

1937  
**BANK OF MONTREAL**

---

ANNUAL GENERAL MEETING

HELD 6TH DECEMBER, 1937

# 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.

W. A. BOG, ESQ.

### GENERAL MANAGERS

JACKSON DODDS

G. W. SPINNEY

### DIRECTORS

D. FORBES ANGUS, ESQ.

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

THE HON. HENRY COCKSHUTT

SIR EDWARD BEATTY, G.B.E.

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

THE HON. THOMAS AHEARN, P.C.

J. W. McCONNELL, ESQ.

A. O. DAWSON, ESQ.

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

SIR FREDERICK WILLIAMS-TAYLOR

ROSS H. McMASTER, ESQ.

C. F. SISE, ESQ.

ARTHUR B. PURVIS, ESQ.

NORMAN J. DAWES, ESQ.

W. SANFORD EVANS, ESQ.

W. G. MURRIN, ESQ.

LOUIS L. LANG, ESQ.

L. J. BELNAP, 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.

W. A. BOG, ESQ.

SIR EDWARD BEATTY, G.B.E.

---

### 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	-	-	-	-	-	-	-	40,164,863.53
TOTAL ASSETS	-	-	-	-	-	-	-	829,633,950.98



The 120th Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 6th December, 1937, 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, W. R. H. Arundell, Arthur Barry, Samuel M. Baylis, Sir Edward Beatty, G.B.E., F. G. Belcher, W. R. Belcher, L. J. Belnap, Lt.-Col. K. G. Blackader, M.C., W. B. Blackader, W. A. Bog, J. S. Bolton, W. W. Bruce, Arthur Browning, C. W. Buchanan, George A. Campbell, K.C., A. H. Carson, G. Rutherford Caverhill, F. D. Chapman, C. W. Chesterton, Ross Clarkson, Ronzo H. Clerk, N.P., the Hon. Henry Cockshutt, F. W. Collins, R. L. Curphey, Charles H. Darling, Norman J. Dawes, Randall Davidson, A. O. Dawson, Jackson Dodds, J. C. Downing, H. R. Drummond, Henry Y. Dupuy, W. R. Eakin, G. T. Eaton, W. Sanford Evans, William C. Finley, A. B. Foster, A. E. Francis, B. C. Gardner, J. Garrow, M. H. Gault, P. R. Gault, Sir Charles Gordon, G.B.E., G. H. Greening, R. N. Hadow, Samuel Hart, A. J. L. Haskell, Frank H. Hopkins, N. V. R. Huus, N. A. Hyland, R. P. Jellett, John Jenkins, R. E. Knight, J. N. Laing, Louis L. Lang, F. X. Leduc, C. P. Liebich, C. S. Lesperance, Sir Charles W. Lindsay, K.B.E., J. N. P. Lorrain, Lt.-Col. Walter E. Lyman, W. T. A. MacFadyen, T. A. MacKay, A. Macpherson, J. W. McConnell, W. McDonnell, C. H. McFarlane, Ross H. McMaster, F. E. Meredith, K.C., T. E. Merrett, Major-General the Hon. S. C. Mewburn, C.M.G., Robert B. Morrice, H. C. Munn, W. G. Murrin, G. H. Napier, Frank W. Nelles, Major S. C. Norsworthy, D.S.O., M.C., Lt.-Col. W. P. O'Brien, Lt.-Col. Gavin L. Ogilvie, Elzear Orchard, D. J. O'Shaughnessy, J. W. O'Shaughnessy, Eugene Payette, A. M. Peters, L. H. Pinsonnault, Col. Edward M. Renouf, O. R. Sharp, F. J. Shreve, G. Ross H. Sims, C. F. Sise, L. McI. Spackman, G. W. Spinney, J. T. Stevens, E. H. Stewart, A. C. Sutherland, W. W. Symons, W. W. Thompson, L. W. Townsend, A. A. Werlich, R. J. Williams, Sir Frederick Williams-Taylor, E. P. Winslow and E. Winslow-Spragge.

On 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. W. B. Blackader, that Mr. Arthur Browning and Mr. G. Rutherford Caverhill be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the Meeting. This was carried unanimously.

The Chairman then called upon Mr. G. W. Spinney, Joint General Manager, to read the Annual Report of the Directors to the Shareholders, to present the Annual Statement and to read the Auditors' Report.

## THE ANNUAL REPORT

The Directors have pleasure in presenting the Report showing the result of the Bank's business for the year ended 30th October, 1937.

### PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1936.....	\$1,036,534.73
Profits for the year ended 30th October, 1937, after making appropriations to Contingent Reserve Fund, out of which Fund full provision for Bad and Doubtful Debts has been made, and after deducting Dominion and Provincial Government Taxes amounting to \$942,957.54.....	3,408,328.80
	<hr/> 4,444,863.53
Quarterly Dividend 2 per cent. paid 1st March, 1937.....	\$ 720,000.00
Quarterly Dividend 2 per cent. paid 1st June, 1937.....	720,000.00
Quarterly Dividend 2 per cent. paid 1st Sept., 1937.....	720,000.00
Quarterly Dividend 2 per cent. payable 1st Dec., 1937.....	720,000.00
	<hr/> 2,880,000.00
Appropriation for Bank Premises.....	400,000.00
	<hr/> 3,280,000.00
Balance of Profit and Loss carried forward.....	<hr/> <u>\$1,164,863.53</u>

(Signed) CHARLES B. GORDON,  
*President.*

(Signed) JACKSON DODDS,  
G. W. SPINNEY,  
*Joint General Managers.*

During the financial year, five offices were opened and five were closed throughout the Dominion of Canada.

The Board have to record, with deep regret, the death of their late valued colleague, the Honourable Patrick Burns, a member of the Board since 1930, and of Mr. Charles A. Hodgson, Shareholders' Auditor. In accordance with the terms of the Bank Act, Mr. George C. McDonald, C.A., was appointed by the Minister of Finance to fill the vacancy caused by the death of Mr. Hodgson.

In March, 1937, for the purpose of more satisfactorily performing certain functions on behalf of the Bank's clients, we acquired the charter of a New York State trust company and this is now known as the Bank of Montreal Trust Company.

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

(Signed) CHARLES B. GORDON,  
*President.*

Bank of Montreal, 6th December, 1937.



# THE GENERAL STATEMENT

The General Statement of the position of the Bank on 30th October, 1937, was submitted as follows:

LIABILITIES		
Capital paid up.....		\$ 36,000,000.00
Rest.....	\$ 39,000,000.00	
Balance of profits carried forward as per Profit and Loss Account.....	1,164,863.53	
	40,164,863.53	
Unclaimed Dividends.....	12,333.74	
Quarterly Dividend, payable 1st December, 1937.....	720,000.00	
		40,897,197.27
		76,897,197.27
Notes of the Bank in circulation.....	\$ 24,428,895.00	
Deposits by and balances due to Dominion Government.....	18,413,157.92	
Deposits by and balances due to Provincial Governments.....	6,312,195.29	
Deposits by the public not bearing interest.....	192,452,351.91	
Deposits by the public bearing interest, including interest accrued to date of statement.....	488,540,702.60	
Deposits by and balances due to other chartered banks in Canada.....	2,853,313.00	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries.....	9,227,385.27	
Bills payable.....	213,945.47	
		742,441,946.46
Acceptances and Letters of Credit outstanding.....		7,759,145.50
Liabilities to the public not included under the foregoing heads.....		2,535,661.75
		\$829,633,950.98
ASSETS		
Gold held in Canada.....	\$ 24,392.43	
Subsidiary coin held in Canada.....	907,526.92	
Gold held elsewhere.....	601.12	
Subsidiary coin held elsewhere.....	82,080.44	
Notes of Bank of Canada.....	14,865,924.00	
Deposits with Bank of Canada.....	69,884,930.42	
Notes of other chartered banks.....	\$ 1,500,966.00	
Cheques on other banks.....	26,217,465.85	
Government and bank notes other than Canadian.....	461,264.90	
Due by banks and banking correspondents elsewhere than in Canada.....	20,701,295.93	
Call and short (not exceeding thirty days) loans in Canada on Stocks, Debentures, Bonds and other securities, of a sufficient marketable value to cover.....	6,857,700.39	
Call and short (not exceeding thirty days) loans elsewhere than in Canada on Stocks, Debentures, Bonds and other securities, of a sufficient marketable value to cover.....	19,878,944.34	
		75,617,637.41
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value.....		151,462,042.98
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value.....		193,407,525.81
Canadian municipal securities, not exceeding market value.....		37,302,670.91
Public securities other than Canadian, not exceeding market value.....		17,035,917.99
Other Bonds, Debentures and Stocks, not exceeding market value.....		38,459,902.82
		\$599,051,153.25
Current loans and discounts in Canada, not otherwise included, estimated loss provided for.....	150,922,643.74	
Loans to Provincial Governments.....	3,129,229.01	
Loans to Cities, Towns, Municipalities and School Districts.....	28,401,759.98	
Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for.....	20,031,374.92	
Non-current loans, estimated loss provided for.....	2,275,804.46	
		204,760,812.11
Bank premises, at not more than cost, less amounts written off.....		13,700,000.00
Real estate other than bank premises.....		611,352.36
Mortgages on real estate sold by the bank.....		581,328.99
Liabilities of customers under Acceptances and Letters of Credit as per contra.....		7,759,145.50
Deposit with the Minister of Finance for the security of note circulation.....		1,350,011.55
Shares of and loans to controlled companies.....		1,575,112.25
Other Assets not included under the foregoing heads.....		245,034.97
		\$829,633,950.98

NOTE—The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above General Statement.

