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1939  
BANK OF MONTREAL

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ANNUAL GENERAL MEETING

HELD 4TH DECEMBER, 1939



# BANK OF MONTREAL

(ESTABLISHED OVER 100 YEARS)

INCORPORATED BY ACT OF PARLIAMENT

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## HEAD OFFICE—MONTREAL

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### PRESIDENT

H. R. DRUMMOND

### VICE-PRESIDENTS

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

W. A. BOG

### GENERAL MANAGERS

JACKSON DODDS

G. W. SPINNEY

### DIRECTORS

D. FORBES ANGUS

F. E. MEREDITH, K.C.

SIR FREDERICK WILLIAMS-TAYLOR

ARTHUR B. PURVIS

W. G. MURRIN

G. BLAIR GORDON

THE HON. HENRY COCKSHUTT

A. O. DAWSON

ROSS H. MCMASTER

NORMAN J. DAWES

LOUIS L. LANG

H. W. MOLSON

THE HON. CHARLES A. DUNNING, P.C.

SIR EDWARD BEATTY, G.B.E.

W. N. TILLEY, K.C.

C. F. SISE

W. SANFORD EVANS

L. J. BELNAP

C. H. HOUSON

ROBERT A. LAIDLAW

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### LONDON COMMITTEE

THE MOST HON. THE MARQUESS OF WILLINGDON, P.C., G.C.S.I., G.C.M.G., G.C.I.E., G.B.E. (*Chairman*)

F. R. S. BALFOUR

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

SIR FREDERICK WILLIAMS-TAYLOR

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CAPITAL, <i>paid up</i>	-	-	-	-	-	-	-	-	\$	36,000,000.00
REST AND UNDIVIDED PROFITS	-	-	-	-	-	-	-	-		40,265,700.56
TOTAL ASSETS	-	-	-	-	-	-	-	-		1,025,508,367.80



The 122nd Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 4th December, 1939, in the Board Room at the Bank's headquarters.

Among those present were: J. C. C. Almon, D. Forbes Angus, Sir Edward Beatty, G.B.E., F. G. Belcher, L. J. Belnap, W. B. Blackader, W. A. Bog, J. S. Bolton, W. W. Bruce, C. W. Buchanan, the Hon. C. H. Cahan, K.C., F. D. Chapman, C. W. Chesterton, Ross Clarkson, D. M. Cleland, Ronzo H. Clerk, N.P., the Hon. Henry Cockshutt, F. W. Collins, D. E. Crutchlow, A. O. Dawson, Jackson Dodds, Monteath Douglas, H. R. Drummond, the Hon. Charles A. Dunning, P.C., W. R. Eakin, William C. Finley, A. B. Foster, A. E. Francis, James M. Fraser, B. C. Gardner, G. Blair Gordon, G. H. Greening, H. J. Hague, K.C., W. Gordon Hanson, Samuel Hart, C. G. Heward, K.C., C. H. Houson, G. B. Howard, Charles Hudon, Thomas M. Hutchison, Joseph Hurtubise, R. P. Jellett, J. Johnston, R. E. Knight, R. A. Laidlaw, J. N. Laing, Louis L. Lang, F. X. Leduc, C. P. Liebich, Lt.-Col. Walter E. Lyman, George C. McDonald, C.A., W. McDonnell, Ross H. McMaster, T. E. Merrett, Major-General the Hon. S. C. Mewburn, C.M.G., H. W. Molson, Daniel J. Munn, W. H. Murray, W. G. Murrin, Frank W. Nelles, S. C. Norsworthy, Lt.-Col. W. P. O'Brien, Lt.-Col. Gavin L. Ogilvie, Elzear Orchard, D. J. O'Shaughnessy, Eugene Payette, L. H. Pinsonnault, L. Rosenthal, O. R. Sharp, C. F. Sise, G. W. Spinney, J. T. Stevens, E. H. Stewart, H. F. C. Stikeman, W. N. Tilley, K.C., L. W. Townsend, Horace D. H. Williams, R. J. Williams, E. P. Winslow, T. H. Winslow, E. Winslow-Spragge.

On motion of Major-General the Hon. S. C. Mewburn, C.M.G., Mr. H. R. Drummond was requested to take the chair.

Sir Edward Beatty, G.B.E., moved, seconded by Mr. A. E. Francis, that Mr. W. Gordon Hanson and Mr. H. F. C. Stikeman 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 31st October, 1939.

### PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1938.....	\$1,183,254.52
Profits for the year ended 31st October, 1939, 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 \$1,198,413.43.....	3,462,446.04
	<u>4,645,700.56</u>
Quarterly Dividend 2 per cent. paid 1st March, 1939.....	\$ 720,000.00
Quarterly Dividend 2 per cent. paid 1st June, 1939.....	720,000.00
Quarterly Dividend 2 per cent. paid 1st Sept., 1939.....	720,000.00
Quarterly Dividend 2 per cent. payable 1st Dec., 1939.....	720,000.00
	<u>2,880,000.00</u>
Appropriation for Bank Premises.....	500,000.00
	<u>3,380,000.00</u>
Balance of Profit and Loss carried forward.....	<u>\$1,265,700.56</u>

(Signed) HUNTLY R. DRUMMOND,  
*President.*

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

During the financial year, one office was opened and five offices were closed in the Dominion of Canada.

The Directors have to record, with deep regret, the death of their late valued colleague, Sir Charles Gordon, G.B.E., a member of the Board since 1912, Vice-President 1916-1927 and President from 1927 until his death. In August, Mr. H. R. Drummond was elected President. In October, Mr. C. H. Houson was appointed a Director.

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

(Signed) HUNTLY R. DRUMMOND,  
*President.*

Bank of Montreal, 4th December, 1939.



# THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1939, 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.....		1,265,700.56
		40,265,700.56
Unclaimed Dividends.....		19,745.30
Quarterly Dividend, payable 1st December, 1939.....		720,000.00
		41,005,445.86
		77,005,445.86
Notes of the Bank in circulation.....	\$	21,767,292.00
Deposits by and balances due to Dominion Government.....		75,106,480.99
Deposits by and balances due to Provincial Governments.....		18,822,632.24
Deposits by the public not bearing interest.....		283,554,619.16
Deposits by the public bearing interest, including interest accrued to date of statement.....		518,221,437.49
Deposits by and balances due to other chartered banks in Canada.....		3,410,286.90
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries.....		15,793,593.67
Bills payable.....		172,632.57
		936,848,975.02
Acceptances and Letters of Credit outstanding.....		7,914,256.36
Liabilities to the public not included under the foregoing heads.....		3,739,690.56

\$1,025,508,367.80

## ASSETS

Gold held in Canada.....	\$	26,024.43
Subsidiary coin held in Canada.....		980,211.96
Gold held elsewhere.....		1,139.21
Subsidiary coin held elsewhere.....		88,905.54
Notes of Bank of Canada.....		17,706,695.50
Deposits with Bank of Canada.....		75,328,187.37
Notes of other chartered banks.....	\$	1,358,636.00
Cheques on other banks.....		27,886,126.91
Government and bank notes other than Canadian.....		510,292.71
Due by banks and banking correspondents elsewhere than in Canada.....		77,360,265.00
Call and short (not exceeding thirty days) loans in Canada on Stocks, Debentures, Bonds and other securities, of a sufficient marketable value to cover.....		4,573,822.19
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.....		19,142,173.17
		130,831,315.98
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value.....		221,953,939.97
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value.....		213,851,371.69
Canadian municipal securities, not exceeding market value.....		23,855,400.87
Public securities other than Canadian, not exceeding market value.....		26,310,899.25
Other Bonds, Debentures and Stocks, not exceeding market value.....		31,669,776.05
		\$742,603,867.82
Current loans and discounts in Canada, not otherwise included, estimated loss provided for....		201,350,710.69
Loans to Provincial Governments.....		982,288.84
Loans to Cities, Towns, Municipalities and School Districts.....		35,730,529.44
Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for.....		17,573,988.94
Non-current loans, estimated loss provided for.....		1,624,211.78
		257,261,729.69
Bank premises, at not more than cost, less amounts written off.....		13,900,000.00
Real estate other than bank premises.....		569,702.11
Mortgages on real estate sold by the bank.....		504,015.10
Liabilities of customers under Acceptances and Letters of Credit as per contra.....		7,914,256.36
Deposit with the Minister of Finance for the security of note circulation.....		1,127,794.67
Shares of and loans to controlled companies.....		1,559,644.89
Other Assets not included under the foregoing heads.....		67,357.16
		<u>\$1,025,508,367.80</u>

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.

HUNTLY R. DRUMMOND,

*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 have 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 which 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 is as shown by the Books of the Bank.

GEORGE C. McDONALD, C.A.,  
of the firm of McDonald, Currie & Co.  
W. D. GLENDINNING, C.A.,  
of the firm of Campbell, Glendinning & Co.

Auditors.

MONTREAL, 20th November, 1939.



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

**Balance Sheet as at 31st October, 1939**

ASSETS	U.S. Currency	LIABILITIES	U.S. Currency
Cash.....	\$ 20,000.00	Deposits:	
Due from Banks:		Trust Funds.....	\$ 143,650.33
Approved Reserve Depositaries.....	\$ 938,078.51	Demand.....	46,610.12
Other Banks and Bankers (Foreign)...	25,644.10	Time.....	41,813.51
	963,722.61	Due to Banks, Bankers and Trust Companies.....	1,194.58
Investments:		Reserve for Taxes.....	\$ 233,268.54
*United States Government Securities...	\$ 855,057.34	Other Liabilities.....	5,795.74
Accrued Interest.....	1,254.02		266.02
(Quoted Market Value, 31st October, 1939—\$858,968.75)	856,311.36	Capital and Surplus:	
*These include \$100,000 United States of America Treasury Bonds which, in accordance with New York State Banking Law, are deposited with and registered in the name of the Superintendent of Banks of the State of New York.		Capital Stock—	
		Authorized, Issued and Fully Paid—	
		10,000 Shares of \$100.00 each.....	\$1,000,000.00
		Surplus.....	530,000.00
		Undivided Profits.....	84,343.20
Other Assets.....	13,639.53		
	<u>\$1,853,673.50</u>		<u>1,614,343.20</u>
			<u>\$1,853,673.50</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 31st October, 1939, 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.,  
W. D. GLENDINNING, C.A.,

Auditors.

MONTREAL, 20th November, 1939.

**HOCHELAGA REALTY AND DEVELOPMENT COMPANY**

**Balance Sheet as at 31st October, 1939**

ASSETS	U.S. Currency	LIABILITIES	U.S. Currency
Real Estate, Buildings, etc. (64-68 Wall Street, New York), less Reserves for Depreciation.....	\$1,160,294.68	Capital Stock:	
Prepaid Taxes.....	23,010.00	Authorized, Issued and Fully Paid—	
Cash.....	1,026.27	100 Shares of \$100.00 each.....	\$ 10,000.00
	1,184,330.95	Twenty-Year Four Per Cent. Gold Debentures—	
Deficit.....	105,180.07	Due 1st March, 1950.....	\$1,000,000.00
		Twelve-Year Four Per Cent. Debentures—	
		Due 1st March, 1950.....	250,000.00
		(Interest on the Debentures for the period 1st March, 1939, to 1st March, 1940, was reduced to three per cent.)	1,250,000.00
		Accrued Debenture Interest.....	6,250.00
		Accounts Payable.....	3,003.52
		Bank Loan.....	20,257.50
	<u>\$1,289,511.02</u>		<u>\$1,289,511.02</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 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 31st October, 1939, 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.,  
W. D. GLENDINNING, C.A.,

Auditors.

MONTREAL, 20th November, 1939.

**THE ST. JAMES LAND COMPANY LIMITED**  
**Balance Sheet as at 31st October, 1939**

ASSETS		LIABILITIES	
<p>*The rights of the Company in an emplacement conveyed to Insurance Exchange Corporation Limited, by a 99-year lease (emphyteutic lease) and in the building thereon constructed by Insurance Exchange Corporation Limited, as at 23rd January, 1923..... \$200,000.00  Expend on the building to date..... 117,205.14</p>		<p>Capital Stock:  Authorized, Issued and Fully Paid—  200 Shares of \$100.00 each..... \$ 20,000.00  Capital Surplus..... 203,727.35</p>	
	\$317,205.14		
Less Reserve for Depreciation.....	93,477.79		
	<u>\$223,727.35</u>		
	<u>\$223,727.35</u>		<u>\$223,727.35</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 \$289,024.80 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 31st October, 1939, 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.,  
W. D. GLENDINNING, C.A.,  
Auditors.

MONTREAL, 20th November, 1939.



## THE PRESIDENT'S ADDRESS

Gentlemen,—Any remarks I may make to-day must be considered in the light of the conditions brought about by the war; our first aim must be to assist to the limit of our abilities in the winning of the war.

Before proceeding with my more formal remarks, I wish to refer to the great loss which your Bank sustained in July last by the death of our late President, Sir Charles Gordon. Through twelve eventful years, many of them fraught with new and perplexing problems, Sir Charles exercised his guiding influence in the affairs of this institution with wisdom and courage and he left the Bank stronger and safer than at any time in its history.

