

1924
BANK OF MONTREAL

ANNUAL GENERAL MEETING

HELD 1ST DECEMBER, 1924

The 107th Annual General Meeting of the shareholders of the Bank of Montreal was held yesterday in the Board Room at the Bank's Headquarters.

Among those present were: A. D. Anderson, D. Forbes Angus, Arthur Barry, S. M. Baylis, E. W. Beatty, K.C., H. W. Beauclerk, J. W. Benning, W. A. Bog, George Caverhill, G. Rutherford Caverhill, D. R. Clarke, F. J. Cockburn, His Honour Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., J. H. David, K.C., W. H. R. Denman, H. R. Drummond, W. C. Finley, C. Fairall Fisher, C. J. Fleet, K.C., G. B. Fraser, P. R. Gault, Sir Charles Gordon, G.B.E., The Hon. Sir Lomer Gouin, K.C.M.G., Samuel Hart, Zephirin Hébert, C. A. Hodgson, C.A., C. R. Hosmer, W. M. Hutchins, James Hutchison, C.A., Henri Jonas, Harold Kennedy, J. M. Kilbourn, Hon. Rodolphe Lemieux, K.C., David Lewis, H. B. Loucks, H. B. Mackenzie, Alfred McDiarmid, Francis McLennan, K.C., William McMaster, Robertson Macculloch, F. E. Meredith, K.C., Sir Vincent Meredith, Bart., Major-General The Hon. S. C. Mewburn, C.M.G., W. R. Miller, Lt.-Col. Herbert Molson, C.M.G., M.C., W. A. Murray, G. L. Ogilvie, John Patterson, J. Bruce Payne, Howard H. Ransom, H. E. Rawlings, James Rodger, A. Guy Ross, Edward Sawtell, Dr. F. J. Shepherd, G. W. Spinney, J. M. Stobo, Gordon R. Strathy, Fred. R. Taylor, James S. Watt, R. S. White, Sir Frederick Williams-Taylor.

On motion of Mr. C. R. Hosmer, Sir Vincent Meredith, Bart., was requested to take the chair.

Mr. John Patterson moved, seconded by Sir Lomer Gouin, that Mr. W. R. Miller and Mr. G. L. Ogilvie be appointed to act as scrutineers, and that Mr. C. H. Cronyn be the secretary of this meeting.

This was carried unanimously.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the Annual Report of the Directors to the Shareholders at their 107th Annual General Meeting held on Monday, December 1st, 1924.

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, 1924.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1923	\$ 659,582.14
Profits for the year ended 31st October, 1924, after deducting charges of management, and making full provision for all bad and doubtful debts	4,454,504.04
	<u>\$ 5,114,086.18</u>
Quarterly Dividend 3 per cent. paid 1st March, 1924	\$817,500.00
Quarterly Dividend 3 per cent. paid 1st June, 1924	817,500.00
Quarterly Dividend 3 per cent. paid 1st Sept., 1924	817,500.00
Quarterly Dividend 3 per cent. payable 1st Dec., 1924	817,500.00
Bonus 2 per cent. payable 1st Dec., 1924	545,000.00
	<u>\$ 3,815,000.00</u>
Provision for Taxes Dominion Government	412,500.00
Reservation for Bank Premises	125,000.00
	<u>4,352,500.00</u>
Balance of Profit and Loss carried forward	<u>\$ 761,586.18</u>

(Signed) VINCENT MEREDITH,
President.

(Signed) FREDERICK WILLIAMS-TAYLOR,
General Manager.

Since the last Annual Meeting, offices were opened at two points and closed at thirty-six points throughout the Dominion and in Newfoundland. Our office at Spokane, Wash., U.S.A., was also closed.

For the convenience of our Mexico customers and American correspondents, offices have been opened at Guadalajara and Monterrey, Mexico.

The Directors have to record with deep regret the death of their late valued colleagues, The Right Honourable Lord Shaughnessy, K.C.V.O., a member of the Board since 1907, and of Mr. J. H. Ashdown, elected a Director in 1917.

Major-General The Honourable S. C. Mewburn, C.M.G., was appointed a member of the Board in October.

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

VINCENT MEREDITH,
President.

Bank of Montreal, 1st December, 1924.

THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1924, was read as follows:—

LIABILITIES

Capital Stock		\$27,250,000.00
Rest	\$27,250,000.00	
Balance of Profits carried forward	761,586.18	
	\$28,011,586.18	
Unclaimed Dividends	8,286.07	
Quarterly Dividend, payable 1st December, 1924	817,500.00	
Bonus of 2% payable 1st December, 1924	545,000.00	
		29,382,372.25
		<u>\$ 56,632,372.25</u>
Notes of the Bank in circulation	\$ 39,306,908.00	
Deposits not bearing interest	181,137,538.36	
Deposits bearing interest, including interest accrued to date of statement	455,731,982.78	
Deposits made by and Balances due to other Banks in Canada	3,127,867.33	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	1,030,036.96	
Bills Payable	82,362.62	
		680,416,696.05
Letters of Credit outstanding		11,003,562.70
Liabilities not included in the foregoing		783,457.56
		<u>\$748,836,088.56</u>

ASSETS

Gold and Subsidiary coin current	\$17,300,241.33	
Dominion notes	77,696,482.25	
Deposit in the Central Gold Reserves	14,000,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	\$69,517,496.89	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	7,982,463.58	
Call and Short (not exceeding thirty days) Loans in Great Britain and United States, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	110,206,077.40	
		187,706,037.87
Dominion and Provincial Government Securities not exceeding market value	91,612,453.73	
Railway and other Bonds, Debentures and Stocks not exceeding market value	6,385,569.34	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value	42,392,715.21	
Notes of other Banks	2,634,930.00	
United States and other foreign currencies	650,833.09	
Cheques on other Banks	28,137,705.38	
		\$468,516,968.20
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	214,565,215.17	
Loans to Cities, Towns, Municipalities and School Districts	15,432,780.08	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	22,102,356.68	
Non-current Loans, estimated loss provided for	2,158,868.86	
		254,259,220.79
Bank Premises at not more than cost (less amounts written off)		9,800,000.00
Real Estate other than Bank Premises		940,968.04
Mortgages on Real Estate sold by the Bank		1,054,094.11
Liabilities of Customers under Letters of Credit (as per Contra)		11,003,562.70
Deposit with the Minister for the purposes of the Circulation Fund		1,360,241.10
Shares of and loans to controlled companies		1,262,297.80
Other Assets not included in the foregoing		638,735.82
		<u>\$748,836,088.56</u>

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

NOTE.—Bonds of the Merchants Realty Corporation to the extent of \$2,826,000.00, secured on premises leased to the Bank, are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

VINCENT MEREDITH,
President.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

TO THE SHAREHOLDERS OF THE BANK OF MONTREAL.

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

We have to report that: (a) we have obtained all the information and explanations we have required; (b) in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above Statement discloses the true condition of the Bank and it is as shown by the Books of the Bank.

JAMES HUTCHISON, C.A.,
of the Firm of Riddell, Stead, Graham and Hutchison,
CHARLES A. HODGSON, C.A.,
of the Firm of Creak, Cushing and Hodgson, } Auditors.

MONTREAL, 22nd Nov. 1924.

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 31st October, 1924

ASSETS		LIABILITIES	
Cash on Hand.....	\$ 7,928.57	Capital Stock.....	\$ 10,000.00
Buildings, Real Estate, etc., 64-68 Wall Street, New York, less depreciation.....	1,206,108.60	Debtenture Bonds.....	1,220,000.00
Profit and Loss Account Balance.....	140,764.84	Accounts Payable.....	4,328.45
		Bond Interest Payable.....	81,333.32
		Rentals paid in advance.....	39,140.24
	<u>\$1,354,802.01</u>		<u>\$1,354,802.01</u>

NOTE:—

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

MONTREAL, 17th NOVEMBER, 1924.

Auditors' Report

We certify that in our opinion the above Balance Sheet is correctly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st October, 1924, according to the best of our information, the explanations given to us, and as shown by the Books of the Company. We have obtained all the information and explanations required.

(Signed) JAMES HUTCHISON, C.A.,
CHARLES A. HODGSON, C.A.,
Auditors.

THE LAND SECURITIES COMPANY OF CANADA, LIMITED

Balance Sheet as at 31st October, 1924

ASSETS		LIABILITIES	
Investments and Advances less Reserves.....	\$371,388.21	Reserves for Commissions, etc.....	\$ 2,413.26
Accrued Interest considered good.....	4,030.33	Bank Loans.....	412,000.00
Furniture and Fixtures.....	356.29	Capital Stock.....	\$200,000.00
Cash in Bank of Montreal.....	12,918.38	Profit and Loss Debit Balance.....	225,720.05
	<u>\$388,693.21</u>		<u>\$388,693.21</u>

NOTE:—

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

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

The Capital Stock is entirely owned by the Bank and the shares appear in its books at a nominal value of \$1.00., and a specific reserve of \$35,000. is also held for this Company.