CHARLES B. GORDON,

President.

JACKSON DODDS,

G. W. SPINNEY,

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.

GEORGE C. McDONALD, C.A.,  
of the firm of McDonald, Currie & Co.  
ALASTAIR A. GOWAN, C.A.,  
of the firm of Riddell, Stead, Graham & Hutchison.

Auditors.

MONTREAL, November 23rd, 1937



**BANK OF MONTREAL TRUST COMPANY**  
(New York)

**Balance Sheet as at 30th October, 1937**

ASSETS		LIABILITIES	
Cash.....	\$ 20,000.00	Deposits:	
Due from Banks:		Trust Funds.....	\$ 52,294.70
Approved Reserve Depositories.....	\$ 207,116.65	Demand.....	102,780.88
Other Banks and Bankers (Foreign)....	24,152.24	Time.....	58,337.89
	231,268.89	Due to Banks, Bankers and Trust Companies.....	7,202.91
Investments:			\$ 220,616.38
United States Government Securities...	\$1,560,164.06	Reserve for Taxes.....	9,309.00
Accrued Interest.....	4,428.49	Other Liabilities.....	4,635.39
	1,564,592.55	Capital and Surplus:	
(Quoted Market Value, 30th October, 1937—\$1,571,870.68.)		Capital Stock—	
Other Assets.....	4,208.26	Authorized, Issued and Fully Paid:	
		10,000 shares of \$100 each.....	\$1,000,000.00
		Surplus.....	510,000.00
		Undivided Profits.....	75,508.93
			1,585,508.93
	<u>\$1,820,069.70</u>		<u>\$1,820,069.70</u>

**NOTE:—**

The Charter was acquired in March, 1937, for the purpose of more satisfactorily performing certain functions in New York on behalf of the Bank's clients. The Capital Stock, with the exception of the Directors' qualifying shares, is entirely owned by the Bank.

**Auditors' Report to the Shareholders**

We have made an examination of the books and accounts of Bank of Montreal Trust Company as at 30th October, 1937, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Trust Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Trust Company.

(Signed)

GEORGE C. McDONALD, C.A.,

ALASTAIR A. GOWAN, C.A.,

Auditors.

MONTREAL, 10th November, 1937.

**COMPANIA TERRITORIAL MEXICANA, S.A.**

**Balance Sheet as at 30th October, 1937**

ASSETS		LIABILITIES	
	Mexican Pesos		Mexican Pesos
Real Estate and Mortgages, less Reserve.....	\$ 13,339.14	Capital Stock—	
Accounts Receivable.....	1,039.37	Authorized, Issued and Fully Paid—	
Cash in Bank.....	28,612.90	500 shares of \$100 each.....	\$ 50,000.00
	42,991.41	Loan from Bank of Montreal.....	185,791.16
	192,916.03	Accounts Payable.....	116.28
Deficit.....			
	<u>\$235,907.44</u>		<u>\$235,907.44</u>

**NOTE:—**

The 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 \$1.00. Provision has been made by the Bank to cover the impairment of its loan.

**Auditors' Report to the Shareholders**

We have made an examination of the books and accounts of the Compania Territorial Mexicana, S.A., for the year ended 30th October, 1937, and we have obtained all the information and explanations which 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 properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

(Signed)

GEORGE C. McDONALD, C.A.,

ALASTAIR A. GOWAN, C.A.,

Auditors.

MONTREAL, 10th November, 1937.

# HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 30th October, 1937

ASSETS		LIABILITIES	
Real Estate, Buildings, etc. (64-68 Wall Street, New York), less Reserves for Depreciation.....	\$1,151,310.63	Capital Stock:	
Prepaid Taxes.....	5,382.00	Authorized, Issued and Fully Paid—	
Cash.....	7,381.29	100 shares of \$100 each.....	\$ 10,000.00
	1,164,073.92	Twenty Year Four Per Cent. Gold Debentures—	
Deficit.....	75,806.41	Due 1st September, 1938.....	\$ 220,000.00
		Due 1st March, 1950.....	1,000,000.00
			1,220,000.00
		Accrued Debenture Interest.....	8,133.33
		Accounts Payable.....	1,747.00
	<u>\$1,239,880.33</u>		<u>\$1,239,880.33</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 Debentures are entirely owned by the Bank and appear on its books at a nominal value of \$1.00.

## Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Hochelaga Realty and Development Company for the year ended 30th October, 1937, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed)

GEORGE C. McDONALD, C.A.,  
ALASTAIR A. GOWAN, C.A.,  
Auditors.

MONTREAL, 10th November, 1937.

# THE ST. JAMES LAND COMPANY LIMITED

Balance Sheet as at 30th October, 1937

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, Issued and Fully Paid—	
		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 \$320,100 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.  
J. T. STEVENS, Director.

## Auditors' Report

We have made an examination of the books and accounts of The St. James Land Company Limited for the year ended 30th October, 1937, and we have obtained all the information and explanations which we have required.

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, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

(Signed)

GEORGE C. McDONALD, C.A.,  
ALASTAIR A. GOWAN, C.A.,  
Auditors.

MONTREAL, 10th November, 1937.



## THE PRESIDENT'S ADDRESS

Gentlemen,—During the year your Board has suffered the loss of one of its members, the Honourable Patrick Burns, whose death occurred in February last. Senator Burns was an outstanding citizen of Canada. He brought to the meetings of our directorate a most intimate and valuable knowledge of western affairs and I am sure you will join in our regret at the passing of our colleague. To fill the vacancy thus occasioned, there will be submitted to you at this meeting the name of Mr. L. J. Belnap, a man of wide experience, whose addition to the Board you will be asked to approve. It has always been the policy to have on the Board men prominent in as many lines of business as possible, representing the various interests in all parts of the country. Mr. Belnap, as you know, is the head of the Consolidated Paper Corporation, one of the largest paper companies in Canada. Up to the present we have had on the Board no direct representative of the paper industry and we feel that Mr. Belnap will bring to the Board's deliberations special knowledge and experience.

Following my usual practice, I shall preface my remarks by reference to the balance sheet and the profit and loss account for the year. The first matter to which I would direct your attention is that the report placed before you is the 120th statement submitted to annual meetings of the Shareholders of your Bank. We get a better view of what that record means when we recall that the Dominion of Canada itself is but 70 years of age. You, as Shareholders, I am sure share the gratification of your Directors in reflecting that never at any time in the 120 years in which your Bank has been active in the affairs of British North America has the pre-eminence of its services to the business life of this country been questioned.

## THE BANK'S STATEMENT

The balance sheet now before you exhibits the customary sound position of your Bank. Total assets stand at some \$830,000,000 as against liabilities to the public of \$752,000,000. Profits for the year, while substantially below those of days of more prosperity in banking affairs and of much less taxation, are at a figure which has permitted payment of the present dividend and an appropriation for premises of \$400,000, leaving a net carry-over to be added to profit and loss account of \$128,328.

In my address last year I expressed the hope that with the encouragement which improving trade would give to business enterprise the demand for banking accommodation would increase, and I am sure you will be pleased, as I am, that in a measure this hope has been fulfilled, although we still find our total of commercial loans below the figure which we would desire. This latter means that a larger proportion of our assets than would otherwise be the case is represented by gilt-edged investments, a feature greatly conducive, of course, to strength but one which, because of the low yield upon moneys so invested, is not as profitable as the use of funds in the more productive channels of active business enterprise. I wish to draw your attention to the fact, however, that a very large portion of these investments is in short date securities which can hardly depreciate materially and must be paid at par at maturity.

