the clouds are lifting, and comforting evidence, too, that our resources are so large and so varied that when one door of opportunity closes another always opens. It has truly been said that Canada's salvation is that she is still a land with a frontier. Once wheat and forest products were the important treasures of our soil. To these are now added gold and the highly-important commercial metals with which this country is so lavishly endowed. I would be very much happier if I could say that marked improvement has also been shown in other countries, for the welfare of the individual is bound up in that of the whole. Canada is particularly susceptible to outside influence; we must not forget that as our position is largely that of an exporter, conditions in other countries must have a great bearing on conditions here.

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. Chairman and Gentlemen:

On behalf of Mr. Dodds and myself I have the honour to present to you the one hundred and seventeenth annual balance sheet of the Bank, from which you will see that the strong position of the Bank has been fully maintained.

Important changes in the balance sheet figures are as follows:

Our Total Assets amount to \$759,100,000, compared with \$768,500,000 a year ago.

Quick Assets, including cash, total \$491,200,000, representing 71.97% of all liabilities to the public; of these assets actual cash amounts to 12.77% of such liabilities. Our large holdings of Quick Assets emphasize the difficulty of employing our money in commercial loans.

Call Loans at \$40,500,000 show a decrease of \$3,400,000. Those in Canada are up \$800,000 and those abroad down \$4,200,000.

Investments, not exceeding market value, amount to \$318,000,000, practically unchanged from last year.

Our investments in Dominion and Provincial Government securities included in the above amount to \$284,900,000.

To conform to a new provision of the Bank Act as amended in June last, this total is now divided into two sections:

First—\$149,200,000, which amount matures within two years, i.e., on or before October 31st, 1936.

Second—\$135,700,000, the amount which matures after October 31st, 1936. With regard to this total I may say that \$106,300,000 thereof fall due before October 31st, 1939.

Current Loans in Canada (including loans to municipalities) amount to \$230,800,000, a decrease of \$5,300,000. The increase in trade activity compared with a year ago has been financed largely by a more rapid turnover of bank deposits, rather than by increased borrowings. Bank deposits now in existence could readily finance a volume of trade substantially greater than that of today. However, until the tendency towards restrictive legislation upon business operations is more clearly defined, and until the uncertainties in the field of international relations have been removed and the opportunity for profitable employment of borrowed money becomes more apparent, business will probably show some reluctance to expand. Nevertheless, recent evidence points to the conclusion that the downward trend in commercial loans has halted and that the trend may be gradually upward.

If this hope is justified, the demand for loans should continue to show welcome improvement. We never lose sight of the fact that lending money for commercial purposes is the backbone of our earning power; we are ready, and always have been, to consider applications for loans which fall within the category of prudent banking risks. We have emphasized this feature in our advertisements in recent months in order to controvert a widespread misconception that there is a lack of banking credit. These advertisements did not announce a new policy, or even the revival of a policy; they simply restated a policy from which the Bank has at no time departed, namely, that of affording every reasonable accommodation to commercial borrowers. We might add in this connection that the total of credits authorized for our borrowing customers is very largely in excess of the amount which they have found that they can use to advantage.

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

Deposits total \$622,200,000, a decrease of \$12,400,000, practically all of which is in demand deposits.

Advances under the Finance Act stand at \$9,000,000. This is the original amount representing our share of the \$35,000,000 special borrowing by all the banks in November, 1932.

Profits are slightly lower than those of the previous year; after deducting Dominion and Provincial Government Taxes they amount to \$3,204,000, as compared with \$3,496,000 in 1933.

The past year has been a difficult one from the point of view of earnings. The return from our loans has again shown a decrease, and in addition the yield on prime short-term securities, which provide the only alternative means of employing our resources, has also fallen off.

Since the last Annual Meeting we have opened branches at Bralorne, B.C., and Bissett, Manitoba, and closed fourteen branches at points in Canada where, after a fair trial, it was clearly demonstrated that business could not be conducted on a profitable basis.

Following our policy of reducing our commitments in foreign countries we closed our office at Mexico City in April last.

As a result of the lower interest rates prevailing and the difficulty of employing money profitably, banks and other institutions receiving deposits reduced the rate of interest paid upon savings deposits from 3% to 2½% in 1933, and on November 1st last a further reduction to 2% was made effective. This action should indirectly assist governmental bodies in their efforts to establish budget equilibrium and should also contribute to business recovery, but in assisting these objects it would be a mistake to lower the rate on savings deposits to the point of discouraging thrift. It is equally important that the rate available on government bonds should be such as will attract the surplus funds of the investors of small and moderate means and thereby secure that wide distribution which is so desirable in public financing; we must remember that interest rates in a debtor country cannot fall as low as in a creditor country.

CONDITIONS IN CANADA

At our last Annual Meeting the statement was made that the year 1933 had not only exhibited a certain measure of recovery but had supplied grounds for hope that the recovery would continue in 1934. That hope has been justified, notwithstanding the tendency for consumption of certain goods to lag behind production, and also for employment, due to greater productive efficiency, to increase less rapidly than production.

Canadian business is vitally dependent upon external trade, and one of the major obstacles in the way of international trade is exchange instability. Canada has intimate trade and financial relationships with Great Britain and the United States and she is, therefore, particularly interested in sterling and the United States dollar being stabilized.

It does not appear probable that satisfactory stabilization of the world's moneys can be achieved upon any other basis than a gold standard.

The Ottawa Agreements gave to Canada a much needed market for her agricultural products. Our exports to Great Britain have been exceeding our imports from Great Britain by an increasing margin. With respect to the United States, although Canada's unfavourable balance on merchandise account was reduced from \$311,000,000 in 1929-30 to \$44,000,000 in 1933-34, this trend is now in process of being reversed, and the unfavourable balance with the United States is rising rapidly as compared with last year. The discount on the American dollar and the high tariff against our agricultural products impede the free flow of goods across the frontier, to our disadvantage.

The effect of the American tariff is shown by a comparison of the value of exports of Canadian raw farm products to Great Britain and to the United States in the fiscal year 1920-21 with that in the fiscal year 1933-34. In 1920-21 the United States took 38 per cent. and Great Britain took 25 per cent. of the total of raw farm products exported from Canada. In 1933-34 Great Britain's share increased to 63 per cent., while that of the United States dropped to a mere 7 per cent. of the total.

Gold mining in Canada during the past year received great impetus through an increase in the price of the metal, one result being a rapid expansion in the number of mining prospects.

Contrary to the impression existing in some quarters that our gold production is steadily increasing, while the value has increased, the figures published by the Dominion Bureau of Statistics indicate that, for the nine months ending 30th September last 2,188,376 ounces of gold were produced in Canada, being a decrease of 26,154 ounces as compared with the figures for the same period in 1933, and a decrease of 91,733 ounces as compared with 1932. The gold at the higher price has been of added assistance in enabling Canada to meet her obligations abroad.

