

1938
BANK OF MONTREAL

ANNUAL GENERAL MEETING

HELD 5TH DECEMBER, 1938

BANK OF MONTREAL

(ESTABLISHED OVER 100 YEARS)

INCORPORATED BY ACT OF PARLIAMENT

HEAD OFFICE—MONTREAL

PRESIDENT

SIR CHARLES GORDON, G.B.E.

VICE-PRESIDENTS

H. R. DRUMMOND, ESQ.

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

W. A. BOG, ESQ.

GENERAL MANAGERS

JACKSON DODDS

G. W. SPINNEY

DIRECTORS

D. FORBES ANGUS, ESQ.

THE HON. HENRY COCKSHUTT

SIR EDWARD BEATTY, G.B.E.

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

A. O. DAWSON, ESQ.

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

SIR FREDERICK WILLIAMS-TAYLOR

ROSS H. MCMASTER, ESQ.

C. F. SISE, ESQ.

ARTHUR B. PURVIS, ESQ.

NORMAN J. DAWES, ESQ.

W. SANFORD EVANS, ESQ.

W. G. MURRIN, ESQ.

LOUIS L. LANG, ESQ.

L. J. BELNAP, ESQ.

G. BLAIR GORDON, ESQ.

H. W. MOLSON, ESQ.

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, ESQ.

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

SIR FREDERICK WILLIAMS-TAYLOR

CAPITAL, <i>paid up</i>	-	-	-	-	-	-	-	\$ 36,000,000.00
REST AND UNDIVIDED PROFITS	-	-	-	-	-	-	-	40,183,254.52
TOTAL ASSETS	-	-	-	-	-	-	-	874,255,828.88

The 121st Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 5th December, 1938, in the Board Room at the Bank's headquarters.

Among those present were: T. Andrews, D. Forbes Angus, Sir Edward Beatty, G.B.E., Louis de G. Beaubien, F. G. Belcher, L. J. Belnap, Alex. Bissett, Lt.-Col. K. G. Blackader, M.C., W. B. Blackader, W. A. Bog, J. S. Bolton, Arthur Browning, W. W. Bruce, C. W. Buchanan, the Hon. C. H. Cahan, K.C., J. L. Cains, F. D. Chapman, Ross Clarkson, Ronzo H. Clerk, N.P., the Hon. Henry Cockshutt, D. E. Crutchlow, C. S. Cummer, Norman J. Dawes, A. O. Dawson, Jackson Dodds, T. H. Dredge, H. R. Drummond, W. R. Eakin, W. Sanford Evans, William C. Finley, J. O. Fontaine, A. B. Foster, A. E. Francis, B. C. Gardner, J. Garrow, M. H. Gault, Sir Charles Gordon, G.B.E., G. Blair Gordon, G. H. Greening, E. T. Hacking, A. D. Harper, C. D. Hart, Samuel Hart, A. J. L. Haskell, M. Hunter, R. P. Jellett, E. Jones, R. E. Knight, J. N. Laing, Louis L. Lang, G. Lawson, F. X. Leduc, C. P. Liebich, Sir Charles W. Lindsay, K.B.E., Lt.-Col. Walter E. Lyman, J. MacArthur, W. T. A. MacFadyen, John McEachern, George C. McDonald, C.A., Ross H. McMaster, F. E. Meredith, K.C., T. E. Merrett, Major-General the Hon. S. C. Mewburn, C.M.G., H. W. Molson, Robert B. Morrice, Daniel J. Munn, W. G. Murrin, G. H. Napier, Frank W. Nelles, W. O. Nicol, S. C. Norsworthy, Lt.-Col. W. P. O'Brien, Lt.-Col. Gavin L. Ogilvie, Elzear Orchard, J. H. Ottmann, Alex. Paterson, A. M. Peters, L. H. Pinsonnault, H. E. Rawlings, J. J. G. Richard, O. R. Sharp, G. Ross H. Sims, C. F. Sise, H. F. Skey, S. L. Smith, W. J. Smithers, Wm. Sutherland, G. W. Spinney, J. T. Stevens, E. H. Stewart, Arthur Terroux, W. N. Tilley, K.C., L. W. Townsend, J. S. Watt, R. J. Williams, E. P. Winslow.

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

The Hon. Henry Cockshutt moved, seconded by Mr. W. B. Blackader, that Lt.-Col. Gavin L. Ogilvie and Mr. Henry E. Rawlings be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the meeting. This was carried unanimously.