I shall not dwell any further upon the statement, as the General Managers will explain it more fully to you. Before passing on to other subjects, however, I would like to say that I consider the statement the strongest which has been presented to you during the ten years in which I have had the honour to occupy the position of President. Our policy has been to consolidate the position of the Bank in every direction. In pursuance of this policy we have closed certain unprofitable offices but in doing so have not left the public without banking facilities

within reasonable distance. We have turned into revenue-bearing assets such properties as changing circumstances have rendered unnecessary for our use, and have also disposed of properties which, passing to the Bank through the absorption of other institutions, have been rendered superfluous by consolidations; in a word, wherever dead timber has appeared it has been our aim to eliminate it. The shareholders may rest assured that every contingency which might arise has been explored and provided for with a view to maintaining the position so long held by our institution in the very front rank of the banks of this continent.

## BUSINESS CONDITIONS IN CANADA

Taken as a whole, business conditions throughout Canada during the past year have been much improved and a happy contrast with the conditions of but two years ago, the one really serious set-back being in those portions of the Prairie Provinces where drought caused total or partial failure of the crops. Were Canada as dependent as it formerly was upon the cash returns derived from the export of wheat, the fact that this year's crop of that commodity falls so far short of the average would be calamitous. As matters stand, however, this partial failure of our greatest cash crop is partly offset from the national standpoint by the higher price for this year's crop and by the fact that the general crops in every other part of Canada have been, on the whole, remarkably good. Also, perhaps even more important is the fact that Canada has been demonstrating in the past year a remarkable resiliency in productive enterprise.

For instance, the world demand for gold has been reflected in Canada by a marked increase in both the discovery and the production of that metal. The rapid progress that is being made in every form of mechanical operation and in the use of all kinds of manufactures of metal, combined with the demands caused by the armament programmes of the larger nations, has centred attention upon Canada as one of the leading producers of the most valuable industrial metals, viz., nickel, zinc, copper, lead and aluminum, and other metals used in steel alloys. Canada's response has been such that with the exception of iron this country is now the world's largest exporter of base metals. Then the housing programmes which have been undertaken on an unprecedented scale by nations abroad have found Canada responding by large increases in the export of lumber and other building products such as asbestos and gypsum. Similarly, the rise of large-scale industries for the manufacture from pulpwood of a wide variety of new materials, of which at the moment artificial silk is perhaps the most spectacular, has found a response in Canada in the production for export of increasing quantities of high-grade bleached sulphite, the raw material of these new industries. The greatly increased demand for newsprint has been reflected in Canada in the past year in record production and export of that commodity, which for years has been the largest manufactured product in our export trade. It is this resiliency in industrial enterprise, so variously expressed, that endows this country with so great a capacity for recuperation.

Then there is the tourist trade, which provides a highly important stimulus to domestic business.

## INDUSTRIES AND EMPLOYMENT

What I have said prompts the thought that until quite recent years Canada was looked upon largely as a land devoted almost entirely to agriculture and it was administered in that light. To-day, agriculture provides 35% of the exports and other forms of industry the balance. Canada now employs 600,000 people in 30,000 workshops, mills and factories, and the annual value of its manufactured products amounts to more than \$3,000,000,000. The needs and the interests of the large portion of our population



whose livelihood is directly dependent upon these industrial operations must be taken into consideration by those upon whom devolves the administration of the affairs of this country.

In employment the upturn which took place last year has continued at a rapidly accelerating rate; in fact, the level of the Dominion Bureau of Statistics wage-earning employment index on October 1st last reached practically the point at which it stood on the same date in 1929. The physical volume of production is also almost up to the 1929 level. The improvement has been somewhat unequal as between industries, in that in the mining and logging industries this employment index has been currently establishing new record monthly levels, whereas in transportation and communications it still falls considerably below 1929. However, in all other main lines of industry—except construction—the 1929 level has been about reached or bettered. Geographically the improvement is also widespread, with the Prairie Provinces lagging somewhat.

The construction industry all over the country has shown a considerable measure of recovery this year, but it is still not by any means up to the 1928-1929 level. This lag is mainly due to a lesser volume of railway construction and to the fact that there is still little sign or need of a renewal of the activity in the office-building field which was such a factor in the latter part of the 20's. Residential construction work has been stimulated both by a greater use of the Dominion Housing Act and by the Home Improvement Plan, which latter, with the co-operation of the banks, has done all that was expected to bring about greater activity in hundreds of centres throughout the country and compares most favourably with results obtained in the United States in the same period of time.

#### FOREIGN TRADE

The decided betterment which has taken place in Canadian business during the past year is undoubtedly due to the revival of our foreign trade, which has been growing by leaps and bounds. For the first seven months of the present fiscal year, April to October inclusive, the total of this trade amounted to \$1,183,000,000, with a favourable balance of \$176,000,000. This total of trade showed an increase of \$199,000,000 as compared with the similar period of 1936.

The latest figures available indicate that for the calendar year exports and imports will attain a total approaching two billion dollars, of which some \$320,000,000, or practically one million dollars for every working day, will represent a balance favourable to Canada, and, I may say, necessary to Canada as a debtor country.

In connection with our export trade it is well to remember that while during the past year this country has benefited by the export, at good prices, of the bulk of the large surplus of wheat that had been held in storage, our export figures until the next harvest will reflect but a comparatively small movement of grain. Furthermore, the past year has seen metal prices on a higher level than at present prevails and, should present prices continue, this again must have its influence upon export figures for the coming year. In regard to newsprint, the United States provide, of course, our largest market, and, while the demand in that market has grown in the past year, the present outlook is not clear. I might add in this latter connection that companies contemplating an increase in the number of producing machines would do well to bear this fact in mind.

#### TRADE WITH ENGLISH-SPEAKING COUNTRIES

In reviewing our foreign trade, we find that the great bulk of it is with the other English-speaking countries of the world and notably with Great Britain and the United States. Of the

total, no less than four-fifths is represented by our trade with the United Kingdom and the United States.

Due to the fact that we buy much more largely from the United States than from Great Britain, the total of our trade with the United States for the twelve months ended September 30th last was around \$395,000,000 greater than our trade with Great Britain. It is a matter of gratification to note that our trade with the United States is better balanced than formerly was the case. For years this trade showed a heavy balance unfavourable to this country, thereby greatly complicating exchange difficulties in view of this country's heavy external debt. For the twelve months ending September 30th last the balance of trade, allowing for exports of Canadian gold totalling \$107,000,000, between this country and the United States was favourable to Canada to the extent of about \$24,000,000.

I note with satisfaction that while four-fifths of our trade is with Great Britain and the United States, neither our Government nor our business men are neglecting opportunities to further trade with other countries. Our newsprint producers, for example, are building up for themselves a position of importance in a variety of overseas markets and are now steadily exporting their product to over thirty countries. Within the past two years formal trade arrangements have been concluded by the Government with not less than fifteen countries, and negotiations are proceeding for similar trade expansion agreements with others. To-day, Canada claims the distinction of being one of the few countries in the world which employ no trade quotas, no exchange restrictions and no embargoes other than those associated with the traffic in arms. If the remedy for world-wide civil and international strife lies in international economic co-operation, as I believe it does, then Canada, I think it can be said, is doing its full share in leadership along that line.

#### CONDITIONS IN THE UNITED STATES

In commenting on conditions in the United States a year ago I stated that notwithstanding the traditional uncertainties of a Presidential election year the trend of business had been definitely favourable. The period immediately following the election in November of last year was one of accelerated activity in almost every direction. Unfortunately, however, the outlook was soon beclouded by signs of increasing labour unrest culminating in an epidemic of "sit down" strikes, which for a time threatened not only to disrupt the normal transaction of business, but also to result in chaos as regards law and order. The problem was rendered all the more difficult of solution by bitter internal dissension existing in the labour unions themselves. Happily, in recent months the situation has become more tranquil. The aftermath, however, has been a sharp increase in costs which, added to higher taxes and consumer resistance to advancing prices, seems likely to reduce the margin of profit available to business in the future.

The period of activity in the early part of the year was accompanied by forward buying of appreciable dimensions, not only in anticipation of higher commodity prices but due also to anxiety as to the effect of strikes on deliveries, and it now seems evident that for the time being at least production has outrun consumption.