Trading in mining stocks has been extremely active and unfavourable comment has appeared in regard to the widespread offering of such stocks. In this connection a word of warning is timely, i.e., anyone purchasing stock of undeveloped mines should be careful to ascertain that the promoters are reliable and to realize that an unproved mine is a speculation, pure and simple.

In the hope that unemployment will thereby be ameliorated, the Dominion Government has undertaken a programme of public works. While public expenditures on works of this type during a depression have been recommended by some leading economists to help tide over a critical period, it is becoming generally realized that a gradual improvement in business activities brought about by a restoration of confidence is the permanent solution.

In the municipal field there has been a regrettable number of defaults, but the Maritime Provinces have been a happy exception. It is clear that the record of such defaults would have been much less serious had citizens generally appreciated the danger of too rapid expansion. Municipalities largely depending upon one industry have suffered severely where there has been a greatly lessened activity in that industry.

BANKING LEGISLATION

The Act incorporating the Bank of Canada will operate gradually to reduce the long-established privilege enjoyed by the chartered banks to issue notes. That function is to be undertaken more and more as time goes on by the new Bank. Meanwhile, the partial withdrawal of the circulation privilege will curtail the services as well as the earning power of the chartered banks. The banks have assisted immeasurably in the development of Canada, particularly by opening branches in nearly every hamlet in the country. As long as we could issue our own notes there was no unproductive tie-up of resources in till money at any of our branches. Bank notes up to the amount of the Bank's capital require no cover; above that amount they are fully covered by gold or legals, except that during the crop moving period some leeway is permitted. They are secured by a first lien on assets relatively huge.

Canadian bank notes are issued only as business activity requires and when the immediate need is filled the notes flow back to the banks and are redeemed. This has prevented any inflation of the currency insofar as it is represented by bank note circulation. Business may at times be inflated and this in itself may create an abnormal demand for currency, but this is essentially different from the emission of notes not required by trade. The automatic feature of the Canadian bank note has been the subject of unstinted praise by banking authorities in the Republic to the South.

Under the amended Bank Act a further restriction has been imposed limiting the maximum interest rate that may be charged. In the past banks were able to charge interest at a reasonable rate commensurate with operating costs. In the districts where these costs are high the aggregate effect of the limitation now in force may mean the difference between a profitable and an unprofitable branch.

Profits will be lowered and operating losses increased through the restrictions mentioned above and the only business-like alternative the banks have is to close unprofitable offices.

One of Canada's greatest assets is a thrifty people who have been encouraged by a sound banking system which provided a convenient and sure refuge for their money. It is a mistake to discourage the one and weaken the other.

In an economic sense, the most important individuals in society are the small capitalists. It is they who supply the motive power of business and do the work of the world. It is the savings of these, the great army of the nation's workers, that we, as bankers, must safeguard. The average deposit is relatively small; depositors tend to invest when their deposit balances accumulate. Yet for a great host, money in the bank represents the sole bulwark against misfortune. Borrowers as a class are property owners; as a rule, fairly well-to-do; not seldom wealthy. But the average depositor is relatively a poor man; our first duty is to protect him.

It is well to bear in mind that had our banks operated under the unit system as in the United States there would have been many failures in distressed districts. In contrast to what happened in that country, the depositors' funds in Canadian banks were always available—no one was kept waiting for his money. The ultimate loss to depositors in closed banks in the United States will be not less than \$2,000,000,000. Such a loss if applied to Canada, on a basis of relative population, would amount to \$160,000,000.

CONDITIONS ABROAD

Industry in Great Britain has shown an increase in activity. Retail sales are 3.3% greater than a year ago and reduction in

unemployment proceeds steadily, the number of unemployed having decreased by over 179,000. Money has continued very plentiful throughout the year, with present rates of interest near record lows. Large sums of British and foreign money seeking employment have created an extraordinary rise in stock exchange securities, helped of late by the announcement of large repayments of treasury bonds. British funds are now at prices which have not been seen for many years and are on approximately a 3% basis. The London market is not yet free from restrictions as regards the flotation of outside capital issues, but certain exceptions continue to be made, particularly in favour of Empire requirements.

General conditions in France cannot be said to have improved during the past year, that country having experienced serious political and financial troubles. There has been retrenchment in Government expenditure and successful conversion and sinking fund operations, but collection of taxes has not been up to expectations and the 1935 budget estimate figures reveal a deficit of Fcs. 588,000,000. Foreign trade is at a low ebb, the adverse balance of trade for the nine months ending 30th September last being Fcs. 4,594,000,000. High tariffs and quotas restrict importation of raw materials, with consequent reduction in industrial activity.

UNITED STATES

In the United States, following the general closing of the banks in March, 1933, some of them permanently, and the strengthening of the capital structure of a number of institutions with funds supplied by Government agencies, improvement has taken place in the banking situation, and bank reserves in the hands of the Federal Reserve Banks have reached unprecedented figures. In the absence of demand for commercial loans and with no new industrial investment issues of importance being underwritten since the enactment of the Securities Act, with its severe penalties, the banks during the past twelve months have added materially to their holdings of Government bonds.

The national debt of the United States Government is increasing rapidly and it would seem that sense of balance has been lost. In the short time of two years the gross public debt has increased about \$6,000,000,000, if one excludes the so-called gold profit of \$2,800,000,000. Banks have been the Government's main support for capital, as about 25% of their resources is now invested in Government securities as against 6% in 1929. A sounder policy would be to interest the public in financing the New Deal, as it is disturbing to think that during the next five years short-term debt aggregating about \$14,000,000,000 becomes due.

Money has been in plentiful supply in the United States, and the reserve funds we are obliged to carry in that market have either yielded small returns or remained unemployed, with the result that our American offices have contributed in only small degree to the earning power of the Bank. In view of the monetary uncertainties, lack of earning power and talk of inflation, we have thought it wise to reduce to a minimum our reserves normally carried in the New York market.

CONCLUSION

In Canada the depression did not reach the low levels experienced in many other countries, although one might have expected that a debtor country would feel a depression more keenly than a creditor country.

The intrinsic wealth of the country was undoubtedly a protective factor; the stability of the people another. A third was to be found in the banking system. In this connection as

evidence of the confidence in our Bank held abroad the number of shareholders of the Bank residing outside of Canada has increased during the past year by over three hundred; since 1929 by more than eight hundred. This confidence is justified as I can assure our shareholders and depositors that the Bank is in a strong and sound position.

The printed report of the proceedings of this meeting will contain, as usual, a detailed review of conditions in agriculture, business and industry in the various Provinces. Copies will be mailed to shareholders and may be obtained by others upon request.