We in the Bank respected him for his ability; we loved him for himself; and his example remains as an inspiration to us all.

During my tenure of the office he left vacant, it will be my endeavour, assured of the support of a loyal and devoted staff, to continue those policies which he so carefully followed and to maintain the high traditions of the Bank of Montreal.

In October Mr. C. H. Houson, of Chatham, President of the Canada and Dominion Sugar Company, Limited, was appointed to the Board and no doubt his appointment has your approval. There will be submitted to you to-day for election as Directors to fill existing vacancies on the Board the names of the Honourable Charles A. Dunning, until recently Minister of Finance, and Mr. Robert A. Laidlaw, of the R. Laidlaw Lumber Company, Limited, of Toronto.

## THE BANK'S STATEMENT

The Annual Statement, the 122nd in the history of the Bank, which we place before you to-day, reflects our continued strong position. The total assets of the Bank, \$1,025,000,000, are the largest in its history. This is due in part to transactions of a special nature which were on the books of the Bank at the close of our fiscal year, one being participation in the \$200,000,000 Dominion Government loan recently taken up by the chartered banks.

The dividend of the Bank, at the rate now paid for several years past, has been earned with a fair margin notwithstanding that, owing to limited demand for the commercial employment of moneys, we have been compelled to employ an increasingly larger amount of our assets in the form of investments. These investments are in prime securities and the fact that the greater portion matures at early dates places us in the best possible position to meet any contingency that may arise and to supply without disturbance the requirements of commercial borrowers which now show every indication of being on the increase. It has always been the policy of the Bank to make adequate provision for doubtful accounts, and I can say with full confidence that the affairs of your Bank were never in a stronger position.

Eleven years ago—in 1928—when Sir Charles Gordon first presided at an annual meeting of the Bank, we had total loans of \$540,000,000. In 1938 they were \$250,000,000. In the same period the investments of the Bank had risen from \$110,000,000 to \$440,000,000. This change from a preponderance of loans to a preponderance of investments coincides with the growth of spending by governments which has been facilitated by cheap money policies universally adopted by all central governments. As a result of this tendency, the earnings of banks became so reduced that the banks had to reduce dividends and later were forced to cut in half the interest paid to depositors on savings. Thus, while governments have been enabled to incur heavier debts at lower interest cost, it is largely at the expense of depositors and investors.

Sometimes we hear criticism of banking profits, no doubt

due to the size of our institutions, but you can see from the statement presented to you that on average total assets through our fiscal year of \$907,000,000, the earnings of the Bank were \$3,462,000. In other words, on each \$100 of assets the earnings were but 38 cents.

## BUSINESS IN CANADA

Up to the end of August business activity in Canada was following a course similar to, but somewhat in advance of, the course of business in 1938. After early hesitation, an encouraging advance appeared in the spring, followed by a widening improvement during the summer months. As a general indication of the degree of improvement over last year, our exports for the first eight months of the year exceeded the corresponding 1938 figures by the substantial margin of 10%; and industrial employment was approaching the post-depression peak levels reached in 1937. True, problems connected with public finance, aggravated by a long period of relief expenditure, were perplexing to an unexampled degree, but notwithstanding this, I am convinced that had the situation in Europe continued to justify the hopes aroused at Munich, recovery in Canada would have proceeded continuously. With the outbreak of war, we were, of course, immediately confronted with a completely altered situation.

The circumstances which led to the outbreak of war, and to Canada's inevitable participation, call for no comment, for they are present in everybody's mind. But it is relevant to a review of our business to point out that war clouds had been gathering for so long and so obviously that we were not unprepared for the shock when it came. There was no repetition of the financial crisis of 1914. There was even a certain business stimulus in the prospect of increased demand for our products, magnified somewhat by the relatively low level of forward commitments which existed in many sections of business owing to previous uncertainty.

Of outstanding importance at this juncture is the fact that Canada enters upon the war period with one of the best all-round crops in the history of the country. This applies to practically every part of the Dominion but more particularly to the Prairie Provinces, where, in contrast to recent years, the wheat crop is unusually large and of unusually high quality. Thus, Canada has very large supplies of the food products which the Allied and neutral nations will need and the buying power of the agricultural community from their sale will help the general business of the country. In addition to this, with the impact of war conditions, we have many industries which will benefit directly from orders for war supplies, and we have the prospectively important development of Canada as the aviation training centre of the British Empire.

It will thus be seen that on the material side Canada may expect to be better qualified than most countries to meet the inevitable consequences of war, and an added consideration in this respect is the foresight and sagacity of England in providing for the continued supply of many commodities at normal prices.

If Canada's rôle in the war is to be largely as a source of supply to Great Britain, then we should see to it that there shall be no excessive profits. Our aim should be a fair price for wheat and other farm products and a fair price for manufactures in which the Government will have the full support of business and labour, to prevent a vicious spiral such as that in which the cost of living and wage rates endlessly pursued each other in the last war.

By keeping costs down as much as is possible, we will keep domestic trade moving and, after the war, this policy will mitigate the painful process of deflating prices and wages which is the inevitable sequence of an undue rise.



## GOVERNMENT CONTROLS

As a contribution to the maintenance of business on standardized levels, it is interesting to note the great measure of control which the Canadian Government has assumed for the better stabilizing of supply and prices and, therefore, for the more efficient prosecution of the war. These measures include provision for a regulation of prices and distribution, for the regulation of imports and exports, and, through a Foreign Exchange Control Board, for a form of control by which withdrawal of capital from the Dominion is forbidden. Business institutions, including our banks, have co-operated to the fullest extent in these measures. It is only meet, however, to go on record here to the effect that these controls are a restricting influence in business and that forbidding the withdrawal of capital from Canada undoubtedly has discouraged the interest in this country of citizens of other lands who, having invested their money in Canada, now find themselves unable to withdraw it.

In any case, it is important that all the control regulations should be regarded as a temporary expedient to meet an extraordinary situation, and that they should be abolished at the earliest possible moment. Otherwise, we shall find ourselves saddled with a self-perpetuating autocratic bureaucracy contrary to the true basis of democracy for which we are now fighting. The Romans had the right idea in this respect—in a time of war they called Cincinnatus from the plough to be their dictator and after the enemy had been defeated the dictatorship was at once abolished and he returned to his farm.

## GREAT BRITAIN AND FRANCE

In Great Britain and France prior to the outbreak of war, signs were not lacking of an economic turn for the better. At the present time both countries are directing their whole economic power to the prosecution of the war, which means a close control over finance, trade and industry. Industry's efforts in Great Britain are now centred on war production and also upon the maintenance of exports, which the Government is fostering. It is generally felt that the first months of the war have been satisfactory for the Allies. Britain's war services, her financial machinery, and the unity of her peoples at home and abroad are all felt to be vastly superior to what they were in 1914, and the country looks forward with determination, calmness and confidence.