A precipitous decline in the New York stock market, culminating in panic selling on October 19th, forced statistical averages down from their 1937 high points over 30% in the case of industrials and close to 50% for railroads and utilities. While there is some difference of opinion as to the reasons underlying such a sudden and precipitous reaction in the face of easy money conditions, there can be no doubt but that increased labour costs and taxes, with a consequent lowering in the margin



of profit available for business enterprise in prospect, have made themselves felt. On the other hand, the volume of trading on the Stock Exchange has at no time been large and we must look elsewhere for adequate explanation. You do not need me to tell you that there has long existed a belief that in many directions the efforts to "prime the pump" were fundamentally unsound and would sometime reach a day of reckoning. On this point I would like to quote from the business letter of a well-known New York house. It says: "When the market continued to act badly, fears became more pronounced that the 'New Deal' policies were going to bring matters to a crisis more speedily than was generally anticipated and this, of course, heightened the pessimism as to the stock market. Much of such reasoning may be premature or inaccurate, but mass psychology is a queer thing and nothing spreads more rapidly than apprehension. It is not now of much avail to collect current business statistics, because what people are interested in is not the past or even present conditions but what is likely to occur in the near future. What the country most needs is a period of rest. The programme of alleged reform has been pushed so rapidly in recent years, with the accompanying heavy increase in taxes, that business is confronted with a marked curtailment of profits and should have an opportunity of attempting to assimilate what has already been done before new and further experiments are tried".

#### BRITAIN'S BUSINESS ADVANCEMENT

A longer stay than usual in the United Kingdom during the past year gave me an opportunity of observing the many activities in which the Government and the leaders of industry and commerce are engaged. Business in Great Britain undoubtedly is in a healthy condition, with greater industrial activity and more people engaged in gainful occupations than at any time in its history. It would be a mistake to ascribe this wholly to the rearmament programme. Undoubtedly that is a contributory factor, but the real basis of the revival is to be found elsewhere. Primarily the revival began with the adoption by the National Government of a tariff that gave reasonable protection to industries and made it possible for them to compete in the domestic market with the products of the cheap labour of foreign lands, where lower standards of living prevail. By securing to domestic industries the home market, the foundation was laid for larger unit production at lower costs in spite of advancing prices for raw materials and labour—an advantage in both the home and foreign markets. Then the Government, by balancing its budget and by stabilizing the pound sterling in all countries with which Great Britain does business, created a condition which has brought about a notable expansion in export trade. Also, Great Britain has established an efficient and scientific system for dealing with unemployment and has not been content with putting a measure for unemployment relief on the statute books and letting it go at that. Then of no less importance is the policy of the British Government not to hedge private enterprise around with repressive conditions but to encourage it in every way possible. They have gone on the principle that the more money private enterprises make the larger are the contributions of commercial and industrial organizations and of their shareholders to the national treasury in the way of income taxes. In this connection may be mentioned the many thousands of companies operating not only in Great Britain but in all parts of the world, which, being domiciled in London, contribute to the Imperial Exchequer. These factors have made it possible for the Chancellor to balance the budget with ease as well as to provide this year's quota for the rearmament programme.

Other factors which have assisted business from an economic point of view have been Government co-operation in the rehabilitation of the railways, both as to equipment and service, by

substantial long-term loans at low rates of interest, and the improvements undertaken by the Government in its postal, telegraph and telephone services.

Many of the changes which I have mentioned have taken years to accomplish, and many amendments have been made to acts which have been on the statute books for years. This has meant the building up of a Civil Service competent to administer all the various activities of the Government dealing with unemployment, old age pensions and the regulation of the finances of the counties and towns in an orderly manner by the Treasury. I mention these points because we have a Royal Commission to investigate such questions and there are many matters of this kind with which that Commission may be called upon to deal.

In concluding my reference to conditions in the Mother Country, I cannot do better, perhaps, than quote from a speech made last month by the Prime Minister, Mr. Chamberlain. He said: "I suppose that at the present time this country is more prosperous than any of the great industrial countries in the world. We must expect a certain amount of ups and downs, but I can see no sign of a set-back in the immediate future or, indeed, for some considerable time to come, and if it does come we could hardly be better able to meet it than we are to-day. I believe our competitive power to-day would enable us to stand up against those who are engaged in similar industries in any part of the world. It is time that another effort was made to see if it is possible to remove the fears and suspicions which every country seems to have about its neighbours by a closer examination of their origin and substance. Such an effort is not a sign of weakness. This country is strong and is getting stronger every day. I look forward with quiet confidence to the day when we can lay aside our weapons and devote ourselves wholly to the welfare of our people".

#### RAILWAYS AND TAXATION

To come back to our own country, while the year has been one of great improvement in trade and in employment and in the finances of the central Government, there are two factors which still drain much too large a proportion of our national income into unproductive channels. The first is the most un-economic situation which exists in regard to our railways and the second is the heavy and overlapping taxation which burdens every form of business enterprise and which as applied to individuals means that few people have any surplus funds to invest in new enterprises.

Notwithstanding the general recovery which has occurred in practically every branch of Canadian industry except farming in the Western drought areas, railway revenues have shown only moderate improvement and, owing to increased wage and material costs, the increase in net earnings has been disappointing. The return on investment in the Canadian railways remains entirely inadequate and yet the economic waste resulting from the competitive operation of the nation's two great railway systems has continued unabated. It is to be particularly regretted that the taxpayers of the country should be burdened with unnecessary expenditure for railway losses at a time when general taxation for unemployment relief and other essential Government services is so heavy and economy in public expenditure vitally necessary.

Continuing losses have made it increasingly evident to thoughtful Canadians that the plan recommended by the Duff Commission has not produced the necessary economies and that effective measures should be taken without delay. Public pronouncements that increased traffic returns are imminent which will enable the publicly-owned system to resume profitable



operations will be recognized as a re-echo of public prognostications for many years past which have failed to materialize.

As concerns the welfare of the privately-owned railway, it is well to remember that the public system is financed by imposing taxes upon the public or by the issue of securities guaranteed by the Government. The same public are asked to provide, in the form of an investment, the funds necessary for the financing of the privately-owned road, and that road must operate at a profit in order to be able to pay interest on these funds. In such circumstances, the privately-owned road is under a severe handicap.

However, there is accumulating evidence of a more widespread understanding that a sound solution of the railway problem is required to create confidence in the future of Canada. This is a hopeful feature, for with understanding of the serious implications of the present situation should come determination to put into effect those remedial measures which are necessary and indeed in the long run inevitable.

### THE NATIONAL FINANCES

With regard to taxation, it is highly encouraging to note that despite the drain of our national railways on the country's revenue, the betterment in our national finances has been such that Treasury officials now hope that a balanced budget may be consummated at the end of the present fiscal year. This is the goal toward which the present Government set itself when it took office two years ago, and better progress has been made than the most sanguine then dared to anticipate. We may hope that in due time the improvement will be reflected in a decrease in taxation; it certainly will be reflected in the strengthening of the whole credit structure of this country. But a similar state of affairs does not exist in respect to certain of our provincial and municipal governments, which have exhausted their ordinary sources of revenue and have extended their taxation into many overlapping fields. This matter of duplicate taxation is one of the subjects which will engage the attention of the Royal Commission to which I have already referred, and whose report, we may hope, will point the way to an equitable demarcation of the fields of taxation and to relief from the overlapping functions and duplicated expenditures in which federal and provincial administrations are now competing. Taxation is gradually lowering the general standard of living, and as more and more taxes are imposed by governments less and less is left for the people as a whole. I do not see how we can make further progress unless we curtail expenditures instead of forever applying additional taxation which only saps the vitality of the whole country.

### CONCLUSION

Happily in the year under review Canada has demonstrated a remarkable capacity for recovery. As to what the future may hold for us, he would be a brave man who would attempt a forecast in regard to the outlook for this or any other country. Of late, the question has arisen as to whether democracy, with its heritage of justice and freedom, is to survive. It survives in Britain and was never stronger there than now. But we have seen it disappearing in other countries and have observed warning signs that we are not immune on this continent to the influences which have destroyed it elsewhere. Against these influences we in Canada must guard ourselves if we are to preserve the foundations of our freedom and our well-being. In the international field the year now closing has been one of numerous alarms, the outcome of some of which is still obscure; but on the other hand, there are many who feel, as I do, that the sanity of the leading nations under such good leadership as Great Britain has endeavoured to exercise will prevail, that order will

be brought out of the present international chaos and that major disturbances such as have been threatened from time to time will be avoided. Given an absence of such disturbances, with the natural accompaniment of a fair demand from foreign sources for the products arising from its abundant natural resources, Canada has good reason to expect a continuance of the better times which we have witnessed during the past twelve months.

### THE GENERAL MANAGERS' ADDRESS

The Chairman then called upon Mr. Jackson Dodds, 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. Spinney and myself I have the honour to present to you the 120th Annual Balance Sheet of the Bank.

Important changes in the figures are as follows:—

Our total assets amount to \$829,600,000 as compared with \$805,100,000 a year ago.

Quick assets, including cash, total \$599,000,000 representing 79.58% of all liabilities to the public. This extremely strong position is beyond ordinary needs and reflects the fact that the demand of our customers for loans for commercial purposes is still considerably below normal.