The Chairman then called upon Mr. Jackson Dodds, Joint General Manager, to read the Annual Report of the Directors to the Shareholders, 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, 1938.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th October, 1937	\$1,164,863.53
Profits for the year ended 31st October, 1938, 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 \$1,152,618.49	3,398,390.99
	4,563,254.52
Quarterly Dividend 2 per cent. paid 1st March, 1938	\$ 720,000.00
Quarterly Dividend 2 per cent. paid 1st June, 1938	720,000.00
Quarterly Dividend 2 per cent. paid 1st Sept. 1938	720,000.00
Quarterly Dividend 2 per cent. payable 1st Dec., 1938	720,000.00
	2,880,000.00
Appropriation for Bank Premises	500,000.00
	3,380,000.00
Balance of Profit and Loss carried forward	<u>\$1,183,254.52</u>

(Signed) CHARLES B. GORDON,
President.

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

During the financial year, three offices were opened and ten were closed throughout the Dominion of Canada. One office was opened in Newfoundland.

The Directors have to record, with deep regret, the death of their late valued colleagues, Lt.-Col. Herbert Molson, C.M.G., M.C., and the Honourable Thomas Ahearn, P.C., the former a member of the Board since 1916 and the latter elected a Director in 1925, and of His Grace the Duke of Devonshire, K.G., P.C., G.C.M.G., G.C.V.O., who was appointed Chairman of the London Advisory Committee of the Bank in 1926.

The Board accepted with regret the resignation of Mr. J. W. McConnell, a member of the Board since 1925. In February, Mr. G. Blair Gordon was appointed a Director, and in April Mr. H. W. Molson was appointed a Director.

The Most Honourable the Marquess of Willingdon, P.C., G.C.S.I., G.C.M.G., G.C.I.E., G.B.E., was appointed Chairman of our London Advisory Committee.

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

(Signed) CHARLES B. GORDON,
President.

Bank of Montreal, 5th December, 1938.

THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1938, 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.....	1,183,254.52	
	40,183,254.52	
Unclaimed Dividends.....	13,082.87	
Quarterly Dividend, payable 1st December, 1938.....	720,000.00	
		40,916,337.39
		76,916,337.39
Notes of the Bank in circulation.....	\$ 22,542,921.50	
Deposits by and balances due to Dominion Government.....	15,023,899.06	
Deposits by and balances due to Provincial Governments.....	10,043,476.44	
Deposits by the public not bearing interest.....	219,117,887.30	
Deposits by the public bearing interest, including interest accrued to date of statement.....	506,696,835.05	
Deposits by and balances due to other chartered banks in Canada.....	3,775,266.74	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries.....	8,499,581.15	
Bills payable.....	149,848.31	
		785,849,715.55
Acceptances and Letters of Credit outstanding.....		8,377,574.84
Liabilities to the public not included under the foregoing heads.....		3,112,201.10
		\$874,255,828.88
ASSETS		
Gold held in Canada.....	\$ 25,689.34	
Subsidiary coin held in Canada.....	1,019,703.85	
Gold held elsewhere.....	541.57	
Subsidiary coin held elsewhere.....	92,465.01	
Notes of Bank of Canada.....	15,922,933.00	
Deposits with Bank of Canada.....	70,702,402.66	
Notes of other chartered banks.....	\$ 1,687,530.00	
Cheques on other banks.....	28,683,865.13	
Government and bank notes other than Canadian.....	461,887.92	
Due by banks and banking correspondents elsewhere than in Canada.....	33,973,643.47	
Call and short (not exceeding thirty days) loans in Canada on Stocks, Debentures, Bonds and other securities, of a sufficient marketable value to cover.....	5,374,980.29	
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.....	21,493,005.38	
		91,674,912.19
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value.....		172,605,061.10
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value.....		189,560,858.95
Canadian municipal securities, not exceeding market value.....		28,866,636.48
Public securities other than Canadian, not exceeding market value.....		17,242,107.05
Other Bonds, Debentures and Stocks, not exceeding market value.....		32,621,808.72
		\$620,335,119.92
Current loans and discounts in Canada, not otherwise included, estimated loss provided for...	178,748,228.60	
Loans to Provincial Governments.....	2,315,790.52	
Loans to Cities, Towns, Municipalities and School Districts.....	34,699,803.67	
Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for.....	10,348,984.51	
Non-current loans, estimated loss provided for.....	1,590,642.41	
		227,703,449.71
Bank premises, at not more than cost, less amounts written off.....		13,900,000.00
Real estate other than bank premises.....		599,639.99
Mortgages on real estate sold by the bank.....		497,067.74
Liabilities of customers under Acceptances and Letters of Credit as per contra.....		8,377,574.84
Deposit with the Minister of Finance for the security of note circulation.....		1,202,033.17
Shares of and loans to controlled companies.....		1,558,921.54
Other Assets not included under the foregoing heads.....		82,021.97
		\$874,255,828.88

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

CHARLES B. GORDON,
President.

JACKSON DODDS,
G. W. SPINNEY,
Joint General Managers.

TO THE SHAREHOLDERS OF THE BANK OF MONTREAL.

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and 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, 21st November, 1938.