MONTREAL, 17th NOVEMBER, 1924.

Auditors' Report

We certify that in our opinion the above Balance Sheet is correctly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st October, 1924, according to the best of our information, the explanations given to us, and as shown by the Books of the Company. We have obtained all the information and explanations required.

(Signed) JAMES HUTCHISON, C.A.,
CHARLES A. HODGSON, C.A.,
Auditors.

THE MERCHANTS REALTY CORPORATION, LIMITED

Balance Sheet as at 31st October, 1924

ASSETS		LIABILITIES	
Real Estate and Properties less Reserves.....	\$6,055,453.81	Capital Stock—Authorized and Issued 20,000 Shs. of \$100. ea.	\$2,000,000.00
Less Balance due on purchase price in respect of property in Toronto.....	575,953.81	6% First Mortgage Bonds—Authorized and Issued.....	\$4,000,000.00
	<u>\$5,479,500.00</u>	Less Redeemed.....	400,000.00
Balances due on Sales of Properties.....	100,500.00		3,600,000.00
Cash in Bank.....	120.00	Interest due and accrued.....	54,120.00
Accrued Rentals.....	74,000.00		<u>\$5,654,120.00</u>
	<u>\$5,654,120.00</u>		

NOTE:—

The Merchants Realty Corporation, Limited, was incorporated by The Merchants Bank of Canada in 1920.

The original amount of bonds authorized was \$4,000,000. There are still \$3,600,000. outstanding of which \$2,826,000. are in the hands of the public. The balance, \$774,000., is held on the books of the Bank at par, and the amount is included in the heading "Shares of and Loans to controlled companies." The Capital Stock is entirely owned by the Bank and is carried on the books at "Nil."

MONTREAL, 17th NOVEMBER, 1924.

Auditors' Report

We have examined the Books and Accounts of The Merchants Realty Corporation, Limited, for the year ending 31st October, 1924, and certify that in our opinion the above Balance Sheet is correctly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs at 31st October, 1924, according to the best of our information, the explanations given to us, and as shown by the Books of the Corporation. We have obtained all the information and explanations required.

(Signed) JAMES HUTCHISON, C.A.,
CHARLES A. HODGSON, C.A.,
Auditors.

COMPANIA TERRITORIAL MEXICANA S.A. EN LIQUIDACION

Balance Sheet as at 31st October, 1924

ASSETS		LIABILITIES	
Real Estate.....	Mexican Pesos \$ 301,471.63	Capital Stock.....	\$ 50,000.00
Mortgages.....	17,167.48	Mortgage.....	30,000.00
Machinery.....	11,963.36	Bank of Montreal.....	222,589.59
Bonds and Shares.....	21,765.00	Sundry Creditors.....	615.68
Accounts Receivable.....	37,679.13	Profit and Loss credit balance.....	88,371.33
Furniture.....	1,530.00		
	<u>\$391,576.60</u>		<u>\$391,576.60</u>

NOTE:—

This Company was formed by the Bank eleven years ago to assist in the realization of certain assets taken over by the Bank at that time. The Company is now being liquidated and no fresh business is being taken into its operations.

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

MONTREAL, 17th NOVEMBER, 1924.

Auditors' Report

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

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

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

From the information given to us, we are of opinion that the Mortgages and Book Debts are worth the amounts at which they are carried.

There is an unrecorded Liability of \$14,400.00 Pesos in respect of the Shares of the Cia. de Terrenos de Churubusco, S.A.

(Signed) JAMES HUTCHISON, C.A.,
CHARLES A. HODGSON, C.A.,
Auditors.

THE PRESIDENT'S ADDRESS

During the past year, continued confused world-wide conditions have been a deterrent to business generally, resulting in cautious buying and unwillingness to undertake forward operations. Yet, despite relative dullness of trade and the heavy burden of taxation imposed on financial institutions, I am happy to say we have been able to earn our dividend and bonus. Low rates of interest in world money markets have naturally affected profits, but the resources of your Bank are so large and its earning power so constant that I feel assured you may depend upon the continuance of satisfactory profits.

While hesitating to prophesy, I am satisfied that a gradual improvement in the trade situation is occurring. Statistical returns support this view, and, while there is irregularity in the movement, in the main the trend is upward. There has been a better demand for steel in various forms, especially from railroads; textile trades are gradually recovering from the slump, and dealings in hides and leather have broadened. Other indices may be cited; thus, car loadings showed an increase until affected recently by the smaller prairie crop, while building operations have kept pace with last year, which, in turn, showed a substantial increase.

CANADA'S FOREIGN TRADE

Figures of foreign trade are encouraging. In the twelve months' period to October 31st the aggregate value of this commerce was \$160,000,000 greater than in the preceding year, the total being \$1,895,000,000. We have been able to reach this large amount chiefly because of the enormous Western grain crop in 1923, and, in a survey of economic conditions, there is no more satisfactory feature than the improvement in agricultural returns. Last year there was greater volume, this year there is greater value. Farm products have always made the largest contribution to Canada's export trade, being greater than the combined export value of all other commodities.

The other outstanding item in respect of exports is forest products. In the seven months ending October 31st, shipments of wood and wood products, including paper, declined in value about \$18,000,000, as compared with the preceding year, this decrease occurring in lumber and not in paper. On the import side a shrinkage is again recorded, so much as \$75,000,000 since March 31st, and while lower prices may account for some of this decrease, the cause must be attributed to a quiet condition of domestic trade. A gratifying feature of the statistics of foreign trade is the growth of favourable balance. In the last seven months, the excess of exports over imports amounted to \$120,000,000, as compared with an excess of \$15,000,000 in the corresponding period last year, and if the comparison is carried over a twelve months' period, the favourable balance is found to be still greater. I regard this increase in Canada's foreign trade credits as an augury of a not distant improvement in domestic business.

Foreign competition, which for some time past had been anticipated, is now being keenly felt in several basic Canadian products in neutral markets. This situation is due to the advantages the exporting countries abroad possess in their depreciated currencies and cheaper and more industrious labour.

IMMIGRATION

Immigration has been disappointingly small, and without increase in population, increase in production will remain obstinately slow. The problem belongs to other hands than mine, but I am convinced the day is not distant when this favoured land of Canada will be sought by the surplus population of Great Britain and Europe, as well as by those thrifty classes who will here find opportunity for further improving their

condition. It is trite to say that if the countryside prospers, the towns will take care of themselves, and it is upon the settlement of our large areas of vacant agricultural lands and the development of other natural resources we must chiefly rely for national growth.

We are fortunate in Canada in having largely escaped the succession of bank failures with large liabilities that have recently been so numerous in the United States and other countries.

In Canada, we have had but one instance of this kind in many years, when a somewhat unimportant institution in a neighbouring province closed its doors. Much publicity has been given to this untoward happening, out of all proportion to its effect on Canada's financial structure, and it is needless to add that this failure was caused by inexperienced management and departure from recognized banking principles. It is greatly to be regretted that fairly substantial losses were suffered by depositors who indiscriminately entrusted their money to this institution.

CONDITIONS IN EUROPE

Taking a general view of European conditions, it is evident that decided improvement has taken place during the last year. Exchanges have gained in stability and a greater degree of confidence exists, with the result that trade is expanding and moving with more freedom. The chief causes contributing to this betterment are the efforts made by various European countries to balance their budgets, and to this end substantial help has been forthcoming through external loans issued under the auspices of the League of Nations, and in some cases partially secured by international guarantees.

Continental currencies have moved in favour of England and the pound sterling has substantially appreciated compared with the United States dollar; but what is of great importance to international trade is the disappearance of the wide and violent fluctuations which were formerly such a hindrance to business.

The recent German loan—the first step in applying the Dawes plan—was a conspicuous success and has already produced a good effect on international finance.

French Government finances have presented some difficult phases, and the last few budgets have not been balanced, resulting in serious inflation, with its accompanying evils. A new internal loan is contemplated for the avowed purpose of consolidating the floating debt, but the terms to the Government are so onerous that it is difficult to weigh the advantage of the transaction.

In Great Britain, the result of the elections has proved to be the chief factor in favour of a recovery in trade, and, with a prospect of a stable government for the next few years, there is a more optimistic feeling current, and already there are distinct signs of trade revival. In this connexion, however, it would not be surprising if Germany were shortly to build a wall to keep out British and other goods, unless new commercial treaties are made. She has already drafted her new tariff, with some sixteen hundred articles, all of which will call for high duties.