Cash holdings and Bank of Canada balances amount to \$85,800,000 and represent 11.39% of all liabilities to the public.

Investments, not exceeding market value, at \$437,700,000 show a decrease of \$6,100,000 compared with last year. Included in this total are Dominion and Provincial Government securities \$344,900,000, of which \$151,500,000 mature within two years. Of our Government securities with over two years' maturity date, \$128,600,000 (par value) fall due before October 31st, 1942.

The Investment total mentioned also includes Canadian Municipal securities \$37,300,000, Public Securities other than Canadian \$17,000,000, other Bonds and Debentures \$38,200,000, and Stocks \$300,000.

Current Loans and Discounts in Canada and Loans to Provincial Governments, Municipalities and School Districts amount to \$182,500,000, an increase of \$23,200,000.

For the year ended 30th September the current loans of all the Banks increased by \$75,500,000. This increase was welcome but was not commensurate with the growth in the volume of business and improvement in commodity prices. On the basis of the usual relationship between the trend of loans and volume of business, commodity prices considered, the Banks in September, 1937, should have been able to report commercial loans at about 92% of the total in September, 1929. Actually the total was only 55% of the 1929 figure.

In our address last year, and the year before, reference was made to the various factors which had contributed to the reduced demand for bank accommodation. In considering these factors it must be recognized that many of them are not of a passing nature. On the other hand, thanks to invention and scientific research, new industries are always coming into being, resulting in new sources of business for the banks. One does not need to look back many years to the birth of the automobile and motion picture industries, aeroplane building, radio, rayon and cellophane manufacturing, the providing of homes with electric appliances and artificial refrigeration, and the introduction of air-conditioning—to mention only a few. Yesterday's luxuries are to-day's necessities and the same will be said to-morrow.



During the past 120 years the Bank of Montreal has kept abreast of the changing times, consistently taking its full part in aiding basic productive pursuits, old and new industries, trade and commerce. Banking is an essential part of the intricate machinery of industry and business—in addition to supplementing capital employed, Commercial Banks provide many other necessary facilities and services, at a cost to clients which represents relatively their smallest item in operating expense.

Current Loans and Discounts elsewhere than in Canada are \$20,000,000, an increase of \$9,100,000.

Bank Premises at \$13,700,000 show a decrease of \$300,000 compared with last year.

For the purpose of more satisfactorily performing certain functions in New York on behalf of the Bank's clients, we acquired in March last the charter of a New York State trust company, now known as "Bank of Montreal Trust Company". This accounts for the increase in the balance sheet figures under the heading of Shares of and Loans to Controlled Companies, which now stand at \$1,575,000, as compared with the nominal figure of \$4 a year ago. The assets of the Company are almost wholly United States Government short-term securities.

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

Notes of the Bank in circulation amount to \$24,400,000 as against \$27,700,000 a year ago. Our authorized limit in Canada during 1937 was \$32,400,000 under the terms of the Bank Act and as from 1st January, 1938, it will be \$30,600,000. In order to make doubly sure that we do not exceed the authorized limit, we are at pains to keep the total of our outstanding notes well within the mark set.

Deposits of the Dominion Government at \$18,400,000 show a decrease of \$3,000,000 and Provincial Government deposits at \$6,300,000, a decrease of \$2,100,000.

Deposits by the public amount to \$681,000,000, an increase of \$28,000,000.

Despite all that is written and said nowadays on the subject of "loans creating deposits", "fountain pen money" and "monetizing" assets, including what is described as "our cultural heritage", it is safe to say that not one of our customers, whose balances make up our total of deposits by the public, has any doubt whatsoever as to how his or her deposit came into being.

Profits, after deducting Dominion and Provincial taxes, amount to \$3,408,328, as compared with \$3,181,501 in 1936—an increase of \$226,827.

Dominion and Provincial taxes for the year, without taking into consideration taxes paid to municipalities, amounted to over 27% of our net profits or over 32% of the dividend.

During the year we have closed five branches and opened five, the latter in the mining areas.

## INDUSTRY AND BUSINESS

Business activity continued to show, during the first eight months of 1937, striking increases over the respective parallel periods in 1936. Nevertheless, recession appeared this year three months earlier than it did last year. This earlier decline was due to various factors, including lower exports of wheat, of which Canada has relatively little to sell this year, and lower prices latterly for basic exports. Both exports and imports exceed last year's figures, but the rise in imports has been more rapid than the rise in exports—and exports have recently fallen off from preceding months—with the result that for several months the excess of exports over imports has been substantially less than in the comparable months of 1936, although the increase this year in revenues from tourist traffic may have restored the

balance. The mining industry, despite lower prices now ruling for base metals, should make a profitable showing, having had the benefit of a higher level of prices for the greater part of the year; gold production to the end of September exceeded last year's by over 9%. Forest industries have been actively employed; there has been a reduction in the number of employables on relief; and car loadings, until recently, showed wide advances over 1936.

## HOME IMPROVEMENT LOANS

The Home Improvement Plan, recommended by the National Employment Commission, sponsored by the Dominion Government and inaugurated a year ago, primarily to relieve unemployment, has developed satisfactorily. Taking into consideration that the Plan was not launched until near the end of 1936 and little outdoor work was possible until the Spring of 1937, the fact that about 30,000 individual loans were made to 31st October, augurs well for the success of the Plan. The effect on unemployment and the economic life of Canada cannot but be beneficial, and we are happy to have been able to aid the efforts of the Government in this direction. We have given our full co-operation and you will be interested to learn that of all loans granted under the Plan, over one-fifth has been made by the Bank of Montreal.

## PRAIRIE PROVINCES

The estimated wheat crop of the Prairie Provinces this year was the lowest in a succession of poor years and was approximately one-half of the ten-year average. The production of coarse grains was slightly higher than last year. Crop yields of all other provinces were generally satisfactory and in some cases unusually abundant. The unprecedented low prices of agricultural products in world markets during recent years, and the prolonged series of poor crop seasons, due principally to drought, caused widespread distress in the Prairie Provinces—particularly in extensive areas of Saskatchewan and to a lesser extent in Alberta. In the latter province a bad situation has been rendered worse by a development that has caused special concern within and without its borders.

Observers at a distance are apt to misjudge Alberta and its citizens by the present state of affairs there. It is one of the most richly endowed provinces but in the midst of its vast natural resources there has been in some districts virtual destitution and despair. Efforts made to cope with such a situation on practical lines are necessarily slow in producing noticeable results, and distracted people fall easy prey to promoters of quick relief from their trouble. In the case of Alberta, before the disorganized sound majority of electors realized it, the province was committed to a quixotic adventure.

The cost of that "experiment", as it has been called, cannot be calculated in terms of money alone, and it is not unlikely that the chief sufferers will be the very people it promised to help. It is to be hoped that there may be a compensating gain in the lesson to be learned by those who would wreck the established order of things; imperfect though it may be, it has taken many centuries of constructive effort to build up.

Our confidence in the ultimate return of normal conditions in Alberta cannot be better expressed than by saying that we have endeavoured to continue doing business as usual at our branches in that province, where we have thousands of valued customers.

## INVESTMENTS

The ratio of our investments to deposits is 60.97% as compared with 64.20% last year. This is much higher than we would like it to be; we would prefer to have a larger proportion of our funds out in loans for productive and business purposes. But it



is beyond the power of a commercial bank to increase at will its total of safe loans; the initiative lies with the borrowers. A commercial bank cannot afford to have idle money on its hands beyond the amount required to meet ordinary withdrawals and for cash reserve purposes.

We have held to our policy of investing chiefly in shorter term securities, with the intention of holding them until maturity, thus ensuring the falling in of fixed amounts at regular intervals to enable us to meet hoped-for further increased demands of borrowers for productive purposes without our requiring to sell investments in the market. Should selling become general it would affect the level of bond prices and reduce the market value of remaining holdings. You may rest assured that this contingency is always kept clearly in mind and that proper provision is made thereagainst.

## GOVERNMENT FINANCING

Federal Government financing undertaken during the past year, apart from the sale of Treasury Bills, has been limited to the refunding, at appreciably lower rates, of the last remaining tax-free loans issued during the War period, and amounting to \$326,000,000—of which \$28,000,000 was provided for from the Treasury. There are now no tax-free Dominion Government issues unmaturing.

Since the beginning of 1931 over \$850,000,000 of tax-free issues have been refunded or converted into taxable issues. In addition to the benefits derived by the Government from the broader tax base thus created, the saving in interest charges as a result of lower coupons on the refunding issues has been estimated at about \$16,000,000 per annum.