QUEBEC

On the whole, yields, demand and prices for field crops were sufficient to maintain, if not to increase, the purchasing power of rural communities. Hay, as a result of inadequate moisture, was somewhat below average, with pasturage only fair; grains, though short in straw, yielded fairly well. Tobacco was slightly below normal but of better than average quality. Potatoes and other roots were generally satisfactory. Vegetables were plentiful but fruits for table use and canning purposes were disappointing. The output of maple syrup and sugar was smaller than usual but of good quality. Livestock were in slightly better demand but markets displayed little change apart from some strengthening in hog prices early in the year.

Substantial shipments of spruce lumber were made to Great Britain during the early part of the season and, while shipments have slackened latterly, the current demand from this source continues fairly steady, absorbing a substantial amount of merchantable grades. Sales of lumber to the United States and in the domestic market have been fairly satisfactory and stocks are now lower than a year ago. Indications are that, notwithstanding increased costs, woods operations this winter will be larger than last year. A substantial cut of pulpwood was made and even larger operations are anticipated for the coming season. The chaotic condition in the newsprint industry, while perhaps less pronounced than last year, has not improved to any great extent. A substantial increase in consumption of newsprint in the United States permitted an expansion in production of Canadian mills but prices to date have remained nominally unchanged. Producers of sulphite pulp have benefited from an increasing demand, principally from the artificial silk industry.

The development of the mining areas in the North-West section of the Province continues. The output of copper increased and a moderate gain was made in the recovery of gold but the production of silver declined. There was also an increase in the production of asbestos and other quarry products.

Generally speaking, conditions in the textile industry improved. Notwithstanding a substantial increase in the importation of cotton goods from the United Kingdom, cotton plants were well employed. Woollen mills have been busy, while artificial silk factories operated at around capacity during the greater part of the year.

The clothing trades enjoyed a substantial increase in turnover despite continued cautious buying by retailers. During the early part of the year manufacturers were met by a substantial increase in the cost of materials, but selling prices were not affected to any extent.

Conflicting influences affected the boot and shoe industry. Hide and leather prices declined as compared with last year. Lower production in the past year resulted not so much from a decline in consumption but from larger inventories carried over. Competition continues keen and the tendency toward cheaper lines is still a characteristic of public demand.

Flour production was slightly below last year. Shipments to foreign countries generally fell off, although sales to Empire countries increased slightly; domestic consumption held approximately at the level of the preceding year. Competition continues marked and was accentuated by importation of English and Australian soft wheat flours at prices which our mills were unable to meet without loss.

A variety of factors, chiefly increased industrial activity, growth in mining and a larger production of newsprint, contributed to an increase in the consumption and production of hydro-electric power. The Beauharnois Light and Power Company added substantially to the Province's developed power.

Wholesale and retail trade recorded betterment in practically all lines, but retailers revealed no tendency to deviate from their policy of cautious buying and the maintenance of minimum inventories. The hardware and provision trades have benefited from increased activity in the woods and in mining areas. Collections in the main have been better and in some sections headway is being made in the liquidation of old accounts.

Generally speaking, tourist traffic, while slightly ahead of last year, was considerably below that of former years, although some stimulation was supplied by the Jacques Cartier celebrations.

In construction activities there has been improvement recently, reflecting in important measure the Federal programme of public works. Otherwise building has been confined largely to alterations and repairs. Real estate values in urban centres showed little change, with demand limited. Few farms changed hands. Mortgage money has been scarce, but more is now available.

To sum up, conditions generally have improved, but low prices for primary products, low wages and increased taxation continue to limit the purchasing power of the public. Relief expenditures, too, continue to weigh heavily, more particularly on some of the larger communities. On the other hand, increased woods operations have alleviated unemployment in rural districts and minimum wage requirements will improve the position of employees affected thereby. The outlook generally is brighter than at this time last year.

ONTARIO

Following a winter of extreme severity, damaging to fall wheat and meadows, a midsummer drought occurred, but weather conditions since early autumn have been favourable throughout Ontario. The yield of spring grains was better than average and of good quality. Hay crops were light, but a good yield of fodder corn will offset this shortage to some extent. Production of fall wheat was less than 40% of average. Roots, particularly potatoes, yielded well. Apple trees were badly damaged by heavy frosts and the crop will be about one-third of last year's. Peaches, plums and pears were also below average, with grapes approximating last year's crop. Fall wheat sown to an average acreage this autumn is showing exceptionally good growth.

An average crop of burley tobacco was produced. Flue-cured tobacco, planted to an acreage reduced to the extent of 25% by general agreement, showed an estimated equivalent reduction in yield for the year. The marketing of flue-cured tobacco is being brought under the Natural Products Marketing Act and an advance over last season's price is anticipated.

Late weather conditions have revived pastures, so that livestock will go into winter quarters in good condition. As a result of unsatisfactory prices and shortage of feed in some localities, holdings of cattle and the number purchased for winter-feeding

have been reduced. There has been a good demand for Canadian bacon in Great Britain and with rising prices hog-raising has been relatively profitable. Cheese production was under that of the previous year with prices slightly lower. Butter quotations have been fairly steady.

The lumber market has been more active during the past year and liquidation of old stocks has progressed with the improved demand. Sales to Great Britain have been encouraging and, while prices have receded from the high point, a market still exists there at better prices than a year ago. A reduction of 50% in Crown dues has helped to stimulate the industry and bush operations this winter will exceed last year. Newsprint mills are producing a large tonnage but prices are unsatisfactory.

Ontario's output of metals for 1934 will reach a valuation of approximately \$127,500,000, an increase of 35% over last year. Old established gold producers have operated at capacity, new mines have accelerated their output and prospectors have been extremely active.

Fishermen on the Great Lakes have had another unprofitable season, poor catches and unsatisfactory prices having ruled.

During the first six months of this year industrial operations experienced a decided impetus in many lines, this period being followed by some falling off, the trend now being steady with indications pointing to further acceleration. Motor car production and allied industries showed large gains. A drop in the price of raw materials demoralized the market for the finished products of woollen mills and the present scale of operations is below a year ago. Manufacturers of knitted wear, silks, rayon and cotton goods were well employed and production is being maintained above last year's levels. Tanneries have been moderately active. Shoe factories show production equal to last year, with rubber footwear showing a decided improvement. Manufacturers of men's and women's clothing have been reasonably well employed. Farm implement manufacturers' sales increased and heavy industries have shown improvement. Furniture factories have been quiet on regular lines with a good demand for specialties. Manufacturers of paints, varnishes and small hardware report a satisfactory increase. Packing houses have been very active, exports of bacon showing a large increase. Flour export trade remained dull.