RETURN TO SPECIE PAYMENTS BY GREAT BRITAIN

The question of a return by Great Britain to the gold basis provokes considerable discussion, but it cannot be practical politics until the sterling-dollar exchanges reach a point nearer parity, and it does not appear that artificial measures are favoured to hasten the event. It seems to me that any artificial method can have only temporary effect and that a return to par by natural causes is most likely to bring enduring conditions. It is not in the least degree probable that Great Britain will take the embargo off gold exports until she has secured ample supplies of the pre-

cious metal and feels confident that, once the step is taken, she can continue on a gold basis. Licenses to export gold are at present necessary and are only granted in exceptional cases, but when conditions appear to warrant it, licenses will no doubt be issued more freely and thus a return to a free gold market will be brought about gradually.

CANADA AND THE GOLD BASIS

As in Great Britain, some discussion has recently taken place here as to the desirability of Canada reverting to a gold basis, and while such reversion carries a sentimental appeal, the time, in my opinion, is not yet ripe for the resumption of specie payments. We should not go upon a gold basis without certainty of maintaining it, and assurance of this is lacking. The reserve of gold in banks and Dominion Treasury is approximately \$160,000,000; ten years ago it was \$154,000,000, almost as much as now. Meanwhile, both Dominion and bank note circulation have greatly increased, and it is well within probability that upon the resumption of specie payments, after ten years' discontinuance, a considerable demand for gold will occur. It is true our trade balance is favourable, but, on the other hand, our obligations arising out of foreign borrowing have grown rapidly. Exact figures are not obtainable, but it is certain the sum of interest on foreign loans exceeds even now the amount of our favourable trade balance. The former item is fixed and irrevocable, while the latter is variable. Unquestionably, Canada should revert to a gold basis the moment the basis can be held, but it would be financial suicide to resume a position we may be unable to maintain. In natural course, Canada will come among the specie payment countries. At present our dollar stands at par with gold, thereby permitting conversion of currency when required, and if it should happen that the Canadian dollar falls again to a discount, we may remember that some advantage in exports accrues therefrom, as well as a gain to domestic industries. The country can face without alarm a further period of specie suspension, while keeping the gold basis in view as an ultimate objective.

BUSINESS IN THE UNITED STATES

The opinion is expressed in important quarters that the business structure in the United States is better than it has been for some time. While buying in most lines continues on a hand-to-mouth basis, the volume is large, as is conclusively shown by the heavy freight shipments on the railroads of the country. Stocks in the hands of wholesalers, jobbers, retailers and consumers are low, and eventually steps to replenish must be taken. Business men generally learned an expensive lesson just after the close of the world war, and it is not probable that large inventories will again be carried, but once buyers become convinced that conditions are to be satisfactory, they will again enter the market. This cautious attitude is one of the big factors making for stability in the future.

With the Presidential elections out of the way, all indications point to a period of steady improvement in business across the line, and this will be reflected in Canada in due course.

AGRICULTURAL CONDITIONS

The crop output has been considerably less than last year, about 200,000,000 bushels in the case of wheat, the decrease occurring in the Western provinces. Against this reduction can be set the higher prices paid for the product, the loss in quantity being nearly recovered in the greater value. This view, however, deals with the aggregate and does not help farmers who have reaped little. Yet, upon the whole, the fact remains that the agricultural condition in the Prairie Provinces has improved during the last two years, partly because of a bumper crop followed by a fair one marketable at high prices, and partly

because of the growth of mixed farming, which gives farmers more baskets for their eggs. The reckless extravagance induced by war prices has also moderated, and it may be concluded that farming in the West, where intelligently pursued, has become a stable industry.

PURCHASE OF MOLSONS BANK

As you are no doubt aware, there has always existed a close, friendly connexion between this Bank and The Molsons Bank since the latter's inception. The sons of a past President of this Bank, whose portrait hangs behind me, were the founders of The Molsons Bank. When it was deemed advisable to amalgamate The Molsons Bank with a stronger institution, and we were approached, your Directors decided to acquire the bank. It is not necessary here to enter into the details, as these will be submitted to you at the special general meeting called for the purpose, to be held on the 23rd instant.

A WORD OF CONFIDENCE

My last word is a word of confidence and encouragement. The interests of your Bank are more closely bound up with those of Canada than ever before, and unless Canada prospers the Bank cannot expect the prosperity it should enjoy. I believe Canada will prosper. It offers inducements to immigrants vastly superior to those of other countries which are at present endeavouring to attract citizens. It stands third amongst the countries of the world in natural resources. We possess half of the forest area of the British Empire; our mines produced in 1923, \$214,000,000 worth of metals, and the surface is scarcely scratched. Canada stands second in the world in coal deposits. Her water powers are estimated at 18,000,000 horse-power, and she enjoys unexcelled transportation facilities. For those with some capital and a willingness to work, the cheap, rich lands of Western Canada offer a means of healthful subsistence, and, in time, a better competence than can be obtained elsewhere. Yet, cardinal virtues must be practised, and I would again stress the necessity for hard work and economy, so often preached and seldom put into practice, and the need for immigration. Given these three things, I look forward with the utmost confidence to Canada's future.

THE GENERAL MANAGER'S ADDRESS

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

Mr. Chairman and Gentlemen:—

In presenting, for your information and approval, the one hundred and seventh annual balance sheet of the Bank, I shall explain briefly the important changes shown therein, and comment upon some of the factors that have had a bearing upon our operations and have influenced the results of our business for the past year.

Our cash, call loans, balances with other banks, government, and municipal bonds, and other readily realizable assets apart from ordinary advances to customers, are about 64.23% of our total liabilities to the public.

I feel sure that this strong liquid position must be satisfying to our friends, as it is to ourselves. Depositors, as a rule, display more interest in this feature of our balance sheet than borrowers, but the ability of a bank to withstand any stringent monetary condition without the necessity for calling in advances is a matter of prime importance to those who borrow money for commercial purposes.

SMALL SAVINGS WELCOME

The increase in the number of depositors in our Savings Department has been greater in the past two years than ever before. I should like to emphasize in connexion with the growth of these deposits that this Bank's services are at the disposal of every class of the population, and that we welcome those who with a small deposit wish to open a savings account.

It may be noted in this connexion that the rate of interest on savings deposits paid by Canadian banks remains, as for many years past, at 3%; such deposits comprising a large percentage of total bank deposits. In no other important country have depositors received a rate of interest so uniformly high regardless of market fluctuations in the value of money, except for deposits fixed for periods of three months or more.

You will observe that when our balance sheet was made up the Dominion Government had unusually large balances with us in connexion, as many of you are aware, with the retirement of a public loan of \$107,000,000 which matured on the 1st of November, and for large semi-annual interest commitments.

The operations of the Bank during the twelve months under review resulted in a profit of \$4,454,000, being a decrease of \$42,000 compared with the previous year. Based on the total of our capital, reserve, and undivided profits, these earnings represent a return of 8.06%, which may be described as modest for a business of such dimensions as ours; but, as you know, our first consideration is to keep strong in cash and liquid assets.

The principal cause of our somewhat diminished earnings is that, though our total resources have been greater, our commercial loans in Canada are \$22,000,000 less than a year ago. It has been impossible to find suitable employment for these increased resources at commercial rates of interest, and as the best alternative we have invested them in gilt-edged short term securities at less remunerative rates. This is reflected in the following figures:

	31st October, 1923	31st October, 1924
Commercial Loans	\$236,000,000	\$214,000,000
Investments.....	103,000,000	140,000,000

Also, the overhead charges of our banks in the way of salaries are greater, and taxation and upkeep have increased by leaps and bounds, whilst banking losses in such times as we are now passing through are far beyond normal.

As you know, this Bank for many years has had important assets in London and New York, whose earning power ebbs and flows with the price of money. Interest rates in those centres for months past have been the lowest in years.

The net result of these factors is an uncontrollable diminution in banking profits.

Our two offices in London and our Paris subsidiary continue to progress. During the past year many visitors have made use of the services of these offices, and we trust that travellers overseas will in increasing numbers avail themselves of the facilities which we have provided for their special convenience.

The staff of the Bank continue to serve our interests faithfully. With others of the salaried class, the incomes of our staff have not kept pace with the increasing cost of living during the war and following years. They have thus had to carry their share of the burden of disjointed economic conditions, but they will benefit through the return to more normal conditions which we hope is coming. We count ourselves fortunate indeed in having had through these troublous years a most efficient staff of unquestioned loyalty.

CARE FOR MOLSONS BANK CLIENTELE

The acquisition of The Molsons Bank, subject to formal ratification by the shareholders, to which the President has

already referred, will add to our organization the business of their 125 branches. Of these 117 are located in the Provinces of Quebec and Ontario, and as the greater number are at points where we are not already represented, the result will be a valuable addition to our representation in these two Provinces.