No important change has been recorded in the volume of provincial and municipal financing during the past year. A feature of the period has been the refunding plans adopted by certain municipalities in Eastern as well as Western Canada. Some of these will remove from the default category a substantial amount of municipal indebtedness.

The market for high grade bonds becomes increasingly restricted and the absence of wide distribution of new issues more and more apparent. The low yields have failed to attract private investors, many of whom have drifted into speculative issues, in some cases with unfortunate results. A wider distribution of Government issues is most desirable, not only from the point of view of encouraging thrift and a potential wider market in times of stress, but in order to maintain an identity of interests between the citizen and the state. This would make for a higher sense of responsibility on the part of the citizen and result in less pressure being brought to bear on governments to spend public moneys.

The recent appointment of a Royal Commission on Dominion-Provincial Relations affords an opportunity to all qualified bodies and individuals to assist by submitting carefully prepared contributions for study and consideration by the Royal Commission in the hope that a way may be found to arrest the growth of government debt, the duplication of functions of governments and the overlapping of taxation.

## FOREIGN EXCHANGE

The Pound Sterling, the United States dollar, and the Canadian dollar have been steadier in their relation to each other during the year than for several years past. The extreme 1937 range in Canada for fluctuations in Sterling was 2¼% and for United States dollars ⅝%.

Notwithstanding Canada's favourable international settlements balance in 1936 of some \$300,000,000, followed this year by another favourable balance estimated at better than

\$250,000,000, the Canadian dollar has not appreciated materially but has been held in close parity with the United States dollar with infrequent fractional variations.

It is not possible to estimate to what extent this steadiness may be attributable to undisclosed operations of various stabilization funds but it is evident that capital movements between countries are increasingly important in their influence on the trend of foreign exchange. In this respect a conspicuous part has been played by the repatriation of a sizable amount of our foreign indebtedness.

Three successive governments in France shrank from the responsibility of further devaluing the franc but finally, while given a nominal gold value of cents 3.91, it is actually divorced from gold and ostensibly left to find its own level abroad. During the year the franc declined from 4.67 to 3.37 but has recently shown some recovery.

## UNITED STATES

Bumper crops, combined with Government subsidies, will, it is estimated, bring farm income to a figure in excess of any year since 1929, and with higher wages in industry the level of business in consumers' goods has been fairly well maintained. The decline in activity in the heavy industries has, however, recently become more marked and commodity prices generally have receded due, in the case of metals, to slackening demand, and in grains and cotton to an over-supply.

The long awaited revival in building construction has again proved to be a disappointment due no doubt to inflexible costs, while railroad net earnings, notwithstanding a moderate increase in freight rates, are now running behind last year as a result of higher taxes and wages.

The outlook for the automobile industry, one of the largest consumers of steel, is less bright than was the case a year ago, and pending some clarification of the business situation, production will probably proceed at a slower rate.

Foreign trade has shown a moderate expansion throughout the year, with imports and exports in approximate balance.

The monetary policy of the United States Government has been exemplified in two distinct, although not necessarily contradictory, steps. During the autumn of last year the Federal Reserve Board decided to eliminate a portion of the growing excess reserves of member banks, created largely through gold imports, by increasing the percentage of reserves required against deposit liabilities, and in January of this year a further increase was made mandatory. With the same end in view the Government of the United States undertook to "sterilize" or withdraw from use as a basis for credit additional imports of gold, the wherewithal to effect purchase of the gold being derived from the sale of Treasury Bills. Responding to this policy, excess reserves, which a year ago were \$2,000,000,000, gradually declined, until in August last they reached a low point of \$704,000,000. In September last, in anticipation of a seasonal demand for currency and credit, and to ensure the continuance of easy money, the Treasury, under advice of the Federal Reserve Board, released \$300,000,000 of gold from the inactive fund and at the same time announced that open market purchases of short-term United States Government obligations would be made whenever necessary to counteract any expansion of currency or credit which would unduly contract member bank reserves.

Reflecting principally the redeposit of the gold certificates, member bank reserves increased sharply and are now over \$1,000,000,000 in excess of legal requirements.

Money has been in supply throughout the year and the recent decline in the stock and corporation bond market certainly cannot be attributed to lack of available credit.



The call loan rate has remained unchanged at 1%, while bankers' acceptances and prime commercial paper have seen only fractional fluctuations.

### CONDITIONS ABROAD

At no time perhaps has it been more difficult to review adequately world developments or to see into the immediate future. During the past year international problems have continued to complicate the general situation. Arming is general and Britain's Prime Minister said recently that until the world returns to sanity there can be no halt in the process of rearming Great Britain. National aspirations and the economic difficulties which the French Government continues to make strenuous efforts to overcome are also sources of concern. On the other hand, mainly through the strong and determined attitude of Great Britain, serious international complications over the Spanish War have so far been avoided.

In world trade there has been a definite upswing during the past two years from the low levels of the crisis period, but though the trend is more favourable, much remains to be achieved in the revival of international commerce.

The United Kingdom has experienced another year of prosperity during which the industrial activity of the country has been maintained with extraordinary confidence in spite of the many external influences that might have been expected to check it.

Britain's overseas trade continues to expand. For the first ten months of this year imports increased nearly £150,000,000; exports, including re-exports, increased nearly £86,000,000. The growth of imports continues to gain in relation to that of exports.

The proportion of total trade with Empire countries for the first nine months of 1937 was 41.5% or little changed from 1936.

Money has remained cheap and abundant and it continues to be the Government's policy to keep it so. Call money against prime bills has been constantly obtainable at  $\frac{1}{2}$  of 1%, while the rate for discounts up to three months continues at fractionally over  $\frac{1}{2}$ %.

### STAFF

It has been said that there are intelligent employers and backward employers, and that there are rather more of the latter than of the former. We believe your Bank belongs in the first category.

Young men entering our service become members of the Bank of Montreal Pension Fund Society and have the satisfaction of knowing that they will be provided for upon retirement from active duty or, on a proportionate basis, any time after ten years' service if incapacitated. In addition, the Fund provides for widows and minor children. Group Life Insurance at low premium rates is available to members of our staff and a considerable portion of the cost is borne by the Bank. When sick, generous leave of absence is granted with pay and it is a rule of the Bank that annual vacations must be taken. There is also Group Accident and Sickness Insurance at low premium rates available to the staff.

Permanency of employment, in particular, is a feature of this Bank's policy. Surplus officers during depression periods are not discharged to join the ranks of the unemployed, and resignations are requested only in the event of dishonesty or incompetency.

Members of the staff are encouraged to take courses in banking and allied subjects, the Bank in addition to reimbursing the fees, granting a bonus to successful candidates. The training and progress of individual members of the staff are carefully followed. As juniors only are taken into the service, all vacancies, from

that point to the top, must be filled from within our own ranks; there is, therefore, every incentive to ambitious young men to qualify for advancement.

Our officers are expected to take an active part in the life of the communities in which they are employed, but for obvious reasons they keep out of politics beyond exercising their franchise according to their own views, with which the Bank has no right or desire to concern itself. It is safe to say that the 5,500 members of the Bank of Montreal's staff, wherever located, are good citizens.

In point of *esprit de corps*, loyalty, courtesy and efficiency, the staff cannot but be a matter of pride and satisfaction to you as shareholders. The Bank's most valuable asset does not appear in the balance sheet—its most profitable investment is the care and attention devoted to the selection, training and welfare of the staff.

### 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.

The Chairman said: "We have one vacancy on the Board of Directors, and to fill this there will be submitted to you, as mentioned, the name of Mr. L. J. Belnap. Your Directors feel, however, that it would be advisable to place before you at this meeting an amendment to the By-laws increasing the number of Directors from twenty-two to twenty-five. It is not proposed to submit additional names at this time".

Sir Edward Beatty, G.B.E., then moved, seconded by Mr. C. F. Sise, that Shareholders' By-law No. 4 be amended as follows: By replacing the word "twenty-two" in the first line of the By-law, as printed, by the word "twenty-five".

The ballot upon this resolution was then taken, the Chairman casting one ballot for the meeting.

The Hon. Henry Cockshutt moved, seconded by Mr. Ross H. McMaster, that Messrs. George C. McDonald, 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 the motion of Major-General the Hon. S. C. Mewburn, C.M.G., seconded by Mr. Norman J. Dawes, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

### THANKS TO THE OFFICERS

Mr. John Jenkins moved, seconded by Lt.-Col. Gavin L. Ogilvie, 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, Mr. Jenkins said: "We have here had a picture of the national life of Canada which is more far-reaching than its application alone to the Shareholders. The affairs of our Bank as presented at our annual meeting are read by a very large number of people beyond the confines of our own Shareholders. When accompanied by such statements and by such encouraging reports as were presented to us to-day I am sure that the satisfaction and pleasure of the readers of those reports will be increased. It is fitting, therefore, that our congratulations should be presented to the President, the Vice-Presidents and Directors for the supervision and the care and interest they have taken in the affairs of the Bank during the past year. It is encouraging to note that its affairs are better than during several years past and I hope that will long continue". (Applause)

The motion was carried unanimously.