## UNITED STATES

Particularly heartening to the people of Britain and France and not less so to Canadians, have been the widespread indications of the deep sympathy of the majority of the people of the United States with the Allied cause. As elsewhere, business in the United States has been continually under the shadow of the European situation, but despite the recurrent crises abroad, a forward movement occurred during the summer, with marked acceleration in certain lines following the outbreak of war. Thereupon there were sharp advances in prices of almost all commodities, but business leaders have shown themselves keenly alive to the dangers of speculative commitments and rapid advances in the price level and, following the initial upswing, more stabilizing influences have prevailed.

## GOVERNMENT FINANCE

Taxation, following public debts—Dominion and Provincial—to-day seven billion dollars, ten years ago four and one-half billion dollars—has been steadily mounting for many years, and with the heavy expense of war a further increase in the Dominion field seems inevitable. With the expansion of business and of our favourable balance of trade which may be expected as a result of war-time demand for our natural resources and manufactured products, our policy, as far as practicable, should be to pay as

we go and, as far as we can, to repatriate Canadian indebtedness abroad. The Government has already taken the first step toward this latter desirable object by arranging to repay a sterling loan out of funds advanced in London by the British Government to whom in turn our own Government has advanced an equivalent amount of Canadian dollars for British expenditure here in war supplies.

Great Britain has drastically increased taxes to provide for war needs and, with normal income tax, becoming effective in May next, of 37½% on all incomes over £285, everyone there is sharing the burden. It is high time that Canada should follow this example. True, we have added a surtax of 20% to our income tax, but the vast bulk of the income of Canadians is still only lightly taxed. An extension of the income tax, even at a much lower rate than that in Great Britain, would produce many millions in Canada and be a barrier against the inflation inherent in a policy of borrowing.

But it is in reducing expenditure in non-essentials that our Government can give a lead to Canadians. Sectional needs should no longer be given first place, nor should our railway problem, with its cost to the country of a hundred million dollars per annum, be left unsolved.

## CONCLUSION

A period of fierce trial such as that upon which we have now entered must prove either a time of disintegration or of the strengthening of the moral fibre of a nation. In the last war Canada may be said to have found itself and to have reached maturity as a nation. Since then we have experienced many vicissitudes, in the midst of which we have at times leaned toward sectional interests, forgetting the national good. The tide in this direction has now turned and we face the world a more united nation than ever. Two events, in my mind closely connected, have served to emphasize the things that unite us. One is the visit of our beloved King and Queen and the other is the spirit of broad Canadianism to which our French-speaking compatriots have given such notable expression. Previous to the coming of our King and Queen, the Crown, to many of us, was just a word, the true significance of which was little realized. When, however, we saw this perfectly human and charming royal couple and heard them speak to us in our own language, whether that be English or French, about the vital things of which the Empire to which we belong is the bulwark in a world distraught, we realized the deeper meaning of the Crown as the living symbol of our common aspirations and our common being.

With respect to that other event in which the people of the Province of Quebec have figured, Canada was the first country in the Empire to have an election in which participation in the war was the main issue. The result has been that our fellow-Canadians who speak the mother tongue of France have given to all the world truly remarkable testimony of the unity of the Canadian people, not only by endorsing this nation's efforts in support of the Allies but by their adherence to the principles upon which, at Confederation, the nation of which they are such an important part was founded.

We stand a united country in our war effort. It remains for us to bring the full strength of a united Canada to the work of prosecuting the war to a successful conclusion while at the same time keeping our affairs so in hand that we may enter the readjustments of post-war conditions as free of inflation as possible, with debts at the minimum possible and with morale unimpaired.

I am confident that just as we have entered as a unified Canada into the fiery ordeal of war, so we shall emerge, a nation one at heart but more mature in thought and aspiration, ready to go forward as a member of the British Commonwealth of Nations to the great destiny which undoubtedly awaits this country.



## 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 122nd Annual Balance Sheet of the Bank.

Profits, after deducting Dominion and Provincial taxes, amount to \$3,462,000, as compared with \$3,398,000 in 1938, an increase of \$64,000.

Taxes paid to the Dominion and to the Provinces totalled \$1,198,000, equal to over 41% of the dividend paid to shareholders. In addition our 513 branches paid municipal taxes totalling a substantial sum.

Important changes in the Balance Sheet figures are as follows:

Quick Assets, including cash and securities, total \$742,600,000, representing 78.29% of all liabilities to the public. The maintenance of a strong position is a tradition of the Bank of Montreal and is ever borne in mind by its General Managers. For several years past, however, the ratio of quick assets to liabilities to the public has been much higher than desired.

Cash holdings and balances with the Bank of Canada amount to \$94,100,000, representing 11.62% of all our liabilities to the public in Canada.

Investments, not exceeding market value, total \$517,600,000 and show an increase of \$76,700,000, compared with last year. In this total are included Dominion and Provincial Government obligations amounting to \$435,800,000, of which \$221,900,000 will mature within two years. Of our Government securities with a maturity date later than two years, \$191,000,000 (par value) will fall due before October 31st, 1944.

Current Loans and Discounts in Canada amount to \$201,300,000, an increase of \$22,600,000, following an increase of \$27,800,000 reported last year.

Current Loans and Discounts elsewhere than in Canada are \$17,500,000, an increase of \$7,200,000.

Bank Premises at \$13,900,000 remain at last year's figure.

At the last Annual Meeting it was announced that the Bank contemplated the erection of a new main office in Toronto. This important undertaking was proceeded with and by the middle of September of this year the foundation had been completed and work on the steel superstructure was under way. The outbreak of war caused the Bank to decide to suspend building operations, make proper provision for the protection of work already done, and postpone resumption of construction until conditions return to normal. This was considered a patriotic as well as a prudent course to take in the light of the responsibility resting on the Bank to hold itself in readiness to meet the additional needs of its customers in war time.

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

Notes of the Bank in circulation amount to \$21,700,000 as against \$22,500,000 a year ago. Under the terms of the Bank Act our present maximum circulation limit is \$28,800,000. For the year 1940 it will be \$27,000,000.

Deposits of the Dominion Government at \$75,100,000 show an increase of \$60,100,000, and Provincial Government deposits at \$18,800,000, an increase of \$8,800,000.

Deposits by the public amount to \$801,700,000, an increase of \$75,900,000.

During the year we closed five offices and opened one.