We shall welcome the clientele of The Molsons Bank, and can assure them that in the Bank of Montreal they will find a service fully commensurate with their needs combined with the courtesy and attention which they have a right to expect.

It is our endeavour in every way to provide the public with the most complete banking facilities possible, including the loaning of funds to the small borrower. In each office of the Bank a full service is given, and at the Head Office special departments operate, including those dealing with our foreign banking relations and the foreign exchanges.

These features, combined with our system of private telegraph wires, provide a service which we believe is unsurpassed.

At this the beginning of the 108th year of our existence the Bank is in a stronger position, and better prepared to care for the needs of its customers than at any time in its history.

TRADE CONDITIONS

Turning now from our own affairs to the affairs of the country at large, it is a matter of national importance that the commercial loans in Canada of all our Banks are \$100,000,000 less than a year ago. These figures, taken with a reduction in railroad earnings of \$11,900,000 for the same period, and about stationary figures in our total foreign trade, reflect what a section of the community is wont to describe by the expression "business is quiet." A stronger definition might be used without exaggeration. From another point of view these figures indicate the ability of the Banks of Canada to finance a trade revival when it occurs. Furthermore, while there is this excess banking capital in the country, borrowing abroad, which increases our interest remittances—already too heavy—is not a necessity.

In the decrease in our importations of goods from abroad there is also a good element, as economically the cost of these imports represents a loss of wealth to the country. Exports show a satisfactory increase over the previous year.

Our favourable trade balance has been derived from the following exports:—

Agricultural and animal products.....	\$619,000,000
Wood and paper (including pulp).....	256,000,000
Minerals and their products.....	158,000,000
Other exports.....	52,000,000

Canada's imports from the United States declined nearly 12%, and United States imports from Canada increased 3% from the preceding year.

In the past year, New York funds have returned to par or thereabouts, and the premium on the American dollar has, for the time being at any rate, ceased to be a subject of discussion.

Due largely to the abundance of money and the consequent forced entry of the banks into the investment field, all classes of securities have continued to advance in price during the year, both at home and abroad. Canadian Government issues, in which investors in this country are largely interested, have made new high records, and for the first time since 1915 the Dominion Government has been able to borrow money against long-term securities at a lower cost than 5%.

The strength of the bond market in recent months has had the natural effect of stimulating the issue of new loans. Foreign Government borrowings in the New York market this year have amounted to \$1,035,000,000, and of this, Canadian borrowings accounted for \$200,000,000.

Although the wheat crop in Canada was this year less than for the season of 1923 by something approaching 200,000,000 bushels, fortunately for the farmer the price has advanced to about \$1.65 per bushel from about \$1.00 last year, so that Canada's gross income from this staple product should be about the same.

The increase in the current income of the farmers in areas which have yielded favourable crops has naturally been reflected in improved financial and business conditions in those districts.

This Bank, with a large volume of loans in Western Canada, has continued its tradition of fair dealing with its customers and has extended every assistance to those who have suffered repeated crop failures. We have followed a policy calculated to keep borrowers on the land, and considering the large number of individual loans, those cases have been comparatively few in which through the action of the debtors we have been obliged to resort to law.

Commercial failures in Canada number 2,488 with liabilities of \$69,700,000 for the year ending 31st October last, as compared with 3,427 failures with liabilities of \$67,700,000 in 1923.

Adverse rates of sterling exchange continue to be a barrier to Canadian borrowings in England. During the twelve months under review, the rate for sterling exchange advanced from 4.31½ to 4.53, and should the present movement continue, the London market will once more become a field for the flotation of Canadian securities, and our services as bankers for new issues, which have been dormant since the war, will again be in demand.

In the United States, lighter demand for available credit resulted in an excessive ease in money for a great part of the year, making remunerative employment of idle funds difficult. Call money in New York averaged 3.40% as compared with 4.85% for the previous year. Lending to Europe on a greater scale was seen in the ready flotation of foreign loans.

The detailed report on trade conditions in the several Provinces will appear in the published account of this meeting. My view, in brief, of the situation is that business generally in Canada is unsatisfactory, but with some bright spots. This expression of opinion may not be popular, but it seems to me much better to look the matter squarely in the face than to allow ourselves to be led astray by popular delusions. That general trade is dull, to put it mildly, is no delusion. Many of our industries are running on half-time with diminished profits or no profits at all. Taxation is heavy to an extent which discourages new enterprises. The cost of living is high and our population in point of numbers is at a standstill, or worse.

These are the conditions as I see them, but I hope and believe we will emerge from our difficulties presently.

END PUBLIC APATHY

First and foremost I would say that there must be an end to the present apathy about public affairs. In my opinion, those who will not go to the trouble to register their vote in municipal, provincial, and federal affairs should be penalized in some form for their indifference.

We all know that apart from the cost and effects of the war Canada's troubles are the accumulated result of what may be termed in mild and temperate language imprudence in affairs.

Good government is a hard problem in any country. No government can move faster in these matters than public opinion will permit, and upon the people lies the responsibility of voting for economy.

I ventured a year ago to suggest that the Government should publish periodically, in simple standardized form, a statement of the public finances, including the finances of the Government

Railways, in such a way that the average elector could understand. This should awaken a wholesome interest in the matter, and stimulate a demand for economy which would strengthen Government resistance to appeals for the expenditure of public moneys for anything but positive public needs.

CANADA FAVOURED LAND

We, in Canada, have much to be thankful for. If this were a poor country our case would be a bad one, but we have riches in our forests, our fields, our fisheries, and in our minerals, also in our mighty water powers, and in the industry and ambition of our people.

Where is there a country other than the United States where so high a standard of living prevails? A large portion of the community, notably farmers, who at an earlier day knew little of luxury, now have their electric light, telephones, motor cars, and radios. We have no doles; poorhouses are hard to find, and, comparatively, there is little unemployment.

The United States for the moment possesses a stronger attraction for emigrants from the Old World, but taking a longer view, Canada still stands out as a land of opportunity. Nowhere else in the world can the desirable settler from Europe find such good land, such cheap land, under such stable conditions of government, and so near to great purchasing markets for farm products.

If Canada were a private business enterprise the situation would present no great difficulty, for we are solvent, with wealth vastly in excess of our liabilities; and a way would be found by following the obvious course of cutting down our overhead and, by reorganization and rigid economy, to get on a paying basis. In this, two things are essential, lower taxation and at least as cheap living as in the United States.

We have a difficult situation on our hands, but let us not look back or waste time in bootless mourning. Let us get together and, like a sane, capable, and industrious people, put our house in order.

We have a great country and we have the inestimable advantage of living under the best of all flags.

QUEBEC.

A large cut last winter has been followed by dull conditions in the lumber industry. Demand and prices have declined steadily since early in the year, with the result that comparatively large stocks now on hand are moving slowly. Keen competition from Baltic and Pacific Coast lumber has been met in European and American markets respectively and the future is still obscure. Indications point to operations during the coming season being on a moderate scale. Wages will be lower.

The quantity of pulpwood produced was less than in the previous season. Satisfactory markets were experienced during the first half of the year, but the demand has slackened and prices have fallen.

The market for pulp has been slow with prices little above cost of production. Competition in the United States market from Scandinavian pulp has been felt severely.

The newsprint business has been fairly satisfactory. Prices for the coming year have been established at \$70 a ton by some of the principal producers.

Notwithstanding another backward Spring and cold wet Summer, crops generally throughout the Province were about average. The hay crop was fair. Potatoes were abundant, but rot was reported in some sections. Cereals were average. The tobacco crop was small. Conditions have been favourable to the dairy industry, and herds are in good condition. Prices of beef cattle remain low and afford little or no profit to the producer.

The hide and leather industries continue dull. Prices of raw furs remain practically stationary. Wholesale fur manufacturers have experienced another year of depression and little money is being made.

The asbestos industry still suffers from keen competition between domestic producers and from the increasing Rhodesian output with resultant decline in prices.

The boot and shoe industry has had to meet severe competition from European manufacturers and conditions in this line are still unsatisfactory. The iron and steel trade is very quiet. The volume of output of textile factories was below that of last year. Conditions in the clothing trade continue dull with orders difficult to obtain and accounts slow of collection.

Little change is noticeable in wholesale and retail trade. Buyers generally are only ordering for immediate needs. Wholesale grocery companies have suffered through competition from chain stores. Country retailers are still leaning heavily on their wholesalers and profits are small. Collections generally have been slow and losses through bad debts continue prevalent. Failures, while fewer, are still numerous.

Dominion Government expenditures were mainly confined to the increase of Harbour facilities at Montreal, Quebec, and elsewhere. The Provincial Government again made large outlays for the upkeep and improvement of roads, for colonization, and in connexion with the raising of the level of Lake Kenogami. Municipal expenditures have been confined to moderate amounts for essential work.