BANK OF MONTREAL TRUST COMPANY
(New York)

Balance Sheet as at 31st October, 1938

ASSETS		LIABILITIES	
Cash.....	\$ 20,000.00	Deposits:	
Due from Banks:		Trust Funds.....	\$ 88,435.71
Approved Reserve Depositories.....	\$ 174,133.02	Demand.....	46,724.05
Other Banks and Bankers (Foreign)....	25,270.69	Time.....	49,328.30
	199,403.71	Due to Banks, Bankers and Trust Companies.....	1,107.76
Investments:			\$ 185,595.82
*United States Government Securities...	\$ 1,582,295.07	Reserve for Taxes.....	10,252.60
Accrued Interest.....	3,455.82	Other Liabilities.....	310.14
	1,585,750.89	Capital and Surplus:	
(Quoted Market Value, 31st October, 1938—\$1,595,053.13)		Capital Stock—	
*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.		Authorized, Issued and Fully Paid: 10,000 Shares of \$100 each....	\$ 1,000,000.00
Other Assets.....	3,682.07	Surplus.....	520,000.00
	\$ 1,808,836.67	Undivided Profits.....	92,678.11
			1,612,678.11
			\$ 1,808,836.67

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, 1938, 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, 10th November, 1938.

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 31st October, 1938

ASSETS		LIABILITIES	
Real Estate, Buildings, etc. (64-68 Wall Street, New York), less Reserves for Depreciation.....	\$1,167,767.31	Capital Stock:	
Prepaid Taxes.....	5,713.50	Authorized, Issued and Fully Paid—	
Cash.....	5,218.17	100 Shares of \$100 each.....	\$ 10,000.00
	\$1,178,698.98	Twenty Year Four Per Cent. Gold Debentures—	
Deficit.....	92,827.90	Due 1st March, 1950.....	\$ 1,000,000.00
		Twelve Year Four Per Cent. Debentures—	
		Due 1st March, 1950.....	250,000.00
			1,250,000.00
		Accrued Debenture Interest.....	8,333.33
		Accounts Payable.....	3,193.55
	\$1,271,526.88		\$1,271,526.88

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, 1938, 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, 10th November, 1938.

THE ST. JAMES LAND COMPANY LIMITED

Balance Sheet as at 31st October, 1938

ASSETS

LIABILITIES

*The rights of the Company in an emplacement conveyed to Insurance Exchange Corporation Limited, by a 99 years' lease (emphyteutic lease) and in the building thereon constructed by Insurance Exchange Corporation Limited, as at 23rd January, 1923. \$200,000.00
 Expended on the building to date..... 117,205.14
 \$317,205.14
 Less Reserve for Depreciation..... 87,617.54

Capital Stock:

Authorized, Issued and Fully Paid—
 200 shares of \$100 each..... \$ 20,000.00
 Capital Surplus..... 209,587.60

\$229,587.60

\$229,587.60

\$229,587.60

*NOTE:—

The St. James Land Company's rights in the above described emplacement and building have been hypothecated by The St. James Land Company Limited to the extent of \$320,100 to secure bonds of Insurance Exchange Corporation Limited, for the payment of which amount The St. James Land Company Limited is not personally liable. The Capital Stock is entirely owned by the Bank and the shares appear on its books at a nominal value of \$1.00.

C. H. CRONYN, Director.

J. T. STEVENS, Director.

Auditors' Report

We have made an examination of the books and accounts of The St. James Land Company Limited for the year ended 31st October, 1938, and we have obtained all the information and explanations which we have required.

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

(Signed)

GEORGE C. McDONALD, C.A.,

W. D. GLENDINNING, C.A.,

Auditors.

MONTREAL, 10th November, 1938.

THE PRESIDENT'S ADDRESS

Gentlemen,—Before proceeding with the ordinary business of the meeting, I wish to refer to the great loss which we have sustained through the death of two of our Directors, Lieutenant-Colonel Herbert Molson and the Honourable Thomas Ahearn. Colonel Molson had been a member of the Board for over 21 years and by his death we have been deprived of a colleague of wide experience and exceptional qualities, who at all times took a very deep interest in the affairs of the Bank. Mr. Ahearn will be remembered as an outstanding citizen of the capital city of Ottawa, where during a long lifetime he took a leading interest in many business and civic enterprises. His knowledge not only of local but of national affairs will be much missed. A further loss has been sustained in the death of the Chairman of our London, England, Committee, His Grace the Duke of Devonshire. His Grace, whose long and distinguished career needs no reference here, had been associated with your Bank for a period of some 12 years and I should like to add to the many expressions of regret which his death evoked our deep sense of the loss which we have sustained. Appointment to the chairmanship of our London Committee has been accepted by the Most Honourable the Marquess of Willingdon, whom you will recall as Governor-General of Canada during the years 1926-1931. Since his stay in Canada, Lord Willingdon has served with great distinction as Viceroy of India, lately returning to England, where he has interested himself in business and public affairs. We are sure that you will join with the members of your Board in saying that we are most happy to have him associated with our Bank.