For the first time in the history of the Bank, the items on our balance sheet this year amount to over a thousand million dollars. These figures are a measure of our responsibility to the public. The problems which this responsibility entails are so widely misunderstood that it is perhaps permissible to say a few words on the subject.

## LOANS AND INVESTMENTS

It is frequently claimed that the banks are reluctant to risk their money in loans to business, preferring the supposedly easier course of holding securities; and the fact that the total securities held by the chartered banks substantially exceed their loans is cited as simple proof that this is so.

Nothing could be further from the truth. Our deposit liabilities do indeed require us always to hold a due proportion of high grade securities as a supplementary reserve against them. But beyond such requirements we would prefer in all circumstances to use our lendable funds in sound advances to foster industry, trade and commerce. Our organization, with its nation-wide system of branches, has been developed with this purpose particularly in view. In consideration both of service to the country and of profitable business to ourselves, we naturally wish to see our facilities fulfilling their purpose to the fullest possible extent.

Unfortunately our readiness to lend to creditworthy borrowers does not affect their disposition to apply for loans, for the demand for commercial loans depends upon the state of trade and the prospects of profitable use of borrowed money. The fact that the condition of the markets for many of Canada's principal products has in recent years prevented anything like a full recovery of business activity or of commodity prices has therefore limited the inducement to borrow, and has confronted us with the problem of finding other use for our funds. The possibility of seeking a way out of this situation by relaxing our standard of safety in lending money is of course precluded by our obligations to depositors.

While the demand for commercial credit has thus remained at a relatively low level, the potential supply of credit has simultaneously been increased as a result of the policy of monetary expansion which the Bank of Canada has pursued since its establishment in 1935. We have consequently had no practical alternative to enlarging our holdings of securities. In this way, of course, our operations, with those of the other banks, have been the means of making the central bank's policy effective.

We have thus constantly co-operated with the Bank of Canada in carrying out its general policy, as also in less significant details of routine and administrative procedure. But it must be admitted that the process of adding to our investments in the circumstances just described involves difficult problems of management.

It is not sufficient that our investments should be of unquestionably high quality. They must as far as possible be of such a character that they can be converted into cash without loss, whether to pay our depositors or to enable us to extend additional credit to business. Provision must also be made against possible reduction in the aggregate value of the total portfolio owing to changes in market conditions, for any such reduction constitutes a loss which must be made good out of our profits.

We have met these requirements principally by maintaining a substantial proportion of our investments in the short-term category. Over 50% of our holdings of Dominion and Provincial securities will mature within two years. This course necessarily reduces the average earning power of our assets. As the supply of suitable securities is limited, the demand for them has raised their prices and lowered their yield to the point where the rate of return is very low as regards short-term issues and although higher as regards longer term bonds, it affords little margin from which to provide against possible future depreciation.



The conditions just outlined may be modified as a result of the war. We may anticipate that the increasing production of war requirements in this country, together with the secondary effects of this activity, will stimulate a more active demand for commercial credit. In view of the condition which our balance sheet discloses it will be seen that we are well prepared for any such development.

#### FOREIGN EXCHANGE CONTROL BOARD

The war has brought about a far-reaching extension of government control over the country's economic activities. The establishment of the Foreign Exchange Control Board is a case in point which particularly concerns our own business. While the banks, as regards their own exchange operations, are subject to the Board's authority equally with other organizations and individuals, they have also been appointed to act as its authorized dealers. This involves a great deal of additional work at all branches and at Head Office, in which our staff have co-operated most readily.

The purpose of these measures is to mobilize Canada's external resources in such a way that they can be applied as effectively as possible to the prosecution of the war. It should be emphasized that their essential character is therefore entirely different from that of the exchange control measures which certain countries in recent years have been compelled to adopt by reason of heavy deficits in their international accounts, and which were to be regarded in such cases as evidence of weakness. These measures do not reflect any weakness in Canada's economic position, for the balance of payments has been heavily in our favour for several years and has permitted a substantial repatriation of our external debt. On the contrary, they represent recognition of the fact that ability to buy abroad in time of war is an economic weapon of great power, which must to the fullest possible extent be placed at the disposal of the Government. Similar measures have been put into force by other belligerent governments.

#### INDUSTRY AND BUSINESS

The 1939 wheat crop in the Prairie Provinces is estimated at 452 million bushels; in 1938 it was 326 million bushels. The larger crop is one factor in raising gross operating revenues of the two railways, which, to the end of October, were some \$19 million higher than in 1938. The pace of economic activity on the prairie has quickened, and it is hoped that the improvement may continue.

In the elapsed months of the current calendar year, production of copper in Canada amounted to about 400 million pounds, compared with 380 million pounds in 1938. Lead production was 283 million pounds, against 319 million pounds in 1938, when large stocks were accumulated abroad. In the first nine months of 1939 zinc production amounted to 301 million pounds, against 285 million pounds in the same period of 1938. Production of nickel has substantially exceeded the 1938 volume and is slightly ahead of the banner year 1937. Gold production to 31st August totalled 3,381,000 ounces, compared with 3,056,000 ounces during the same period last year.

The immediate outlook for the pulp and paper industry is brighter. Consumption in the United States has been rising and exports from the Baltic countries to the United States have been subjected to uncertainty of delivery and higher transportation costs arising from war-time conditions. Consequently, pulp and paper prices have been firm.

A decline in commodity prices marked the course of 1938. During the early months of 1939, prices failed to recover, and showed even greater weakness in the summer months. However, a sharp rise was experienced in September, coincident with the outbreak of war and the marking down of the Canadian dollar in New York. Since then, the higher level of wholesale prices has

been more than maintained. The physical volume of business was consistently higher throughout the elapsed months of 1939 than in the comparable period of 1938, while during both August and September of 1939 the index was higher than in any parallel months in recent years.

Retail trade was expanding prior to the sudden rush of buying that developed in September following the declaration of war. The June total was the highest for any comparable period since 1931.

Foreign trade for the first nine months of 1939 showed a surplus of exports of \$128,000,000, which is an improvement of \$32,000,000 over the corresponding months of 1938.

#### NEWFOUNDLAND

Operations of the paper mills at Corner Brook and Grand Falls have been well maintained during the past twelve months and the mines at Buchans and Bell Island have been working at capacity, with consequent benefit to their respective communities; but the codfish industry, which is perhaps the mainstay of the Island, has been suffering from adverse conditions in the chief importing countries, due largely to exchange difficulties, and in Spain to the recent civil war and its effects.

The Commission of Government is making every effort to assist fishermen in various ways, and, in addition, increase agricultural development by land settlement. Plans are also under consideration with a view to increasing the exports of fresh fish and, while all these projects take time to bring to fruition, it can fairly be said that progress is being made.