The Canadian Pacific Railway completed the construction of a branch line from Gendreau to Angliers in the Rouyn District and the Canadian National Railway is constructing a short line to connect St. Jerome with Fresniere, but apart from this there has been little new railway construction during the past year.

Several hydro-electric power developments are in progress, the largest being that of the Duke-Price Power Company at St. Joseph d'Alma.

Real estate values remain about the same. Building activities, as during the preceding year, have been mainly confined to large office and commercial buildings, apartment houses, and medium-priced residences in the larger cities.

The Province generally has been adversely affected by the depression in the lumber trade, but this has been offset to some extent by satisfactory crops. The completion of new developments of water power and of several large paper mills now under construction cannot but have a beneficial effect. There are also indications that the people are beginning to realize the need for economy.

ONTARIO

This has been an exceptionally good year for the farming interests in this Province, an increased yield being accompanied by a general advance in prices. Spring was backward and crops got a late start, but plentiful moisture and absence of scorching heat during the Summer months, followed by ideal harvesting weather, contributed to the satisfactory result. The yield of Fall wheat exceeds the record of recent years, and as the land has been in good condition for ploughing, an increased acreage in Fall wheat is anticipated for next year. The growing of Spring wheat is not popular and the acreage sown has been diminishing year by year. Of oats, the leading grain crop of the Province, there was an average yield of good quality. Barley, rye, peas, and beans exceeded last year's crop. Roots, particularly potatoes, are a heavy crop, beets being perhaps the most profitable to the farmer. Pasturage was in splendid condition throughout the season, resulting in a heavy flow of milk and consequent good returns from dairy products. With abundance of pasture, cattle are going into Winter feeding in good condition. Cattle prices

have ranged low, but an improvement is now looked for. Hogs have been profitable and are steadily improving in quality. All classes of fruit were backward, and although there was no marked shortage, returns have not been favourable. Canning crops of peas, tomatoes, and corn were below average; prices for the canned goods are ranging higher. The production of tobacco is increasing annually. Methods of marketing this crop have improved and the general results are fairly satisfactory.

Lumbering has not proved satisfactory this year; a large cut was taken out last Winter, but sales have been substantially lower than in 1923, and existing mill stocks are heavy. Prices of soft wood have declined and the outlook is for a considerably reduced cut in the coming season. Labour for the woods is plentiful at lower wages. Activity in the pulp and paper industry continues, and while there have been some price recessions, the business remains upon a good productive footing.

The year has been marked by irregularities in manufacturing lines with many industries on a part-time basis of production. Accumulation of goods has been avoided, purchases of raw materials being conservatively restricted to known requirements.

There has been a marked expansion in production of gold. The capacity of established mines has increased, and development work in producing areas is being actively pursued. The output of silver shows an improvement, and nickel has won back its pre-war position. It is anticipated that the total metalliferous production of the Province will reach \$75,000,000 this year.

The Great Lakes fisheries is a diminishing industry. Reports vary, but in most districts catches were fairly good and marketed at profitable prices.

Hydro-electric power has been further developed throughout the year. Additional units have been installed in the Niagara System, representing an increase of 100,000 h.p.

Wholesale and retail trade is passing through changing conditions. In an increasing degree manufacturers are going direct to the retail trade and eliminating the middleman. City retail trade is passing into the hands of the chain stores organizations. Small retailers are finding it difficult to compete with these chain stores or with the large departmental stores who transact an extensive mail order business. Good roads and the universal use of the automobile militate against the trade of the country store.

Government expenditures upon public works have been moderate, the principal expenditure by the Dominion Government being on the Welland Ship Canal. No large works have been undertaken by the Provincial Government with the exception of extensions and repairs to highways. Throughout the Municipalities a greater effort has been made toward economy, and expenditures have been restricted to work on sewers, pavements, and public schools. There has been no railway construction expenditure during the year.

There was a steady exodus to the United States of skilled mechanics seeking employment, and this has been offset by moderate immigration from the British Isles. The total population is probably about the same as a year ago, but the loss of so many trained artisans has a significance. Better conditions amongst farmers should result in checking to some extent the exodus from the rural districts.

The real estate situation has been quiet. Building of stores and houses in the larger towns and cities has been overdone and there is a tendency toward reduction in rentals. Fewer farms have been offered for sale and values are more stable.

The year has been marked by splendid crops with enhanced prices bringing satisfaction to the large agricultural interests of the Province. Manufacturers have pursued a conservative course and are in a position to benefit by any revival of business.

There is comparative freedom from any serious unemployment, and an entire absence from any vexing labour problems. These favourable features are most encouraging.

MARITIME PROVINCES

Fewer vessels were engaged in the fishing industry, and the catch was smaller than last year; but prices of late have been better and net results are likely to be well ahead of 1923. More fishing vessels are being built, and others, recently engaged in trading, are rejoining the fishing fleets. The export trade in live lobsters to the United States has been still further developed on a profitable basis. The total catch was below average and less was canned. Prices of both live and canned lobsters are higher than last year.

Crops upon the whole were good, particularly hay in Nova Scotia and potatoes in New Brunswick, the latter being nearly a record crop, but present prices are disappointing. The apple crop in Nova Scotia is estimated at about 1,600,000 barrels of fairly good quality; prices are higher than last year. Pasture has generally been good and live stock is in excellent condition. In Prince Edward Island all crops have been good.

Pacific Coast and Baltic competition has been severely felt in the lumber industry, and as a result large stocks will be wintered. Forest fires have been few and unimportant. Woods operations will be materially curtailed during the coming Winter. Wages are lower.

Manufacturing shows a slight falling off, few plants working full time. Coal production has been curtailed because of slackness in the steel industry and lack of markets generally. The steel plants at Sydney and New Glasgow have been doing little during the last few months.

Wholesalers have been fairly active, but retail trade conditions are not up to expectations. Failures have been fewer.

While building has been quiet, permits were slightly ahead of last year. There is no speculation in Real Estate.

Dominion Government expenditures have been of a nominal nature, and those of the Provincial Governments confined to roads, bridges, and further development of hydro-electric power.

The population has remained fairly steady with less exodus to the United States.

The ports of Halifax and St. John are being used more extensively, due largely to the lowering of insurance and railway freight rates.

While the steel, coal, and lumbering industries are experiencing a period of depression, there has been a bountiful crop, and prices paid for fish have been higher than for several years. General trade conditions in the Maritime Provinces are dull.

PRAIRIE PROVINCES

This year's crop falls far short of the 1923 record production in bushels, but will probably equal, if not exceed it, in total market value.

Although seeding was delayed by a late Spring, prospects for a good crop were favourable until intense heat and drought caused heavy damage in Saskatchewan and Alberta, and rust and frost lowered the yield and grade in Manitoba. The harvest was later than last year and threshing was further delayed by wet weather.

The wheat crop in Alberta will be less than half, and in Saskatchewan a little better than half of last year's; exceptionally heavy total yield, whilst in Manitoba with a reduced acreage, it exceeds the disappointing 1923 result by about 25%.

This year's crop was put in at the minimum of expense, and, with the better prices prevailing, should net the farmers as a whole a more remunerative return than have the crops of several years past.

The late harvest and interrupted threshing have delayed the movement of the crop, but with enlarged elevator facilities at the head of the Lakes, and at Edmonton and Vancouver, and the proven efficiency of the Railways, expeditious marketing has been assured. The banks, as heretofore, have been fully competent to provide the financial assistance required. A large portion of last year's crop in Alberta was marketed through a Co-operative Company. This year similar organizations are in operation in Saskatchewan and Manitoba, and the three Pools have established a common Selling Agency.

The condition of the livestock industry remains unsatisfactory, the United States tariff practically shutting off the market to the south, and the high freight rates discouraging shipments to Great Britain. Last winter was comparatively mild and with an abundance of cheap feed, livestock was carried through with few losses and at small expense. The prices for cattle and hogs averaged a little lower than last year, whilst the price of sheep showed some improvement. Small flocks of sheep are becoming more numerous in Alberta and in Manitoba. There was practically no market for horses, but the growing tendency to revert to horses for farm work is a favourable feature.

The dairying industry continues to make rapid progress, the output of butter showing a substantial increase over last year. A market has been established in Great Britain, the United States, and the Orient. The maintenance of the high standard of quality and proper marketing methods will result in further growth in this profitable industry.

Additional sources of increased revenue are gradually being found in poultry, eggs, and honey.

The coal miners in Alberta were on strike for six and one-half months, and the output for the year will show a heavy decline.

The volume of wholesale and retail business about equals that of last year. Commodity prices are lower. Greater care has been exercised in accepting and granting credit, to the mutual advantage of both buyer and seller. Stocks on hand are being reduced, and replacements are confined to immediate needs. Collections have been fair only.