Wholesale trade has been steadier, with volume running slightly in excess of last year. Prices generally have shown a tendency to harden. At present there is a definite downward trend in the price of woollens and silks. Retailers report some improvement, but the small retailer who faces chain store competition is finding it difficult to show a profit. Collections relating to new business are better and a little improvement has been noted in the collection of old accounts. Tourist traffic has shown some increase but the expenditure per head is still in moderate figures.

Unemployment relief expenditures continue at approximately last year's figures, but apart from this unavoidably heavy outlay, municipalities have curtailed disbursements to a minimum. The Provincial Government to some extent, as a relief measure, have undertaken considerable highway construction and maintenance, and Ontario is being allotted 25% of the recent Dominion Government appropriation of approximately \$40,000,000 for Federal buildings, bridges, et cetera.

Real estate prices are still depressed and there has been little movement in business or farm properties. Rents have shown a slight upward tendency and a fair demand exists for moderate-priced residences, construction of this type having shown a gain over the previous year.

During the year the Hydro-Electric Power Commission of Ontario placed in service the second unit of the Abitibi Canyon Development, amounting to 55,000 h.p., and further increased their capacity by taking delivery of an additional 63,000 h.p. of the power previously contracted for from other companies. Approximately 186 miles of high and low voltage transmission lines and 200 miles of rural lines were constructed this year by the Commission.

With few exceptions all lines of endeavour have been productive of somewhat better results than in the previous year. Those farmers who are not overburdened with heavy mortgage and other indebtedness have felt the beneficial effect of higher prices for commodities. Industrial activity has recorded a moderate upward movement; the outlook for the building trades, which so far have lagged, seems more promising and there appears to be reasonable ground for the belief that progress in Ontario toward improvement will continue at a satisfactory pace.

MARITIME PROVINCES

The dried fish business suffered from exchange difficulties and quota regulations, but some measure of relief was provided by the fact that foreign competition was slightly less severe. The fresh fish trade continued to expand and served to minimize to some extent the decline in the dried fish industry. The take of cod was larger than last year but below normal. The lobster catch was also less than average but higher prices were enjoyed. There was an average catch of smelts, but that of salmon was disappointing.

An encouraging feature was the increased demand for lumber, mainly spruce. The British market proved the chief outlet and the reduction of old stocks, combined with better prices, has created a more hopeful feeling in this industry.

Lack of moisture resulted in a poor hay crop and as a consequence many cattle, particularly in Nova Scotia, will likely be slaughtered. Hay prices increased more than 100% over last year. On an increased acreage a heavy crop of good quality potatoes was harvested, particularly in New Brunswick. Foreign markets, on account of tariff regulations, remained closed except for seed varieties, and with domestic demand light, prevailing prices leave little for the grower. Notwithstanding damage to apple trees from severe weather last winter, the crop in the Annapolis Valley was about normal. Export shipments so far have been below last year. Grain crops were slightly below average.

There was a substantial increase in the output of the Cape Breton coal mines during the year. Recent figures indicate that 1934 production will be much in excess of 1933 figures. Operations at the steel plants in Nova Scotia increased substantially owing largely to rail orders. Production of gypsum showed little change from last year.

Woollen mills have been busy practically at capacity and cotton factories have been well employed. Footwear manufacturers report an increase in business as compared with 1933. Newsprint mills have operated at greater capacity.

Improvement was evident in both wholesale and retail trade but buyers continued to be cautious and confined themselves largely to immediate needs. A moderate improvement is reported in collections.

The volume of imports and exports through the ports of Halifax and Saint John exceeded that of last year. Tourist traffic was in larger volume.

Public expenditures largely for relief purposes were confined to roads, harbours and terminals, and public buildings; otherwise

construction remained quiet. Real estate was inactive, with farms almost unsaleable.

On the whole, the outlook is more encouraging, although primary producers in particular are still suffering from low prices.

PRAIRIE PROVINCES

The year has seen some improvement in business, although a number of unsatisfactory conditions remain. The effects of drought and unemployment still weigh heavily.

Estimates indicate a wheat crop of 265,000,000 bushels, compared with 251,000,000 bushels estimated at this date last year and the ten-year average of 372,000,000 bushels. Some 23,296,000 acres were sown to wheat, or 1,881,000 acres fewer than last year.

Production of oats, barley, rye and flax is a little less than last year's low out-turn of 228,000,000 bushels. The acreage was approximately equal to that of last year.

The fourth successive dry year caused a virtual crop failure over one-third of the crop area, the brunt falling in the central and southern portions of the three Provinces. Saskatchewan again suffered most. Grasshoppers caused less havoc. August frosts and autumn rains damaged crops in northern Saskatchewan and northern Alberta and lowered grades. Elsewhere the milling quality of wheat was high.

Prices for all grains rule higher; No. 1 Northern wheat at Fort William averaged 82c. for August to October against 67c. last year. During these three months farmers delivered 142,000,000 bushels of wheat, preponderantly of high grade. Notwithstanding a large quantity of low-grade wheat in northern districts, the money value of the 1934 crop should be appreciably higher than that of last year. For the first time in years, many farmers have some money to replace worn equipment and clothing and in good crop districts fair reductions have been made on old indebtedness. Certain territories have shown a remarkable recovery.

A record crop of sugar beets was produced in southern Alberta—155,000 tons against 137,000 tons last year.

The livestock industry continues depressed although hog prices have been satisfactory, bacon exports to Great Britain having expanded appreciably. Cattle exports to Great Britain were larger than last year, but were insufficient to stabilize the domestic market. Slaughtering of lean cattle from areas lacking feed weakened prices. Farm horses are in fair demand at advancing prices.

Butter output has increased; prices have been low. Growing production and competition between manufacturers have contributed to an unhealthy condition in the dairy industry.

Metal mining in Manitoba is expanding steadily and the output may exceed \$10,000,000 this year compared with \$7,245,000 last year. There is much prospecting and development going on. Speculation is prevalent in gold mining shares.

More Saskatchewan lignite coal is being used. Coal production in Alberta is up slightly and prospects are a little more hopeful. In the Turner Valley oil field several good wells have been brought in.

Manufacturers of staple lines are somewhat busier. Flour mills are doing moderately well although operating much below capacity. Mining activities have materially assisted many businesses and provided considerable employment in Winnipeg and the lakehead cities.

Buying is still done conservatively, but there is improvement in wholesale and retail trade, noticeably in groceries, clothing and hardware. Many more motor cars of the cheaper classes have been sold. Implement companies' sales, while improved, are low and largely represent replacement parts.

In the credit field, little new credit is sought and current accounts are well paid. The drought area excepted, collections are better on old accounts.

The new Federal Act providing machinery whereby debt-ridden farmers may compose indebtedness has just come into force. Creditors are generally sympathetic towards adjusting farmers' indebtedness to within paying capacity.