Sir Charles Gordon said: "I am sure I voice the opinion of my fellow Directors when I thank you heartily for the kind words you have spoken".

Mr. Louis L. Lang then moved, seconded by Mr. W. Sanford Evans, that the thanks of the meeting are hereby tendered to the General Managers, the Assistant General Managers, the Superintendents, the Managers and other officers of the bank, for their services during the past year.

In speaking to the motion Mr. Lang said: "In industry and, I presume, in banking, we appraise on the basis of management, as well as the character and efficiency of the personnel, quite as much as we do on the figures in the balance sheet. Mr. Dodds was quite right in stating that there is an asset which the financial statement does not disclose, an asset which can hardly be measured in dollars and cents. I refer to that loyalty, that spirit, that indescribable something which permeates the hearts and minds of our General Managers, our Assistant General Managers, our Head Office staff, our Superintendents, our Branch Managers and their staffs. These men have continued to build up an institution that was established more than a century ago, an institution that has carried the good-will of not only the Canadian people but also of those of other countries in which the Bank is operating. I am very pleased to move that the thanks of the meeting are hereby tendered to these gentlemen". (Applause)

The motion was carried unanimously.

Mr. G. W. Spinney, responding, said: "On behalf of the General Managers, Assistant General Managers, Superintendents and Staff, I wish to express sincere thanks to Mr. Lang and Mr. Evans for the motion which they have kindly presented, and to the Shareholders here to-day who have so whole-heartedly approved of its terms. As Mr. Dodds in his address referred to the staff in deservedly complimentary terms, it is hardly necessary for me to re-emphasize the high value which we place upon their contribution to the welfare of the Bank. If I may, however, I should like to take this opportunity of expressing, in turn, on

behalf of the whole staff, our grateful appreciation to the Board of Directors for their never-failing interest in our welfare. This interest undoubtedly is an important factor in maintaining a high morale throughout the service and in referring to the subject at this time I am confident that I express the views of all who are daily engaged in one capacity or another in promoting the best interests of this institution".

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. George C. McDonald, C.A., and W. D. Glendinning, C.A., were duly appointed Auditors, and the following gentlemen were appointed Directors: the Hon. Thomas Ahearn, P.C., D. Forbes Angus, Sir Edward Beatty, G.B.E., L. J. Belnap, W. A. Bog, the Hon. Henry Cockshutt, Norman J. Dawes, A. O. Dawson, H. R. Drummond, W. Sanford Evans, Sir Charles Gordon, G.B.E., Louis L. Lang, J. W. McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General the Hon. S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., W. G. Murrin, Arthur B. Purvis, C. F. Sise, W. N. Tilley, K.C., and 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, Major-General the Hon. S. C. Mewburn, C.M.G., and Mr. W. A. Bog 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 Hon. S. C. Mewburn, C.M.G., Mr. W. A. Bog and Sir Edward Beatty, G.B.E.



# BANK OF MONTREAL

ESTABLISHED 1817

---

## EXECUTIVE OFFICERS

---

### JOINT GENERAL MANAGERS

JACKSON DODDS

G. W. SPINNEY

### ASSISTANT GENERAL MANAGERS

S. C. NORSWORTHY

O. R. SHARP

B. C. GARDNER

### SUPERINTENDENTS

ALBERTA DISTRICT.....	W. McDONNELL, <i>Calgary</i>
BRITISH COLUMBIA DISTRICT.....	C. W. CHESTERTON, <i>Vancouver</i>
MANITOBA AND SASKATCHEWAN DISTRICTS.....	F. G. BELCHER, <i>Winnipeg</i>
MARITIME PROVINCES DISTRICT.....	JAMES GARROW, <i>Halifax</i>
MONTREAL DISTRICT.....	J. T. STEVENS, <i>Montreal</i>
ONTARIO DISTRICT.....	W. T. A. MACFADYEN, <i>Toronto</i>
QUEBEC & NEWFOUNDLAND DISTRICT.....	W. W. BRUCE, <i>Montreal</i>
FOREIGN DEPARTMENT.....	R. E. KNIGHT, <i>Montreal</i>

---

*Secretary*  
C. H. CRONYN

*Chief Accountant*  
E. H. STEWART

*Assistant to the General Managers*  
E. A. FOX

*Chief Inspector*  
G. H. GREENING

*Manager*  
*Business Development Department*  
P. C. SCHAEFER

*Manager*  
*Securities Department*  
J. S. BOLTON

*Manager*  
*Staff Department*  
L. W. TOWNSEND

*Supervisor*  
*Bank Premises Department*  
C. P. LIEBICH

---

London, Eng.—47 Threadneedle Street, E.C.2.....Edward Pope, *Manager*  
“ “ —Waterloo Place Branch.....J. H. Pangman, *Manager*  
New York Agency—64 Wall Street.....A. J. L. Haskell, *First Agent*  
Chicago—27 South La Salle Street.....A. Macpherson, *Manager*  
Bank of Montreal (San Francisco)—333 California Street.....F. G. Woods, *President*



# BRANCHES

The Bank has 520 offices in Canada, Newfoundland, United States and at London, England, with correspondents in all countries, offering exceptional facilities in all departments of General and Foreign Banking.

## BRANCHES IN CANADA

### ALBERTA

ACME  
ALLIANCE—SUB TO FORESTBURG  
BANFF (JUNE TO SEPT.)  
BENTLEY  
CALGARY (MAIN OFFICE)  
" ELBOW PARK  
" STOCK YARDS  
CAMROSE  
CARBON  
CARSTAIRS  
CASTOR  
CHAUVIN  
DAYSLAND  
DELBURNE  
DRUMHELLER  
EDGERTON  
EDMONTON (MAIN OFFICE)  
" 97TH STREET AT 103RD A.  
AVENUE  
FORESTBURG  
GRANDE PRAIRIE  
HUGHENDEN  
IRMA—SUB TO WAINWRIGHT  
ISLAY  
KILLAM  
LACOMBE  
LAKE LOUISE (CHATEAU LAKE  
LOUISE BRANCH—JUNE TO SEPT.)  
LEDUC  
LETHBRIDGE  
MAGRATH  
MANNVILLE  
MEDICINE HAT  
MORRIN  
MYRNAM  
OLDS  
PARADISE VALLEY—SUB TO  
EDGERTON  
RAYMOND  
RED DEER  
RIMBEY  
SEDGEWICK  
STETTNER  
THORSBY  
TOFIELD  
TROCHU  
TWO HILLS  
VEGREVILLE  
VIKING  
WAINWRIGHT  
WESTLOCK  
WETASKIWIN

### BRITISH COLUMBIA

ASHCROFT  
BRALORNE  
CHILLIWACK

### BRITISH COLUMBIA —CONTINUED

CLOVERDALE  
DUNCAN  
ENDERBY  
ESQUIMALT  
HANEY  
KAMLOOPS  
KASLO  
KELOWNA  
KIMBERLEY  
MERRITT  
NANAIMO  
NELSON  
NEW DENVER  
NEW WESTMINSTER  
NORTH VANCOUVER  
OAK BAY  
PENTICTON  
PORT ALBERNI  
POWELL RIVER  
PREMIER—SUB TO STEWART  
PRINCE GEORGE  
PRINCE RUPERT  
ROSSLAND  
STEWART  
TRAIL  
VANCOUVER (MAIN OFFICE)  
" BROADWAY & GRANVILLE  
STREET  
" BROADWAY & MAIN STREET  
" CARRALL & HASTINGS STREETS  
" FOURTH AVENUE & ALMA ROAD  
" GRANVILLE & DAVIE STREETS  
" HOMER & HASTINGS STREETS  
" HOTEL VANCOUVER  
" KERRISDALE  
" MAIN & HASTINGS STREETS  
" MARINE BUILDING  
" PENDER & COLUMBIA STREETS  
" PRIOR & MAIN STREETS  
" WEST POINT GREY  
VERNON  
VICTORIA (MAIN OFFICE)  
" GOVERNMENT STREET  
WEST SUMMERLAND  
WILLIAMS LAKE