Government expenditures, federal, provincial, and municipal, continue to be confined to essentials. The need for economy is fully appreciated and improvement has resulted in the position of provincial and municipal finances. Only by continuance along these lines can relief be obtained from the present heavy burden of taxation.

There has been no new railway construction in Manitoba; a number of branch lines have been completed in Saskatchewan and Alberta, and further extensions are under way. The Dominion Government has authorized an appropriation for the survey of a line from Grande Prairie, with the object of providing a direct route from the Peace River Country to the Pacific Coast.

There has been no increase of importance in population, though immigrants continue to arrive. A number of Mennonites moved to Mexico, some of whom returned, whilst the others are being replaced by new arrivals from Europe. There is plenty of room in the West for farmers, but none at present for clerks, mechanics, and labourers.

There has been no speculation in urban real estate or farm lands during the year. The present high prices of grain have resulted in some genuine enquiries for farm lands.

In general: the total revenue from this year's crop, at prevailing prices, will carry the West another step in the direction of better times; the way has been paved by the exercise of economy in operation and by hard work, stimulated by a wholesome determination to get out of debt. Progress is being made in the gradual adjustment and reduction of outstanding liabilities; the purchasing value of the producer's dollars has increased; diversified

farming is becoming more general; the number of mercantile failures has decreased; provincial and municipal government expenditures are being held down, and the important question of immigration is receiving practical attention.

The future may be faced with renewed confidence in the recuperative powers of the West.

BRITISH COLUMBIA

The season has been a satisfactory one in agriculture. While most crops have given only moderate yields, production costs have been lower and better prices have obtained. The apple crop has been fair with good returns. Grain and hay gave moderate yields. Cattle men have again found their operations unprofitable. More attention is being devoted to mixed farming. Dairymen, poultrymen, and growers of small fruits have met with better success.

Although the phenomenal activity experienced by the lumber industry in recent years was not maintained during 1924, the volume of business done was above the average of the post-war period. Prices, however, have been on a declining scale and profits have been low. Water-borne shipments by way of the Panama Canal show a further substantial increase. Owing to the delay in reconstructing the destroyed Japanese cities, there has been little demand from Japan. The domestic market continues quiet. The need of a policy of reforestation has the attention of the Government.

The mining industry has been active and this year's output is expected to establish a record both in quantity and value. Especially noteworthy is the increased production of lead. Costs of operating have declined, while prices of the base metals have been satisfactory. The output of coal and coke has been considerably reduced owing to labour troubles in the Crow's Nest Pass fields and the increasing use of oil as fuel.

This season's salmon pack is estimated to be well above the average of recent years. Prices for the cheaper grades have been steady and the demand good. Competition from Siberian salmon in the English market has kept down the prices of the higher grades. Operating costs have been reduced, and it is expected that the industry will this year show a small profit. Halibut catches have been larger than last year and prices have been high. It is anticipated that the three months' close season recently arranged by treaty between Canada and the United States will do much to prevent depletion of the fisheries.

Manufacturing of lumber, pulp, and paper shows a moderate improvement.

Wholesalers have had a satisfactory year both in turnover and profits. Retail trade has been quiet, but there have been few failures. Competition in the cities is still overdone.

The Dominion Government have made substantial progress with harbour improvements and grain-handling facilities at Vancouver and with a dry dock at Esquimalt. The Provincial Government have under construction buildings for the University of British Columbia at Vancouver and a bridge across the Skeena River at Terrace. Municipal expenditures on capital account have been confined to necessities. A bridge connecting Vancouver and North Vancouver is under construction.

A branch line is being constructed by the Canadian National Railways between Deerholme and Cowichan Bay on Vancouver Island.

The population of the Province remains stationary.

During the year important additions have been made in the water-power development of the Province.

Real estate values have shown a tendency to decline, particularly rural lands. There is no speculation. Building for residential purposes has been active.

In general: there has been little or no unemployment, but wages have declined to a somewhat lower level. Owing to the many advantages of the Province as a holiday resort the tourist traffic is steadily increasing. The Port of Vancouver is growing in importance as an outlet for grain and other products of Western Canada. Shipping and elevator facilities have been greatly added to during the year. The storage of grain in quantity should benefit the grain grower. Trade with Australasia and the Orient is steadily expanding. The recently arranged treaty between Canada and Australia should bring new business to the Port.

Business in the Province has shown a moderate improvement, and further progress is looked for in the coming year.

NEWFOUNDLAND

It is too early to estimate the results of the fishing season, but it is expected that the catch of cod will be below average. Prices have increased substantially and conditions in foreign markets have greatly improved. The catch of lobsters was small and the herring pack was not so large as last year. Markets were good and the fish satisfactorily disposed of.

The seal fishery resulted in a total catch of about 130,000, valued at approximately \$240,000, as against last year's total catch of 102,000, valued at \$209,000.

There has been very little activity in the mining industry during the past year, operations at Bell Island having been largely reduced.

The improvement in the lumber industry noticed in 1923 has continued during the past year mainly owing to the demand for construction purposes. A substantial quantity of pit props has been shipped to Great Britain during the year, but not much new cutting has been done. Large quantities of pulpwood are being taken out by the Newfoundland Power and Paper Company, who have let extensive contracts for this Winter's operations.

The paper mills of the Anglo-Newfoundland Development Company at Grand Falls have been running to full capacity during the year and are now in a position to increase their output to 300 tons per day.

Good progress has been made with the Humber River project at Deer Lake, where the Newfoundland Power and Paper Company are completing the development of about 80,000 horsepower. Construction work on their 400-ton paper mill at Corner Brook is also being pushed.

Manufacturers in general report improved conditions, and wholesalers and retailers report payments more satisfactory than a year ago.

The value of the exports from Newfoundland for the fiscal year ending 30th June, 1923, totalled nearly \$21,000,000, compared with about \$19,500,000 for the previous year. Imports were \$19,322,000, as against \$18,210,000.

The Funded Debt now stands at about \$62,000,000. A further issue of \$6,000,000 was recently authorized by the Legislature, the proceeds of which are to be used largely in the building of roads and highways, in improvements to the Government Railway and for general purposes.

The business situation in Newfoundland shows an improvement over last year, due chiefly to better prices being obtained for fish and to the large expenditures being made in connexion with the Humber River project.

MEXICO

Following the Presidential elections in Mexico, general conditions have remained quiet awaiting the taking over of the Government by President-elect Calles.

Continuing our policy of improving facilities for our increasing number of influential clients throughout the Republic, we have opened two new Branches, one at Guadalajara, the second largest city in the Republic and the distributing centre of the West Coast, and the other at Monterrey, an industrial city situated some 180 miles from the United States border. With the branches already established we now have a useful chain of offices, embracing the best districts in the Republic, which act as valuable feeders to our Mexico City Branch.

Our business in Mexico continues to be conducted upon most conservative lines.

The Chairman then invited discussion, but there being none, he moved, seconded by Sir Charles Gordon, G.B.E., that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders.

The Report was unanimously adopted.

Mr. E. W. Beatty, K.C., moved, seconded by Mr. George Caverhill, that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., be appointed Auditors for the Bank for the ensuing year, and that the ballot for the Auditors be taken at the same time as the ballot for Directors is taken.

The Chairman—"Although we have one vacancy on the Board of Directors still to be filled, we think it advisable to obtain authority at this meeting to increase the number of Directors to 20. I would ask Sir Charles Gordon to move the resolution necessary to amend our By-Laws in this respect."

Sir Charles Gordon moved, seconded by Mr. H. R. Drummond, that the Shareholders' By-Law No. 4 be amended as follows:

"By replacing the word 'eighteen' in the first line of the By-law, as printed, by the word 'twenty.'"

That the Shareholders' By-Law No. 7, which fixes the remuneration of the Board of Directors, be amended as follows:

"By replacing the words 'eighty-five' in the first and second lines, by the words 'ninety-five.'"

The motion was carried unanimously.

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

THANKS TO OFFICERS

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

In speaking to this resolution, Mr. Rodger said:

"May I begin by saying, Mr. Chairman, that it is with great pleasure that I see you here presiding again at the annual meeting of the Shareholders of the Bank of Montreal. (Applause)."

"The resolution that I have to propose is sometimes considered as a formal one, and probably I may be able to take a little from its formality if I may be allowed to say a very few words. I have no doubt that during the last year or two problems of a very difficult nature have come before the Board of Directors for decision.

"It seems to me that too often in business, social, and even religious life, we forget to say 'thank you,' and in order that this meeting may say 'thank you' in another form, I beg to propose the following resolution."

Mr. Rodger then moved the vote of thanks as above.

The resolution was adopted unanimously.