Government and municipal expenditures have been confined to necessary maintenance and relief outlays.

Relief in drought-stricken areas and in urban centres continues to consume huge sums. Financing of these social services is becoming increasingly difficult for municipalities and provincial governments; yet to their credit cities and towns have managed to keep debenture debt in good standing.

Four million bushels of wheat were shipped from Churchill, an increase of 1,300,000 bushels over 1933. Imports were nominal.

There has been little building of any kind and sales of city properties are few and at low prices. Rentals are soft, particularly for office space, but desirable residences are in fair demand. Some obsolete buildings are being demolished or are reverting to municipalities for tax default. Interest in farm properties in suitable localities is reviving. Mortgage interest on city residences continues to be fairly well met and interest payments on farm mortgages, whilst still unsatisfactory, have been slightly better.

Two successive short crops in Canada and the United States, coupled with a smaller world crop of cereals and substitutes this year, give promise of reducing the too heavy surpluses of recent years. Canada's stock of 203,000,000 bushels wheat on 31st July last was 16,000,000 bushels less than last year's all-time peak, and there are grounds for believing that the total will be reduced to more reasonable proportions by midsummer, 1935.

The disparity between prices paid to farmers and prices they pay for goods has been lessened and improved sentiment and freer purchasing have resulted. The forced denial of recent years has created considerable pent-up buying power which should be loosened further as the price disparity disappears.

The menace of the enlarging drought area has aroused serious concern on the part of provincial governments. It is hoped measures to ameliorate the danger may be found through conservation measures not requiring enormous expenditures.

In view of the experiences in recent years from drought and unprofitable grain prices, people owning assets, executives of institutions with large investments, and business men accustomed to trade in Western Canada are pondering over the future. For the immediate outlook, much depends upon Canada's ability to sell wheat in increased quantities during the coming year and upon weather conditions, but already the modest recovery from the depths of the depression has been the source of needed encouragement. From the longer viewpoint, our great grain-growing plains compare favourably with the other principal wheat exporting countries in point of production per acre, quality of wheat and cheapness of land, and this, together with our enterprising people and a more rounded economy which is developing, seems to warrant the expectation that Western Canada will be able to hold its own with competitors. It is of paramount importance, however, that the quality of our grain be jealously maintained and that nothing be done to hamper its sale.

BRITISH COLUMBIA

An exceptionally early spring was followed by favourable growing conditions and, generally speaking, crops of good quality were harvested several weeks earlier than usual. Returns to growers have shown some improvement and an increase of 15% in the value of agricultural production for 1934 is indicated. The apple crop, estimated at 5,186,142 boxes, exceeds last year's figure by approximately 10%. As the total Canadian crop shows a decline, the domestic and export demand has been stimulated and marketing under the supervision of the British Columbia Tree Fruit Board is proceeding rapidly at slightly improved prices. The dairy industry is still in an unsatisfactory condition owing to a continuance of low prices for dairy products. Live-stock are in excellent condition but the demand is light even at the prevailing low prices.

Conditions generally in the lumber industry have shown improvement and shipments to overseas markets have increased substantially, totalling 643,856,000 feet b.m. during the first nine months of 1934 compared with 446,619,000 feet b.m. for the corresponding period last year. The Imperial Trade Agreement has proved beneficial and the United Kingdom has absorbed over 50% of this year's exports whereas in 1932 shipments to that market were relatively unimportant. Australia and the Orient have also bought heavily. The demand from export markets has enabled Coastal mills to operate steadily, but, due to the dull domestic market, the industry in the Interior continues to be inactive. During the early months of 1934 production was curtailed owing to a loggers' strike. Due to the Provincial Government Minimum Wage Act, operating costs have increased and it is difficult for the industry to compete profitably in export markets at present price levels.

In mining the high price of gold has greatly stimulated exploration work, while mines already in production are increasing their output. Due to the increase in the price of silver, renewed interest is being displayed in silver mines and, should stabilization occur at a slightly higher level, profitable operations could be resumed at many mines formerly in production. The output of the larger base metal mines has been substantially increased but continued low metal prices prohibit operation of the smaller properties. The mineral production for the first six months of 1934 is valued at \$18,668,000, and shows an increase of approximately 50% compared with the output for the corresponding period last year.

In 1933 fishery products recorded the first increase in value since 1928 and indications point to a continuance of the upward trend in 1934. The salmon pack this season totals 1,329,651 cases, compared with 1,147,079 cases for the corresponding period last year. The pack contains a large proportion of the choicer and more readily marketable varieties and is moving rapidly, the volume to the United Kingdom being particularly satisfactory. Prices show a slight improvement over those prevailing last year. Fishermen have made moderate earnings and cannery operations should show a small margin of profit.

The strike of longshoremen in Pacific Coast ports of the United States last May disorganized overseas shipping temporarily, but freight rates have since strengthened and space is generally well booked. Grain shipments through Vancouver for the season 1933-34 totalled 50,166,342 bushels, a decline of approximately 48% from the record established for the Port the previous season. The volume of other export and import cargoes at British Columbia ports for the first half of 1934 has increased 29% and 26% respectively.

There has been an increase in the volume of manufactured products and, although the output is still below normal, the

improvement has become quite general. Production in the pulp and paper industry has increased but the margin of profit remains narrow.

Trade has benefited by improved conditions in the basic industries and prices have shown a tendency to advance. Restricted credit has resulted in current collections being well met but the liquidation of past due obligations continues slow. Tourist traffic was considerably in excess of last year and rail travel was heavy due to cheap excursions from Prairie and Eastern points.

Inactivity in the real estate market has resulted in little change in values and rentals. Abundant store and office space is available but better class residences are becoming scarce. Construction shows a slight improvement. Moratorium legislation has had a tendency to divert mortgage funds to other channels.

The revival of activity which commenced in lumbering and mining in 1933 has extended to other industries during this year. Unemployment, although still serious, has declined. Tax collections generally have been well maintained. Confidence appears to be gradually returning and it is felt that a definite improvement in world conditions would speedily result in a general expansion of business in this Province.

NEWFOUNDLAND

The principal industry of the country, fishing, enjoyed on the whole a slightly better year. The codfish catch looked very promising in the early part of the season but later fell off, and the total catch of the Bank, Shore and Labrador fisheries will not be appreciably greater than last year. The fishermen, however, benefited by the higher prices paid them. The export of codfish continues to be hampered by exchange and import restrictions imposed by countries to which Newfoundland sells. The sealing voyage was very successful with a return valued at \$321,000, the best in several years. The salmon catch produced about 2,500,000 pounds; the lobster pack, owing to unfavourable weather conditions, was not important, and the herring fishery was again poor.