From year to year, since the Commission of Government took charge of affairs in Newfoundland in February, 1934, the Mother Country has assisted by making grants-in-aid to meet the Country's annual deficits and so far—that is to say, to the 30th June last, the end of the Government's financial year—has paid to Newfoundland \$11,380,000 in this connection.

#### UNITED STATES

To-day the United States is endeavouring to step into the place hitherto occupied by the belligerents, but under much different conditions. Both the channels and character of world trade have changed overnight. The opportunities, particularly in respect to Latin-American markets, are greatly enlarged, but it must be remembered that the foreign trade of many of these countries has of late been conducted to a considerable extent under barter agreements and that their normal exports to Europe consist principally of commodities with which the United States is already plentifully supplied. Trade cannot for any length of time remain a one-way affair and temporary credits must sooner or later be liquidated by cargoes or default ensues.

As to the course of business generally prior to the commencement of hostilities, it may be said that the consumers' goods industries, stimulated by a high rate of Government expenditure—not in itself a reassuring barometer but a cause for anxiety—have operated at a satisfactory level, while the construction industry, sustained by Government appropriations and aids to private residential building, has made substantial progress.

The continued flight of capital from Europe, involving gold shipments on an unprecedented scale, has left the United States in a position of holding about two-thirds of the present world gold stock—not a healthy situation.

The volume of corporate financing brought to the market has again been disappointing. Only 20% of the total represented new money requirements, indicating that the long range outlook for capital investment is still unsatisfactory.

With money so greatly in supply, there has been practically no change in short-term money rates. Call money remains at 1% with little demand, and the bill market has been dull with no movement in rates throughout the year.



## CONDITIONS ABROAD

Conditions abroad have been commented on by the President and it is not proposed to add to what he has said except to assure you that we have taken all possible precautions to safeguard our staff, records and securities in London.

Canada has progressed far along her destined way since the outbreak of war in 1914. In supplies of wheat, minerals and manufactured goods her contribution toward the combined effort on the side of right in this war will far exceed what she was able to offer in the last; and there is abundant evidence in every province of the Dominion that Canada's contribution in men will be ample and of the type that in the last war brought everlasting glory to this country.

## REPORT ADOPTED

The Chairman then moved, seconded by Mr. W. A. Bog, that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders. The report was unanimously adopted.

Mr. Ross H. McMaster moved, seconded by Mr. D. Forbes Angus, that Messrs. George C. McDonald, C.A., and Mr. Alastair A. Gowan, 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 the Directors is taken. The motion was carried.

On the motion of Mr. Louis L. Lang, seconded by Mr. L. J. Belnap, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

## THANKS TO THE OFFICERS

Mr. Thomas M. Hutchison moved, seconded by Mr. James M. Fraser: "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. Hutchison said:

"On this occasion the resolution which I am proposing carries with it a deeper significance than usual in view of the anxious period through which we are passing. To those in business these are perplexing times, requiring close and constant attention to one's affairs and creating problems involving very careful decisions. We can, therefore, appreciate more so to-day than usual, the heavy responsibility which has rested on the President, and Directors, and the additional care which the handling of the affairs of the Bank have demanded. Accordingly, I am sure we all feel very much indebted to them for the valuable services which they have rendered during these difficult times and which are reflected in the admirable balance sheet which has been submitted to-day. May I add to the President's remarks my personal regrets at the passing of Sir Charles Gordon, who was President of the Bank for many years, and under whose guidance the Bank continued to maintain its pre-eminent standing among our financial institutions". (Applause)

The motion was carried unanimously.

The Chairman: "On behalf of my fellow-Directors and myself I thank you sincerely for this evidence of your confidence in our administration of the Bank".

Mr. A. O. Dawson then moved, seconded by Mr. W. G. Murrin: "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".

After reading the motion, Mr. Dawson said:

"I am honoured in being permitted on this occasion to repre-

sent your Board of Directors in voicing their deep appreciation of the services rendered the Bank during the past year by the men and women named in the resolution I have just read. Those of us who have the rare privilege of coming into almost daily contact with the General Managers of the Bank, and those associated with them in their important tasks, and being particularly mindful of the outstanding services being given us by our devoted Secretary and his staff, find it difficult adequately to express our appreciation of the energy and ability displayed hour by hour, day by day, week in and week out, by these splendid men and women, of whom we are justly proud. Your Directors regret that circumstances do not permit of the same intimate association with the Assistant General Managers, other Executive Officers and the Branch Managers, but we would assure them that we are not unmindful of the important part they have taken in making this Bank one of the greatest business institutions of Canada. In giving special mention to our Officers and Executives, we would not forget the other 6,000 employees of the Bank who so faithfully and honourably represent us throughout the whole of Canada and Newfoundland, as well as in London, England, and in the cities of the United States where we have offices. All these men and women have fully maintained a high standard of willing and efficient service. The various wartime regulations have imposed additional duties which have been cheerfully undertaken, notwithstanding the extra hours of work involved. Some ninety members of the Staff are now actively engaged in the armed forces, and we feel sure that the men of the Bank on active service will give a good account of themselves, as did our men who went overseas in 1914-1918. Special mention, we think, should be made of the men and women in our offices in London, England. They have shown a splendid spirit throughout these uncertain and trying times, especially in connection with the partial evacuation of our Threadneedle Street and Waterloo Place Offices, and the Directors would like them to know that their loyal services are fully appreciated. We must never forget that the enviable place our Bank occupies in this and other countries is to a large extent due to the fact that our representatives, in all the branches, strive to do honour to the institution of which they form a part. It is heartening to know that in every city, town or hamlet where there is a branch of the Bank of Montreal, there its employees are either leading or supporting all that is best in these communities. Therefore, this resolution that we are inscribing upon our Minutes at this Annual Meeting is not a mere formal one, but expresses the deep conviction of your Directors as well as their hearty appreciation of the fine spirit and the splendid services being rendered to the Bank, and to the general public, by all those named therein. We are sure that this resolution will be fully endorsed by every Shareholder of the Bank". (Applause)

In seconding the motion, Mr. Murrin said:

"The fact that the Bank of Montreal is possessed of a loyal, capable and efficient staff, is so obvious to those who are acquainted with the widespread operations of the Bank that it hardly needs mention. It would not be fitting, however, to allow such an important occasion as this to pass without indication that these loyal and efficient services rendered day by day throughout the year are not unnoticed or unappreciated or that we are not unaware of the very important part that these services play in the well-being and prosperity of the Bank. It, therefore, gives me very great pleasure to second this vote of thanks to the General Managers and staff". (Applause)

Mr. G. W. Spinney, responding, said:

"I desire to thank you on behalf of the General Managers, the Assistant General Managers, Superintendents, Managers and staff for the kindly terms in which you have referred to our



services; and particularly may I say, to the services of those in the London offices where the staff has had a very difficult time. I cannot speak too highly of the friendly and valuable support which the General Managers receive from the Assistant General Managers and chief officials at Head Office, with whom we have daily contact. Our close personal relations with these officers, and our daily mail and telegraphic communications with our Superintendents and Managers at distant points convince us that the Bank is well served in all its departments of responsibility. Indeed, I think the same can be said of the whole staff including the younger generation from whom will come the Managers and administrators of the future. Abnormal operating conditions have thrown upon our staff a heavy load of work and responsibility but they have been equal to the occasion, and the General Managers are grateful to them all for a year's work well and loyally performed. The Shareholders can rest assured that we are all working together in the best interests of this institution, in which our pride increases and for which our affection grows as the years go by". (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 this purpose".