The Chairman—"On behalf of my colleagues and myself, I wish to say I am deeply indebted to you for this proof of your confidence in the administration of the affairs of this Bank, in which we are all so deeply interested."

Mr. Wm. McMaster then moved, seconded by Mr. G. B. Fraser, that the thanks of the meeting are hereby tendered to the General Manager, the Assistant General Managers, the Superintendents, the Managers and other Officers of the Bank, for their services during the past year.

In speaking to this resolution, Mr. McMaster said:

"This has been an arduous year for all concerned within the Bank of Montreal. We all know that we have a consistent and hard-working General Manager, and that his work has permeated all the way down, but I would like to emphasize the work of all the staff, each of whom has helped in his way to bring about the results in the statement submitted to us to-day. I do not know if many shareholders are aware that the family of the Bank of Montreal consists of about 5,500 people, and I would like to say that those in minor positions have their problems, just as those in the higher positions in the Bank. It is only by co-operation, working together and esprit de corps that the results to which I have already referred have been obtained. The Bank has taken in many from other Banks and proposes to take in more, and I am sure that the right hand of fellowship will be extended to those who have served in other Banks, and they will be considered and brought in as members of the family of the Bank of Montreal."

The motion was carried, with applause.

In replying to this, the General Manager, Sir Frederick Williams-Taylor, said:

"I have to thank you on behalf of myself and assistants and the whole staff for your very kind reference to our services in the past year, and in doing so I would like to repeat that we have a splendid body of men, and women too, who are rendering valuable services in maintaining the efficiency and good name of this Bank in which our pride is intense. You doubtless realize that it would be quite impossible for us to maintain our standards and efficiency, as Mr. McMaster has said, were it not that our staff from the top to the bottom throw into their work all the energy and ability of which they are possessed, not merely according to the letter of their duty, but in the spirit. That has enabled us to maintain our very honourable traditions."

The Ballot for the appointment of Auditors and the election of Directors for the ensuing year was then proceeded with.

The Scrutineers appointed for the purpose reported that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., were duly appointed Auditors, and the following gentlemen duly elected Directors: D. Forbes Angus, E. W. Beatty, K.C., H. W. Beauclerk, His Honour Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., The Hon. Sir Lomer Gouin, K.C.M.G., C. R. Hosmer, Harold Kennedy, William McMaster, F. E. Meredith, K.C., Sir Vincent Meredith, Bart., Major-General The Hon. S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., James Stewart.

The meeting then terminated.

At a subsequent meeting of the Directors, Sir Vincent Meredith, Bart., was re-elected President, and Sir Charles Gordon, G.B.E., was re-elected Vice-President.

BANK OF MONTREAL

(ESTABLISHED OVER 100 YEARS)

INCORPORATED BY ACT OF PARLIAMENT

HEAD OFFICE—MONTREAL

BOARD OF DIRECTORS

SIR VINCENT MEREDITH, BART., *President*

SIR CHARLES GORDON, G.B.E., *Vice-President*

C. R. HOSMER, ESQ.	H. R. DRUMMOND, ESQ.	D. FORBES ANGUS, ESQ.
WM. McMASTER, ESQ.	LT.-COL. HERBERT MOLSON, C.M.G., M.C.	HAROLD KENNEDY, ESQ.
H. W. BEAUCLERK, ESQ.	G. B. FRASER, ESQ.	HIS HONOUR HENRY COCKSHUTT, ESQ.
E. W. BEATTY, ESQ., K.C.	THE HON. SIR LOMER GOVIN, K.C.M.G.	GEN. SIR ARTHUR CURRIE, G.C.M.G., K.C.B.
JAMES STEWART, ESQ.	F. E. MEREDITH, ESQ., K.C.	MAJ.-GEN. THE HON. S. C. MEWBURN, C.M.G.

SIR FREDERICK WILLIAMS-TAYLOR, *General Manager*

CAPITAL <i>paid up</i> ,	- - - - -	\$ 27,250,000.00
REST AND UNDIVIDED PROFITS,	- - - - -	28,011,586.18
TOTAL ASSETS,	- - - - -	748,836,088.56

The Bank has 540 Offices in Canada, Newfoundland, United States, Mexico; at London, England, and at Paris, France, with Correspondents in all Countries, offering exceptional facilities in all departments of General and Foreign Banking business.

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

BRANCHES:

IN CANADA:

ALBERTA

ACME
ALLIANCE
BASHAW
BENTLEY
CALGARY
" Stock Yards
CAMROSE
CARBON
CARDSTON
CARSTAIRS
CASTOR
CHAUVIN
CHIPMAN
CORONATION
CZAR
DAYSLAND
DELBURNE
DELIA
DONALDA
DRUMHELLER
EDGERTON
EDMONTON
" Namayo Avenue
FORESTBURG
GRANDE PRAIRIE
HIGH RIVER
HUGHENDEN
IRMA
ISLAY
KILLAM
LACOMBE
LAMONT
LEDUC
LETHBRIDGE
MAGRATH
MANNVILLE
MEDICINE HAT
MORRIN
MUNDARE
MUNSON
NOBLEFORD
OKOTOKS
OLDS
PENHOLD (Sub to Red Deer)
PONOKA
PROVOST
RAYMOND
RED DEER
RIMBEY
ROSALIND
RUMSEY
SEDEGWICK
STETTNER
STROME
THREE HILLS
TOFIELD
TROCHU
VEGREVILLE
VIRKING
WAINWRIGHT
WESTLOCK
WETASKIWIN

BRITISH COLUMBIA

AGASSIZ
ARMSTRONG
ASHCROFT
CHILLIWACK
CLOVERDALE
DUNCAN
ENDERBY
ESQUIMALT
HEDLEY (Sub to Princeton)
KAMLOOPS
KASLO
KELOWNA
KERRISDALE
KIMBERLEY
MERRITT
NANAIMO
NELSON
NEW DENVER
NEW WESTMINSTER
NORTH VANCOUVER
OAK BAY
PENTICTON
PORT ALBERNI
PORT HANEY
PRINCE GEORGE
PRINCE RUPERT
PRINCETON
ROSSLAND
SIDNEY
STEWART
TERRACE
TRAIL
VANCOUVER
" Carrall Street
" Chinese Branch
" Cordova Street East
" Fourth Ave. & Alma Rd.
" Granville & Nelson Sts.
" Granville & Pender Sts.
" Hastings & Richards Sts.
" Prior Street
VERNON

BRITISH COLUMBIA—Continued

VICTORIA
" Douglas Street
WEST SUMMERLAND
WILLIAMS LAKE

MANITOBA
ALEXANDER
AUSTIN
BELMONT
BOWSMAN RIVER
BRANDON
CARBERRY
DARLINGFORD
DAUPHIN
DOMINION CITY
ETHELBERT
GLADSTONE
GRISWOLD
HARTNEY
MACGREGOR
MINTONAS
MORRIS
NAPINKA
NEEPAWA
OAK LAKE
OAK RIVER
OAKVILLE
PORTAGE LA PRAIRIE
RESTON
RUSSELL
SELKIRK
SIDNEY (Sub to Carberry)
SOURIS
STARBUCK
WINNIPEG
" Bannerman Avenue
" Corydon Avenue
" Fort Rouge
" Logan Avenue
" Lombard Street
" McGregor St. & Selkirk Ave.
" Morley Ave. & Osborne St.
" Portage Avenue
" Portage Ave. & Goulding St.
" Selkirk Ave. & Arlington St.

NEW BRUNSWICK

BATHURST
CHATHAM
FREDERICTON
" 681 Queen Street
GRAND FALLS
HARTLAND
MARYSVILLE
MONCTON
PERTH
ST. JOHN
" Haymarket Square
" Union Street
ST. STEPHEN
SHEDIAC
WOODSTOCK

NOVA SCOTIA

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

ONTARIO

ACTON
AILSA CRAIG
ALLISTON
ALMONTE
ALVINSTON
ARNPRIOR
ATHENS
AURORA
AYLMER
BARRY'S BAY
BEACHVILLE (Sub to Ingersoll)
BELLEVILLE
BOBCAYGEON
BOTHWELL
BOWMANVILLE
BRAMPTON
BRANTFORD
" Dalhousie & George Sts.