Iron ore exports for the first eight months of 1934 were valued at \$998,000, as compared with \$653,000 for the whole of 1933, Germany and Holland being the chief importing countries.

The paper mill at Corner Brook has been operating at near capacity all season. The Grand Falls mill operated for the first nine months at near capacity but later suffered from shortage of water. Wage cuts made by both companies in 1933 were restored this year.

Certain lines of manufacturing, such as boots and shoes, clothing and paints, are quite active and general factory production is considerably ahead of last year. However, while conditions in both wholesale and retail trades show improvement, they are still below average.

A most important event occurred in Newfoundland during the past year in the change from Responsible Government to Government by a Commission appointed by Great Britain and the guaranteeing by that country of the Public Debt of Newfoundland, amounting to approximately \$100,000,000. In this connection, a new refunding loan consisting of 3% stock, due 1943-1963, was issued and accepted in exchange by practically all holders of Newfoundland bonds, the new stock being guaranteed as to principal, interest and sinking fund by Great Britain, and the sum of \$2,000,000 will be saved annually on interest charges. It has also been arranged that any deficit incurred by

Newfoundland up to the end of June, 1936, will be taken care of by Great Britain in the form of a gift.

The Commission of Government since taking office have effected economies and introduced remedial measures to assist the fishing, agricultural, forest and other industries; favourable results are already evident. A revision of the tariff has been undertaken which should reduce the cost of living. A feeling of confidence has been engendered in the Island and there is promise of improvement in business and general economic conditions.

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. D. Forbes Angus, that Messrs. Charles A. Hodgson, C.A., and W. D. Glendinning, C.A., be appointed Auditors for the Bank for the ensuing year, and that the ballot for the Auditors be taken at the same time as the ballot for Directors is taken.

The motion was carried.

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

THANKS TO THE OFFICERS

The Hon. Rodolphe Lemieux, K.C., then moved, seconded by Mr. W. B. Blackader, 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 the motion, the Hon. Rodolphe Lemieux said: "In bringing this motion forward, I am pleased to see that the Bank's statement, as distributed, shows a really strong liquid position, though we have not yet reached the halcyon days of yesteryear. Through the years the Bank has steadily ploughed its way forward with legitimate conviction and on a thorough banking foundation. I can say that it has steadily served trade and industry. Business expansion can be already detected, and I, for one, am hopeful that it will soon develop. It would be encouraging if public institutions would imitate what the Bank of Montreal has done, if public institutions would practise rigid economy, and cut off all unnecessary expenditure, tackling boldly those vital problems, such as the railway entanglement, for instance, and finally balance their budgets. Our Board of Directors constitutes in my humble judgment our roll of honour. They are our Directors, but are also a credit not only to Montreal but to the Dominion as a whole, and I hope that governments will take a leaf out of the Bank of Montreal's book this year, and conduct themselves accordingly." (Applause.)

The resolution was adopted unanimously.

The Chairman: "I thank you on my behalf and on behalf of my Directors. I am sure they are glad to hear these remarks. I know I am. It is very inspiring to know that we are so well thought of by our Shareholders."

Major-General the Hon. S. C. Mewburn, C.M.G., 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, General Mewburn said:

"I have in my hands a stereotyped resolution expressing thanks and appreciation of this meeting to the General Managers and staff of the Bank for the services rendered during the year. Similar resolutions are generally passed at Annual Meetings of Banks and other Corporations, embodied in the minutes of the meeting and filed away till another Annual Meeting comes around.

"I feel the Shareholders of the Bank of Montreal do not realize just what the staff means. It would be inopportune for me to go into the whole details of what work they do—suffice it to say that we have a wonderful organization, consisting first of our joint General Managers. In Mr. Bog we are fortunate in having one with such long experience and honourable service as has been given to the Bank by this gentleman. By a coincidence Mr. Dodds, in addition to his duties as joint General Manager of this Bank, happens to be President of the Canadian Bankers' Association and on his shoulders fell the heavy task of representing all the Banks during the revision of the Bank Act before the Banking and Commerce Committee of Parliament. The wonderful work he did before this Committee is well known and I believe the way he handled the whole matter on behalf of the Banks demonstrated his great ability and integrity as a banker. (Applause.)

"The Assistant General Managers in charge of the various Provinces, the Superintendents and branch managers have all played their part. The staff of the Bank comprises a carefully selected body of men imbued with the traditionally high ideals of the institution and an esprit de corps unexcelled in any institution. The devotion to duty of the staff of the Bank of Montreal is reflected in the Balance Sheet now under review." (Applause.)

The motion was passed unanimously.

In reply to the resolution, Mr. Dodds said: "On behalf of Mr. Bog and myself, our able assistants and loyal staff of men and women, may I express our thanks for your generous words of commendation. In these disjointed times, when profits do not reflect the work done and advancement in the services is retarded by necessary closing of branches, it is heartening to the staff to know that their efforts are appreciated." (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. Charles A. Hodgson, C.A., and W. D. Glendinning, 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, W. A. Bog, the Honourable Patrick Burns, the Honourable Henry Cockshutt, Norman J. Dawes, A. O. Dawson, H. R. Drummond, W. Sanford Evans, Sir Charles Gordon, G.B.E., 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., A. B. Purvis, C. F. Sise, 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.

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.

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

THE HON. HENRY COCKSHUTT

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

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

THE HON. THOMAS AHEARN, P.C.

J. W. McCONNELL, ESQ.

W. A. BLACK, ESQ.

A. O. DAWSON, ESQ.

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

SIR FREDERICK WILLIAMS-TAYLOR

THE HON. PATRICK BURNS

ROSS H. McMASTER, ESQ.

C. F. SISE, ESQ.

A. B. PURVIS, ESQ.

W. A. BOG, ESQ.

NORMAN J. DAWES, ESQ.

W. SANFORD EVANS, 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

CAPITAL <i>paid up</i> , -	-	-	-	-	-	-	-	-	\$ 36,000,000.00
REST AND UNDIVIDED PROFITS, -	-	-	-	-	-	-	-	-	39,809,820.79
TOTAL ASSETS, -	-	-	-	-	-	-	-	-	759,108,178.48

The Bank has 567 Offices in Canada, Newfoundland, United States; 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 (JUNE TO SEPT.)
BENTLEY
CALGARY (MAIN OFFICE)
" ELBOW PARK
" STOCK YARDS
CAMROSE
CARBON
CARSTAIRS
CASTOR
CHAUVIN
COUTTS
DAYSLAND
DELBURNE
DRUMHELLER
EDGERTON
EDMONTON (MAIN OFFICE)
" 97TH STREET AT 103RD A.
AVENUE
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
MYRAN
OLDS
PARADISE VALLEY—SUB TO
EDGERTON
PONOKA
RAYMOND
RED DEER
RIMBEY
SEDGEWICK
STETTNER
THORSBY
TOFIELD
TROCHU
TWO HILLS
VEGREVILLE
VIKING
WAINWRIGHT
WESTLOCK
WETASKIWIN