### MANITOBA

BELMONT  
BISSETT  
BRANDON  
CARBERRY  
DAUPHINE  
GLADSTONE  
HARTNEY  
MACGREGOR  
MORRIS

### MANITOBA—CONTINUED

NEEPAWA  
OAK RIVER  
OAKVILLE  
PORTAGE LA PRAIRIE  
RESTON  
SELKIRK  
SOURIS  
WINNIPEG (MAIN OFFICE)  
" BANNERMEN AVENUE & MAIN  
STREET  
" CORYDON AVENUE  
" FORT ROUGE  
" 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  
SHEDIAC  
WOODSTOCK

### NOVA SCOTIA

AMHERST  
BRIDGEWATER  
CANNO  
GLACE BAY  
HALIFAX (MAIN OFFICE)  
" NORTH END  
" WILLOW TREE  
LUNenburg  
MAHON BAY  
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  
BRANTFORD  
BRIDGEPORT—SUB TO KITCHENER  
BROCKVILLE  
BRONTE  
BRUCEFIELD—SUB TO HENSALL  
CAMPBELLFORD  
CHATHAM  
CHATSWORTH  
CHESTERTON  
CLARKSON—SUB TO BRONTE  
CLINTON  
COLLINGWOOD  
CORNWALL (MAIN OFFICE)  
" MCCONNELL AVENUE &  
MONTREAL ROAD  
COURTLAND—SUB TO TILLSONBURG  
CREEMORE  
DELHI  
DOUGLAS  
DRUMBO  
EGANVILLE  
ELGIN  
ELORA  
EXETER  
FENELON FALLS  
FINCH  
FOREST  
FORMOSA—SUB TO TEESWATER  
FORT ERIE  
FORT ERIE NORTH  
FORT WILLIAM  
FRANKFORD—SUB TO TRENTON  
GALT  
GANANOQUE  
GEORGETOWN  
GLENCOE  
GODERICH  
GOLD PARK—SUB TO GOUDREAU  
GORE BAY  
GOUDREAU



# BRANCHES IN CANADA

## ONTARIO—CONTINUED

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  
 KINCARDINE  
 KINGSTON  
 KINGSVILLE  
 KITCHENER  
 KOMOKA—SUB TO MARKET SQUARE, LONDON  
 LAMBTON MILLS  
 LANCASTER  
 LANSLOWNE  
 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—SUB TO FINCH  
 NEWMARKET  
 NEW TORONTO  
 NIAGARA FALLS  
 NORWICH  
 OAKVILLE  
 ORILLIA  
 OSHAWA  
 OTTAWA (MAIN OFFICE)  
 " BANK STREET  
 " RIDEAU STREET  
 OWEN SOUND  
 PARIS  
 PELEE ISLAND—SUB TO LEAMINGTON (APRIL TO DEC.)  
 PEMBROKE

## ONTARIO—CONTINUED

PERTH  
 PETERBOROUGH (MAIN OFFICE)  
 " GEORGE STREET  
 PICTON  
 PORT ARTHUR  
 PORT HOPE  
 PRESCOTT  
 PRESTON  
 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  
 TICHBORNE—SUB TO YARKER  
 TILBURY  
 TILLSONBURG  
 TIMMINS  
 TORONTO (MAIN OFFICE)  
 " BATHURST & KING STREETS  
 " BAY STREET  
 " BLOOR & BAY STREETS  
 " BLOOR STREET & LANSLOWNE AVENUE  
 " BLOOR STREET & WINDERMERE AVENUE  
 " COLLEGE STREET  
 " DANFORTH & LOGAN AVENUES  
 " DUNDAS STREET & LANSLOWNE AVENUE  
 " DUNDAS STREET & RONCES-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

## ONTARIO—CONTINUED

TORONTO (CONTINUED)  
 " YONGE & QUEEN STREETS  
 " YONGE STREET & ST. CLAIR AVENUE  
 TRENTON  
 TWEED  
 VERONA—SUB TO YARKER  
 WALES  
 WALKERTON  
 WALKERVILLE (MAIN OFFICE)  
 " WALKER ROAD  
 WALLACEBURG  
 WATERFORD  
 WATERLOO  
 WATFORD  
 WELLAND  
 WEST LORNE  
 WESTON  
 WESTPORT  
 WILLIAMSBURG  
 WILLIAMSTOWN  
 WINDSOR (MAIN OFFICE)  
 " LONDON STREET  
 WOODSTOCK  
 YARKER  
 ZURICH

## PRINCE EDWARD ISLAND

CHARLOTTETOWN

## QUEBEC

AMQUI  
 ARTHABASKA  
 ARUNDEL  
 ARVIDA  
 BEDFORD  
 BREAKEYVILLE  
 BRISTOL—SUB TO SHAWVILLE  
 BUCKINGHAM  
 BURY  
 CHICOUTIMI  
 COOKSHIRE  
 COWANSVILLE  
 DRUMMONDVILLE  
 GATINEAU  
 GRANBY  
 GRAND MERE  
 HULL  
 HUNTINGDON  
 KNOWLTON  
 LACHINE  
 LACHUTE  
 LEVIS  
 LONGUEUIL  
 MAGOG  
 MATANE  
 MEGANTIC  
 MONT JOLI  
 MONTREAL (MAIN OFFICE)  
 " BEAVER HALL  
 " BLEURY & ST. CATHERINE STREETS  
 " BORDEAUX STREET & MOUNT ROYAL AVENUE

## QUEBEC—CONTINUED

MONTREAL (CONTINUED)  
 " CHARLEVOIX & CENTRE STREETS  
 " CHRISTOPHER COLUMBUS STREET & MOUNT ROYAL AVENUE  
 " CITY HALL AVENUE & ST. CATHERINE STREET  
 " COTE DES NEIGES  
 " COTE ST. PAUL  
 " DARLING & ONTARIO STREETS  
 " DE LORIMIER AVENUE & ROSEMOUNT BOULEVARD  
 " DRUMMOND & ST. CATHERINE STREETS  
 " FULLUM & ST. CATHERINE STREETS  
 " GIROUARD & MONKLAND AVENUES  
 " GUY & SHERBROOKE STREETS  
 " JACQUES CARTIER SQUARE & ST. PAUL STREET  
 " JEAN TALON STREET & QUERBES AVENUE  
 " LA SALLE AVENUE & ONTARIO STREET  
 " LAURIER AVENUE & ST. LAWRENCE BOULEVARD  
 " MARCIL AVENUE & SHERBROOKE 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. CATHERINE STREETS  
 " ST. HENRI  
 " ST. JEAN BAPTISTE MARKET  
 " ST. PETER & ST. JAMES STREETS  
 " 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  
 OUTREMONT  
 QUEBEC (MAIN OFFICE)  
 " CHATEAU FRONTENAC  
 " ST. JOHN'S GATE  
 " ST. ROCH  
 " ST. SAUVEUR  
 " UPPER TOWN  
 QUYN  
 RICHMOND  
 RIVIERE DU LOUP  
 ROBERVAL  
 STE. AGATHE DES MONTS  
 STE. ANNE DE BELLEVUE  
 ST. CESAIRE  
 ST. GEORGES DE BEAUCE  
 ST. HYACINTHE  
 ST. JEAN  
 ST. JEROME  
 ST. JOSEPH D'ALMA



## BRANCHES IN CANADA

### QUEBEC—CONTINUED

ST. JOVITE  
ST. LAMBERT  
STE. THERESE  
SAWYERVILLE  
SENNETERRE  
SHAWVILLE  
SHERBROOKE (MAIN OFFICE)  
" BELVIDERE & KING STREETS  
SOREL  
TEMISKAMING  
TROIS-RIVIERES  
VAL D'OR  
VALLEYFIELD  
VERDUN (MAIN OFFICE)  
" BEATTY & VERDUN AVENUES  
" CHURCH AVENUE  
" FOURTH AVENUE & WELLINGTON STREET

### QUEBEC—CONTINUED

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

### SASKATCHEWAN

BATTLEFORD  
CARNDUFF  
DAVIDSON  
DOMREMY  
DUCK LAKE  
EASTEND  
ESTEVAN  
GOLDFIELDS

### SASKATCHEWAN—CONTINUED

KAMSACK  
KELLIHER  
LAKE LENORE  
LIMERICK  
MAPLE CREEK  
MELVILLE  
MOOSE JAW  
NIPAWIN  
NORTH BATTLEFORD  
OUTLOOK  
PRINCE ALBERT  
PUNNICHY  
REGINA (MAIN OFFICE)  
" VICTORIA AVENUE & ALBERT STREET  
ROSE VALLEY  
SALTCOATS

### SASKATCHEWAN—CONTINUED

SASKATOON  
SEMANS  
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 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

FOREIGN DEPARTMENT - - - - - HEAD OFFICE, MONTREAL