ONTARIO—Continued

BRESLAU (Sub to Kitchener)
BROCKVILLE
BRONTE
CALABOGIE (Sub to Renfrew)
CAMPBELLFORD
CHATHAM
CHATSORTH
CHESLEY
CLARKSON
COBLEN
COLLINGWOOD
CORNWALL
CREEMORE
DELTA
DESBORO (Sub to Chatsworth)
DESERONTO
DOUGLAS
EGANVILLE
ELGIN
ELORA
FENELON FALLS
FINCH
FLESHERTON
FORD
FORT WILLIAM
GALT
GANANOOUE
GEORGETOWN
GLENCOE
GODERICH
GORE BAY
GRANTON
GUELPH
HALIBURTON
HAMILTON
" Barton St. & Victoria Ave.
" Delta District
" Gage Ave. & Barton St.
" Holton Avenue
" King & James Streets
" Victoria Avenue
" Westinghouse Avenue
" York Street
HAMPTON (Sub to Bowmanville)
HANOVER
HESPELER
HOLLAND CENTRE (Sub to Chatsworth)
HOLSTEIN
INGERSOLL
KAGAWONG (Sub to Gore Bay)
KINCARDINE
KING CITY
KINGSTON
KINGSVILLE
KITCHENER
KOMOKA (Sub to Market Sq., London, Ont.)
LANCASTER
LANDSOWNE
LA SALLE
LAWRENCE STATION (Sub to St. Thomas)
LEAMINGTON
LINDSAY
LISTOWEL
LITTLE CURRENT
LONDON
" City Hall, Dundas & Wellington Sts.
" East
" Market Square
" South
LUCAN
MADAWASKA (Sub to Barry's Bay)
MANITOWANING
MARKDALE
MEAFORD
MIDLAND
MILDMAY
MIMICO
MINDEMIOYA
MITCHELL
MONKLAND (Sub to Finch)
MOUNT FOREST
MUIRKIRK
NAPANEE
NEWBURY
NEWINGTON
NEWMARKET
NEW TORONTO
NIAGARA FALLS
OAKVILLE
OAKWOOD
ORILLIA
OSHAWA
OTTAWA
" Bank Street
" Rideau Street
" Sparks Street
" Sparks & O'Connor Sts.

ONTARIO—Continued

OWEN SOUND
PAISLEY
PARIS
PELEE ISLAND (Sub to Leamington)
PEMBROKE
PERTH
" Herriott & Gore Streets
PETERBORO
" George Street
PICTON
PORT ARTHUR
PORT HOPE
PORT LAMBTON (Sub to Wallaceburg)
PRESCOTT
PRESTON
PROVIDENCE BAY (Sub to Mindemioya)
RENFREW
ROCKPORT (Sub to Lansdowne)
ST. CATHARINES
ST. EUGENE
ST. GEORGE (Sub to Dalhousie and George Sts., Brantford)
ST. MARYS
ST. THOMAS
SARNIA
SAULT STE. MARIE
" Wellington St. West
SCHREIBER
STAYNER
STIRLING
STRATFORD
SUDBURY
TARA
TAVISTOCK
THAMESVILLE
THORNDALE
THOROLD
TICHBORNE (Sub to Verona)
TILBURY
TIMMINS
TORONTO
" Bathurst Street
" Bloor St. & Lansdowne Ave.
" Bloor St. & Spadina Ave.
" Carlton Street
" Cherry & Villiers Sts. (Sub to Queen St. & Broadview Ave.)
" College Street
" Danforth East
" Danforth & Carlaw Avenues.
" Dundas St. & Lansdowne Ave.
" Dundas St. & Roncesvalles Ave.
" Dupont Street
" Earls Court
" Eglinton
" King & Dufferin Sts.
" King & Yonge Streets
" Parliament Street
" Queen St. East & Beech Avenue.
" Queen St. & Broadview Ave.
" Queen St. & O'Hara Ave.
" Queen & Portland Sts.
" Royce Avenue
" Stock Yards
" West Toronto
" Yonge & Bloor Streets
" Yonge & Queen Streets
TRENTON
TUPPERVILLE
TWEED
VERONA
WALKERTON
WALKERVILLE
" Walker Road
WALLACEBURG
WATERFORD
WATFORD
WELLAND
WEST LORNE
WESTON
WESTPORT
WHEATLEY
WILLIAMSFORD (Sub to Chatsworth)
WILLIAMSTOWN
WINDSOR
WOODSTOCK
YARKER

PRINCE EDWARD ISLAND

CHARLOTTETOWN

QUEBEC

ARUNDEL
ATHELSTAN (Sub to Huntingdon)
BEAUFARNOIS
BRISTOL (Sub to Shawville)
BUCKINGHAM
BURY
CAMPBELL'S BAY
CHAPEAU
CHICOUTIMI
COOKSHIRE
DANVILLE
GRANBY
GRAND MERE
HULL
HUNTINGDON
LACHINE
" St. Joseph Street
LEVIS
LONGUEUIL
MAGOG
MEGANTIC
MONTREAL
" Angus Shops, Davidson & Nolan Streets
" Bleury & St. Catherine Streets
" Centre Street
" Drummond & St. Catherine Sts.
" Fullum & St. Catherine Streets
" Laurier Avenue
" McGill Street
" Masson St. & Fifth Ave.
" Mount Royal Ave. & Christopher Columbus St.
" Notre Dame de Grace
" Notre Dame & McCord Streets
" Ontario & Hogan Sts.
" Papineau Avenue
" 5696 Park Avenue
" Peel Street
" Point St. Charles
" St. Antoine & Windsor Streets
" St. Clement & St. Catherine Sts.
" St. Denis & St. Zotique Streets
" St. Dominique & St. Catherine Sts.
" St. Henri
" St. Jean Baptiste Market
" St. Lawrence Blvd. & Mount Royal Ave.
" St. Peter & St. James Streets
" St. Timothee & St. Catherine Sts.
" Seigneurs Street
" Sherbrooke St. & St. Lawrence Blvd.
" Sherbrooke Street West
" University & St. Catherine Sts.
" West End
" Westmount
NAPIERVILLE
ORMSTOWN
QUEBEC
" Boulevard Langelier
" Chateau Frontenac
" St. John's Gate
" St. Roch
" St. Sauveur
" Upper Town
QUYON
RIGAUD
RIVIERE DU LOUP
ROCKBURN (Sub to Ormstown)
ST. AGATHE DES MONTS
ST. ANNE DE BELLEVUE
ST. GEORGES BEAUCE
ST. HYACINTHE
ST. JEROME
ST. JOHNS
ST. JOVITE
ST. LAMBERT
ST. REMI
SAWYERVILLE
SHAWVILLE
SHERBROOKE
TEMISKAMING
THETFORD MINES
THREE RIVERS
VAUDREUIL
VERDUN
" Church Avenue

SASKATCHEWAN

ANTLER
ARCOLA

BRANCHES:

IN CANADA:

SASKATCHEWAN— Continued	SASKATCHEWAN— Continued	SASKATCHEWAN— Continued	SASKATCHEWAN— Continued	SASKATCHEWAN— Continued
BATTLEFORD BROMHEAD CALDER CARNDUFF CEYLON DAVIDSON DOMREMY DUCK LAKE EASTEND ESTEVAN FENWOOD (Sub to Goodeve) FLAXCOMBE FROBISHER	GAINSBOROUGH GIRVIN GOODEVE GRENFELL GULL LAKE HUMBOLDT INDIAN HEAD INSTOW KAMSACK KANDAHAR KELLIHER KINISTINO KISBEY	LAKE LENORE LAMPMAN LIMERICK MAPLE CREEK MEACHAM MELVILLE MOOSE JAW NORTH BATTLEFORD OUTLOOK PERDUE PRELATE PRINCE ALBERT PUNNICHY	RAYMORE REGINA RHEIN ROSTHERN ST. GREGOR SALTCOATS SASKATOON SEMANS SENLAC SHAUNAVON SPRINGSIDE SWIFT CURRENT TISDALE	UNITY VERIGIN WAKAW WALDRON WEYBURN WHITEWOOD WYNWARD YORKTON YUKON DAWSON

IN NEWFOUNDLAND

CURLING, DEER LAKE (Sub to Curling), GRAND FALLS, ST. GEORGE'S, ST. JOHN'S

IN GREAT BRITAIN

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

IN FRANCE

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

IN THE UNITED STATES

NEW YORK AGENCY—64 WALL STREET
CHICAGO, ILL.—BANK OF MONTREAL—27 SOUTH LASALLE STREET
SAN FRANCISCO AUXILIARY—BRITISH AMERICAN BANK—264 CALIFORNIA STREET

IN MEXICO

CITY OF MEXICO, D.F.—BANK OF MONTREAL, AVENIDA ISABEL LA CATOLICA No. 40.
GUADALAJARA, JAL.—BANK OF MONTREAL, ESQUINA LOPEZ COTILLA Y COLON
MONTERREY, N.L.—BANK OF MONTREAL, DOCTOR MIER 116.
PUEBLA, PUE.—BANK OF MONTREAL, AVENIDA REFORMA No. 106.
VERACRUZ, VER.—BANK OF MONTREAL, AVENIDA INDEPENDENCIA No. 23.

WEST INDIES, BRITISH GUIANA AND WEST AFRICA

THE COLONIAL BANK (in which an interest is owned by the Bank of Montreal).