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 Mr. Alastair A. Gowan, C.A., were duly appointed Auditors and that the following gentlemen were appointed Directors:

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, the Hon. Charles A. Dunning, P.C., W. Sanford Evans, G. Blair Gordon, Charles H. Houston, Robert A. Laidlaw, Louis L. Lang, Ross H. McMaster, F. E. Meredith, K.C., Major-General the Hon. S. C. Mewburn, C.M.G., H. W. Molson, W. G. Murrin, Arthur 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, Mr. H. R. Drummond was elected President, and Major-General the Hon. S. C. Mewburn, C.M.G., and Mr. W. A. Bog were elected Vice-Presidents.

# BANK OF MONTREAL

ESTABLISHED 1817

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## EXECUTIVE OFFICERS

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### JOINT GENERAL MANAGERS

JACKSON DODDS

G. W. SPINNEY

### ASSISTANT GENERAL MANAGERS

S. C. NORSWORTHY

B. C. GARDNER

O. R. SHARP

W. T. A. MACFADYEN,  
(Resident Toronto)

### SUPERINTENDENTS

ALBERTA DISTRICT.....W. McDONNELL, *Calgary*  
BRITISH COLUMBIA DISTRICT.....C. W. CHESTERTON, *Vancouver*  
MANITOBA AND SASKATCHEWAN DISTRICTS.....F. G. BELCHER, *Winnipeg*  
MARITIME PROVINCES DISTRICT.....G. B. HOWARD, *Halifax*  
MONTREAL DISTRICT.....J. T. STEVENS, *Montreal*  
QUEBEC & NEWFOUNDLAND DISTRICT.....D. M. CLELAND, *Montreal*  
FOREIGN DEPARTMENT.....R. E. KNIGHT, *Montreal*

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#### *Secretary*

C. H. CRONYN

#### *Chief Accountant*

E. H. STEWART

#### *Assistant to the General Managers*

E. A. FOX

#### *Chief Inspector*

G. H. GREENING

#### *Manager Staff Department*

L. W. TOWNSEND

#### *Manager Securities Department*

J. S. BOLTON

#### *Manager Business Development Department*

C. O. MCGIRR

#### *Supervisor Bank Premises Department*

C. P. LIEBICH

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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 513 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.)  
BAWLF—SUB TO DAYSLAND  
BENTLEY  
CALGARY (MAIN OFFICE,  
140 EIGHTH AVENUE WEST)  
" ELBOW PARK  
" STOCK YARDS  
CAMROSE  
CARBON  
CARSTAIRS  
CASTOR  
CHAUVIN  
DAYSLAND  
DELBURNE  
DRUMHELLER  
EDGERTON  
EDMONTON (MAIN OFFICE,  
10089 JASPER AVENUE)  
" 97TH STREET AT 103RD A. AVENUE  
FORESTBURG  
GRANDE PRAIRIE  
HUGHENDEN  
IRMA—SUB TO WAINWRIGHT  
LACOMBE  
LAKE LOUISE (CHATEAU LAKE  
LOUISE BRANCH—JUNE TO SEPT.)  
LEDUC  
LETHBRIDGE  
MAGRATH  
MEDICINE HAT  
MORRIN  
MYRNAM  
OLDS  
PARADISE VALLEY—SUB TO EDGERTON  
RAYMOND  
RED DEER  
RIMBEY  
SEDEGWICK  
STETTLER  
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,  
500-520 GRANVILLE STREET)  
" 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,  
1225 DOUGLAS STREET  
" GOVERNMENT STREET  
WEST SUMMERLAND  
WILLIAMS LAKE

### MANITOBA

BELMONT  
BISSETT  
BRANDON  
CARBERRY  
DAUPHIN  
GLADSTONE  
HARTNEY  
MACGREGOR

### MANITOBA—CONTINUED

MORRIS  
NEEPAWA  
OAK RIVER  
OAKVILLE  
PORTAGE LA PRAIRIE  
RESTON  
SELKIRK  
SOURIS  
WINNIPEG (MAIN OFFICE,  
COR. PORTAGE AVENUE & MAIN  
STREET)  
" BANNERMAN AVENUE & MAIN STREET  
" CORYDON AVENUE  
" FORT ROUGE  
" HIGGINS AVENUE & MAIN STREET  
" LOGAN AVENUE  
" 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,  
2 KING STREET)  
" HAYMARKET SQUARE  
" UNION STREET  
ST. STEPHEN  
SHEDIAC  
WOODSTOCK

### NOVA SCOTIA

AMHERST  
BRIDGEWATER  
CANSO  
GLACE BAY  
HALIFAX (MAIN OFFICE,  
205-207 HOLLIS STREET  
" NORTH END  
" QUINPOOL ROAD & KLINE STREET  
LUNenburg  
MAHONE BAY  
RIVERPORT  
SYDNEY  
WOLFVILLE  
YARMOUTH

# BRANCHES IN CANADA

## ONTARIO

ACTON  
 ALLISTON  
 ALMONTE  
 ALVINSTON  
 AMHERSTBURG  
 ARNPRIOR  
 ATHENS  
 AULTSVILLE—SUB TO WALES  
 AURORA  
 AYLMEY  
 BARRY'S BAY  
 BEACHVILLE—SUB TO INGERSOLL  
 BELLEVILLE  
 BLENHEIM  
 BOBCAYGEON  
 BOTHWELL  
 BOWMANVILLE  
 BRAMPTON  
 BRANTFORD  
 BROCKVILLE  
 BRUCEFIELD—SUB TO HENSALL  
 CAMPBELLFORD  
 CHATHAM  
 CHATSWORTH  
 CHESTERTON  
 CLINTON  
 COLLINGWOOD  
 CORNWALL (MAIN OFFICE,  
 159 PITT STREET)  
 " 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  
 GALT  
 GANANOQUE  
 GEORGETOWN  
 GLENCOE  
 GODERICH  
 GORE BAY  
 GUELPH  
 HALIBURTON