BRITISH COLUMBIA

ASHCROFT
BRALORNE
CHILLIWACK
CLOVERDALE
DUNCAN
ENDERBY
ESQUIMALT
KAMLOOPS
KASLO
KELOWNA
KIMBERLEY
MERRITT
NANAIMO
NELSON
NEW DENVER
NEW WESTMINSTER
NORTH VANCOUVER
OAK BAY
PENTICTON
PORT ALBERNI
PORT HANEY
POWELL RIVER
PRINCE GEORGE
PRINCE RUPERT
PRINCETON
REVELSTOKE
ROSSLAND
SIDNEY
STEWART
TERRACE
TRAIL
VANCOUVER (MAIN OFFICE)
" BROADWAY & GRANVILLE
STREET
" BROADWAY & MAIN STREET
" CARRALL & HASTINGS STREETS
" FORTY-FOURTH AVENUE &
FRASER STREET
" FOURTH AVENUE & ALMA ROAD
" GRANVILLE & DAVIE STREETS
" HOMER & HASTINGS STREETS
" HOTEL VANCOUVER
" KERRISDALE
" MAIN & HASTINGS STREETS
" MARINE BUILDING
" PENDER & COLUMBIA STREETS
" PRIOR & MAIN STREETS
" VANCOUVER HEIGHTS
" WEST POINT GREY
VERNON

BRITISH COLUMBIA

—CONTINUED

VICTORIA (MAIN OFFICE)
" GOVERNMENT STREET
WEST SUMMERLAND
WILLIAMS LAKE

MANITOBA

BELMONT
BISSETT
BOWSMAN RIVER
BRANDON
CARBERRY
CHURCHILL (SEASON ONLY)
DAUPHIN
GLADSTONE
HARTNEY
MAGGREGOR
MINOTONAS
MORRIS
NEEPAWA
OAK LAKE
OAK RIVER
OAKVILLE
PORTAGE LA PRAIRIE
RESTON
SELKIRK
SOURIS
THE PAS
WINNIPEG (MAIN OFFICE)
" 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
" PORTAGE AVENUE & GOULDING
STREET
" PORTAGE AVENUE & VAUGHAN
STREET
" SELKIRK AVENUE & ARLINGTON
STREET

NEW BRUNSWICK

BATHURST
CHATHAM
FREDERICTON
GRAND FALLS
HARTLAND
MONCTON
PERTH
SAINT JOHN (MAIN OFFICE)
" HAYMARKET SQUARE
" UNION STREET
ST. STEPHEN
SHEDIAK
WOODSTOCK

NOVA SCOTIA

AMHERST
BRIDGEWATER
CANNO
GLACE BAY
HALIFAX (MAIN OFFICE)
" NORTH END
" WILLOW TREE
LUNenburg
MAHON BAY
PORT HOOD
RIVERPORT
SYDNEY
WOLFVILLE
YARMOUTH

ONTARIO

ACTON
ALLISTON
ALMONTE
ALVINSTON
AMHERSTBURG
ARNPRIOR
ATHENS
AULTSVILLE—SUB TO WALES
AURORA
AYLMER
BARRY'S BAY
BEACHVILLE—SUB TO INGERSOLL
BELLEVILLE
BLENHEIM
BOBCAYGEON
BOTHWELL
BOWMANVILLE
BRAMPTON

ONTARIO—CONTINUED

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
CHATSWORTH
CHESTERVILLE
CLARKSON
CLINTON
COBDEN
COLLINGWOOD
CORNWALL (MAIN OFFICE)
" MCCONNELL AVENUE &
MONTREAL ROAD
COURTLAND—SUB TO TILLSONBURG
CREEMORE
DELHI
DOUGLAS
DRUMBO
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 (MAIN OFFICE)
" 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
HOLSTEIN—SUB TO MOUNT FOREST
INGERSOLL
IROQUOIS
KAGAWONG—SUB TO GORE BAY
(MAY TO OCT.)
KINCARDINE
KINGSTON
KINGSVILLE
KIRKTON—SUB TO MITCHELL
KITCHENER
KOMOKA—SUB TO MARKET
SQUARE, LONDON
LAMBTON MILLS
LANCASTER
LANDSOWNE
LA SALLE
LEAMINGTON
LINDSAY
LISTOWEL
LITTLE CURRENT
LONDESBOURGH—SUB TO
CLINTON
LONDON (MAIN OFFICE)
" CITY HALL
" EAST
" MARKET SQUARE
" SOUTH
LUCAN
LUCKNOW
MANITOWANING
MARKDALE
MEAFORD
MERLIN
MIDLAND
MILDMAY
MIMICO
MINDEMOYA
MITCHELL
MONKLAND—SUB TO FINCH
MORRISBURG
MOUNT FOREST
NAPANEE
NEWINGTON
NEWMARKET
NEW TORONTO
NIAGARA FALLS
NORWICH
OAKVILLE

ONTARIO—CONTINUED

ORILLIA
OSHAWA
OTTAWA (MAIN OFFICE)
" BANK STREET
" HINTONBURG
" RIDEAU STREET
" SPARKS STREET
OWEN SOUND
PAISLEY
PARIS
PELEE ISLAND—SUB TO LEA-
MINGTON (APRIL TO DEC.)
PEMBROKE
PERTH
PETERBOROUGH (MAIN OFFICE)
" GEORGE STREET
PICTON
PORT ARTHUR
PORT HOPE
PRESCOTT
PRESTON
PROVIDENCE BAY—SUB TO
MINDEMOYA (MAY TO NOV.)
RENFREW
RIDGETOWN
ST. CATHARINES
ST. EUGENE
ST. GEORGE—SUB TO BRANTFORD
ST. MARYS
ST. THOMAS (MAIN OFFICE)
" EAST END
SARNIA
SAULT STE. MARIE
SCHREIBER
SIMCOE
SMITH'S FALLS
STIRLING
STRATFORD
SUDBURY
TARA
TEESWATER
THAMESVILLE
THORNDALE—SUB TO MARKET
SQUARE, LONDON
THOROLD
TICHBORNE—SUB TO YARKER
TILBURY
TILLSONBURG
TIMMINS
TORONTO (MAIN OFFICE)
" BATHURST & KING STREETS
" BAY STREET
" BLOOR & BAY STREETS
" BLOOR STREET & LANSOWNE
AVENUE
" BLOOR STREET & WINDERMERE
AVENUE
" COLLEGE STREET
" DANFORTH & LOGAN AVENUES
" DANFORTH AVENUE & MAIN
STREET
" DELAWARE AVENUE & BLOOR
STREET
" DUNDAS STREET & LANSOWNE
AVENUE
" DUNDAS STREET & RONGES-
VALLES 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 & BROADVIEW
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
" WEST TORONTO
" YONGE & BLOOR STREETS
" YONGE & QUEEN STREETS
" YONGE STREET & ST. CLAIR
AVENUE
TRENTON
TWEED
VERONA—SUB TO YARKER
WALES
WALKERTON
WALKERVILLE (MAIN OFFICE)
" WALKER ROAD
WALLACEBURG
WATERFORD
WATERLOO

BRANCHES IN CANADA

ONTARIO—CONTINUED

WATFORD
WELLAND
WEST LORNE
WESTON
WESTPORT
WHEATLEY
WILLIAMSBURG
WILLIAMSTOWN
WINDSOR (MAIN OFFICE)
" LONDON STREET
WOODSTOCK
YARKER
ZURICH

PRINCE EDWARD ISLAND

CHARLOTTETOWN

QUEBEC

AMQUI
ARTHABASKA
ARUNDEL
ARVIDA
BEAUFORT
BEDFORD
BREAKEYVILLE
BRISTOL—Sub to SHAWVILLE
BUCKINGHAM
BURY
CHAPEAU
CHICOUTIMI
COOKSHIRE
COWANSVILLE
DRUMMONDVILLE
GATINEAU
GRANBY
GRAND MERE
HULL
HUNTINGDON
KNOWLTON
LACHINE
LACHUTE
LEVIS
LONGUEUIL
MAGOG
MATANE
MEGANTIC
MONT JOLI
MONTREAL (MAIN OFFICE)
" ANGUS SHOPS, DAVIDSON &
NOLAN STREETS
" BEAVER HALL

QUEBEC—CONTINUED

MONTREAL (CONTINUED)
" BERCY & ONTARIO STREETS
" BLEURY & ST. CATHERINE
STREETS
" BORDEAUX STREET & MOUNT
ROYAL AVENUE
" CHARLEVOIX & CENTRE
STREETS
" CHRISTOPHER COLUMBUS
STREET & MOUNT ROYAL
AVENUE
" CITY HALL AVENUE & ST.
CATHERINE STREET
" COTE DES NEIGES
" COTE ST. PAUL
" DE LORIMIER AVENUE &
ROSEMOUNT BOULEVARD
" DRUMMOND & ST. CATHERINE
STREETS
" FULLUM & ST. CATHERINE
STREETS
" GIROUARD & MONKLAND
AVENUES
" GUY & SHERBROOKE STREETS
" HINGSTON AVENUE & SHER-
BROOKE STREET
" JACQUES CARTIER SQUARE &
ST. PAUL STREET
" JEAN TALON STREET &
QUERBES AVENUE
" LA SALLE AVENUE & ONTARIO
STREET
" LAURIER AVENUE & ST. LAW-
RENCE BOULEVARD
" MARCIL AVENUE & SHER-
BROOKE STREET
" MASSON STREET & FIFTH
AVENUE
" MCGILL & ST. PAUL STREETS
MOUNT ROYAL AVENUE &
ST. LAWRENCE BOULEVARD
" ONTARIO STREET & ST.
LAWRENCE BOULEVARD
" PAPINEAU AVENUE & ST.
CATHERINE STREET
" PARK & BERNARD AVENUES
PEEL STREET
" POINT ST. CHARLES
" ST. ANTOINE & WINDSOR
STREETS
" ST. CLEMENT & ST. CATH-
ERINE STREETS
" ST. HENRI
" ST. JEAN BAPTISTE MARKET
" ST. PETER & ST. JAMES
STREETS

QUEBEC—CONTINUED

MONTREAL (CONTINUED)
" ST. ZOTIQUE & ST. DENIS
STREETS
" SEIGNEURS & NOTRE DAME
STREETS
" SHERBROOKE & DRUMMOND
STREETS
" SHERBROOKE STREET & ST.
LAWRENCE BOULEVARD
" SNOWDON
" UNIVERSITY & ST. CATHERINE
STREETS
" VILLERAY & ST. DENIS STREETS
" WEST END
MONTREAL WEST
NAPIERVILLE
ORMSTOWN
OUTREMONT
QUEBEC (MAIN OFFICE)
" CHATEAU FRONTENAC
" ST. JOHN'S GATE
" ST. ROCH
" ST. SAUVEUR
" UPPER TOWN
QUYON
RICHMOND
RIMOUSKI
RIVIERE DU LOUP
ROBERVAL
STE. AGATHE DES MONTES
STE. ANNE DE BELLEVUE
ST. CESAIRE
ST. GEORGES DE BEAUCE
ST. HYACINTHE
ST. JEROME
ST. JOHNS
ST. JOSEPH D'ALMA
ST. JOVITE
ST. LAMBERT
ST. OURS
STE. THERESE
SAWYERVILLE
SHAWVILLE
SHERBROOKE (MAIN OFFICE)
" BELVIDERE & KING STREETS
SOREL
TEMISKAMING
THREE RIVERS
VALLEYFIELD
VERDUN (MAIN OFFICE)
" BEATTY & VERDUN AVENUES
" CHURCH AVENUE
" FIRST AVENUE & WELLINGTON
STREET
VICTORIAVILLE
VILLE ST. PIERRE

QUEBEC—CONTINUED

WATERLOO
WESTMOUNT (MAIN OFFICE)
" CLAREMONT AVENUE &
SHERBROOKE STREET

SASKATCHEWAN

ANTLER
BATTLEFORD
CARNDUFF
CEYLON
DAVIDSON
DOMREMY
DUCK LAKE
EASTEND
ESTEVAN
FIFE LAKE
FLAXCOMBE
GAINSBOROUGH
KAMSACK
KELLIHER
KISBEY
LAKE LENORE
LAMPMAN
LIMERICK
MAPLE CREEK
MELVILLE
MOOSE JAW
NIPAWIN
NORTH BATTLEFORD
OUTLOOK
PRELATE
PRINCE ALBERT
PUNNICHY
REGINA (MAIN OFFICE)
" VICTORIA AVENUE & ALBERT
STREET
RHEIN
ROSE VALLEY
SALTCOATS
SASKATOON
SEMANS
SENAC
SHAUNAVON
SWIFT CURRENT
TISDALE
UNITY
WAKAW
WEYBURN
WHITEWOOD
WYNYARD
YORKTON

YUKON
DAWSON
MAYO

IN NEWFOUNDLAND

BUCHANS—Sub to Grand Falls

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

IN GREAT BRITAIN

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

IN FRANCE

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

IN THE UNITED STATES

NEW YORK, 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

WEST INDIES

Barclays Bank (Dominion, Colonial & Overseas)