## ONTARIO—CONTINUED

HAMILTON (MAIN OFFICE,  
 COR. MAIN & JAMES STREETS)  
 " BARTON STREET & VICTORIA AVENUE  
 " CENTRAL MARKET  
 " GAGE AVENUE & BARTON STREET  
 " HOLT 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  
 KINGVILLE  
 KITCHENER  
 KOMOKA—SUB TO MARKET SQUARE, LONDON  
 LAMBTON MILLS  
 LANCASTER  
 LANSDOWNE  
 LEAMINGTON  
 LINDSAY  
 LISTOWEL  
 LITTLE CURRENT  
 LONDESBOURGH—SUB TO CLINTON  
 LONDON (MAIN OFFICE,  
 446 RICHMOND STREET)  
 " CITY HALL  
 " EAST  
 " MARKET SQUARE  
 " SOUTH  
 LUCAN  
 LUCKNOW  
 MANITOWANING  
 MARKDALE  
 MEAFORD  
 MERLIN  
 MIDLAND  
 MILDMEY  
 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,  
 COR. SPARKS & O'CONNOR STREETS)  
 " BANK STREET  
 " RIDEAU STREET  
 OWEN SOUND  
 PARIS

## ONTARIO—CONTINUED

PELEE ISLAND—SUB TO LEAMINGTON  
 (APRIL TO DEC.)  
 PEMBROKE  
 PERTH  
 PETERBOROUGH (MAIN OFFICE,  
 130 SIMCOE STREET)  
 " 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,  
 408 TALBOT STREET)  
 " 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,  
 30 YONGE STREET)  
 " BATHURST & KING STREETS  
 " BAY STREET  
 " BLOOR & BAY STREETS  
 " BLOOR STREET & LANSDOWNE AVENUE  
 " BLOOR STREET & WINDERMERE AVENUE  
 " COLLEGE STREET  
 " DANFORTH & LOGAN AVENUES  
 " DUNDAS STREET & LANSDOWNE AVENUE  
 " DUNDAS STREET & RONGESVALLES 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



# BRANCHES IN CANADA

## ONTARIO—CONTINUED

TRENTON  
TWEED  
VERONA—SUB TO YARKER  
WALES  
WALKERTON  
WALKERVILLE (MAIN OFFICE,  
43 WYANDOTTE STREET)  
" WALKER ROAD  
WALLACEBURG  
WATERFORD  
WATERLOO  
WATFORD  
WELLAND  
WEST LORNE  
WESTON  
WESTPORT  
WILLIAMSBURG  
WILLIAMSTOWN  
WINDSOR (MAIN OFFICE,  
200 QUELLETTE AVENUE)  
" LONDON STREET  
WOODSTOCK  
YARKER  
ZURICH

## PRINCE EDWARD ISLAND

CHARLOTTETOWN

## QUEBEC

AMQUI  
ARTHABASKA  
ARUNDEL  
ARVIDA  
BEDFORD  
BREAKEYVILLE  
BRISTOL—SUB TO SHAWVILLE  
BUCKINGHAM  
BURY  
CADILLAC  
CHICOUTIMI  
COOKSHIRE  
COWANSVILLE  
DRUMMONDVILLE  
GATINEAU  
GRANBY  
GRAND MERE  
HULL  
HUNTINGDON  
KNOWLTON  
LACHINE  
LACHUTE  
LEVIS  
LONGUEUIL  
MAGOG  
MATANE  
MEGANTIC  
MONT JOLI

## QUEBEC—CONTINUED

MONTREAL (MAIN OFFICE,  
119 ST. JAMES STREET WEST)  
" BEAVER HALL  
" 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  
" 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-HAMPSTEAD  
" UNIVERSITY & ST. CATHERINE STREETS  
" VILLERAY & ST. DENIS STREETS  
" WEST END  
MONTREAL WEST  
NAPIERVILLE  
OUTREMONT  
QUEBEC (MAIN OFFICE,  
116 ST. PETER STREET)  
" CHATEAU FRONTENAC  
" ST. JOHN'S GATE  
" ST. ROCH  
" ST. SAUVEUR  
" UPPER TOWN  
QUYON  
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  
" RIVERBEND—SUB TO ST. JOSEPH D'ALMA  
ST. JOVITE  
ST. LAMBERT  
STE. THERESE  
SAWYERVILLE  
SHAWVILLE

## QUEBEC—CONTINUED

SHERBROOKE (MAIN OFFICE,  
59 WELLINGTON STREET)  
" BELVIDERE & KING STREETS  
SOREL  
TEMISKAMING  
TROIS-RIVIERES  
VAL D'OR  
VALLEYFIELD  
VERDUN (MAIN OFFICE,  
4026 WELLINGTON STREET)  
" BEATTY & VERDUN AVENUES  
" CHURCH AVENUE  
" FOURTH AVENUE & WELLINGTON STREET  
VICTORIAVILLE  
WATERLOO  
WESTMOUNT (MAIN OFFICE,  
1299 GREENE AVENUE)  
" CLAREMONT AVENUE &  
SHERBROOKE STREET

## SASKATCHEWAN

BATTLEFORD  
CARNDUFF  
DAVIDSON  
DOMREMY  
DUCK LAKE  
EASTEND  
ESTEVAN  
GOLDFIELDS  
KAMSACK  
KELLIHER  
LAKE LENORE  
LIMERICK  
MAPLE CREEK  
MELVILLE  
MOOSE JAW  
NIPAWIN  
NORTH BATTLEFORD  
OUTLOOK  
PRINCE ALBERT  
PUNNICHY  
REGINA (MAIN OFFICE,  
1800 SCARTH STREET)  
" VICTORIA AVENUE & ALBERT STREET  
ROSE VALLEY  
SALTCOATS  
SASKATOON  
SEMANS  
SWIFT CURRENT  
TISDALE  
UNITY  
WAKAW  
WEYBURN  
WHITEWOOD  
WYNYARD  
YORKTON

## YUKON

DAWSON  
MAYO

## OFFICES ELSEWHERE THAN IN CANADA

### IN NEWFOUNDLAND

BUCHANS—Sub to Grand Falls	CORNER BROOK
CORNER BROOK WEST—Sub to Corner Brook	CURLING
GRAND FALLS	ST. GEORGE'S
	ST. JOHN'S

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### IN GREAT BRITAIN

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

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### 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

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FOREIGN DEPARTMENT - - - - - HEAD OFFICE, MONTREAL