I have also to report that in February last, Mr. J. W. McConnell, having become the President of The Montreal Daily Star, felt it incumbent upon himself to resign from a number of important directorships, including that of this Bank. His retirement from our Board was a matter of regret as his wide and intimate knowledge of business throughout Canada had been most valuable. To fill vacancies in the Board of Directors there have been appointed during the year two of our younger businessmen, Mr. G. Blair Gordon, Managing Director of the Dominion Textile Company, and Mr. H. W. Molson, President of Molson's Brewery Limited. All of these changes have had the careful consideration of your Board of Directors and I hope you will agree with our conclusions.

THE BANK'S STATEMENT

In addressing you last year I said that I considered the statement then presented the strongest which had been placed before our shareholders during the ten years in which it had been my honour to occupy the position of President. The statement now in your hands, covering the intervening twelve months, I consider equally strong in every particular. Though it has been a year of great uncertainty in respect to the immediate future, and a year consequently of some hesitancy in business, the strength of your Bank continues unimpaired, and the volume of our commercial loans has shown a measurable increase.

NEW TORONTO BUILDING

I am glad to be able to supplement at this meeting the announcement that appeared in the press some time ago to the effect that the Bank is about to erect new premises in Toronto. Our new site is to be at the northwest corner of King and Bay Streets, in the heart of the district to which business and financial activities have gravitated. We expect to commence the demolition of the old buildings on that site early in the New Year and to proceed immediately with the erection of a 15-storey building of the most modern design and construction. Our main Toronto

Branch will be accommodated in the new building, which will also house our provincial headquarters for Ontario.

BUSINESS IN CANADA

By and large I think it can be said, having in view the conditions which have prevailed in other countries, that business throughout the Dominion during the past year has not been unsatisfactory. Most of our industries have maintained a fair rate of production and although there has been recession in some lines this has been offset largely in other directions, with the marked activity of mining contributing in increasingly important measure to the welfare of many subsidiary enterprises from coast to coast.

Nature has been kind to Canada this year. The grain crops of the Prairie Provinces have not only been the largest since 1932, but are of high quality; the widely-varied field and fruit crops of Ontario for the most part have been abundant; while those in Quebec have been reasonably good. In the Maritime Provinces there has been a good crop of apples and a plentiful yield of fodder crops, but the quality of hay and the yield of potatoes were lowered by excessive moisture. In British Columbia the fruit crops were excellent, with hay and grain on the short side owing to a long spell of dry weather. Taken all in all, the crops of the Dominion may be said to have been good and in practically every region livestock owners face the winter with an abundance of feed supplies.

Our fisheries have been active during the year, and good catches have rewarded fishermen on both the Atlantic and the Pacific. Fish markets, however, have been depressed. The lumber industry has had a difficult year, owing to curtailed export demand and lower prices. Production of newsprint has been markedly less than last year, but I am glad to say there has been no recurrence of the cut-throat competition which proved so disastrous in years gone by. During recent weeks newsprint consumption has improved and the outlook for the coming year is more hopeful.

Following the harvest, railway traffic, adversely affected by the small crops of last year, showed marked, though not sustained, improvement; while shipping on the whole has had a better season, with more cargoes on the Great Lakes and a greater tonnage entering and leaving ocean ports. Tourist traffic, while lower in the central provinces than last year, has shown some increase in other provinces, and on the whole has maintained a substantial level.

The recurrent crises in Europe, the situation in the Orient, and the depression in the United States have all combined to give a setback to our export trade, which for the twelve months ending October 31st totalled \$978,502,000 as compared with \$1,160,929,000 for the same period last year. These figures reflect a fall in price more than in volume. Our balance of trade still remains favourable to the extent of \$274,875,000. In our exports we are closing the year on a more hopeful note, in view of the importance of the trade upturn in the United States and the passing of the war scare in Europe.

Among the more immediate factors destined to have a stimulating effect upon certain of our manufacturing industries is the prospect of this country contributing to the armament requirements of Great Britain. I may say that early last spring when I was in London, there seemed to be a desire in official quarters to place orders for munitions and airplanes in Canada and I had a number of interviews with important people in this regard, as I was anxious that Canada should participate in this work. In these interviews I drew attention to the fact that in Canada we have a large body of skilled workmen, in both the Montreal and Toronto areas, employed in industries which are not very busy at the present time and that under technical advice the skill of these

workmen could readily be adapted to the production of armaments. Later, Sir Hardman Lever, who is a member of this Bank's London Advisory Committee, came here with a mission to look into the possibility of using what resources we have in Canada for the programme which the authorities in Great Britain wish to carry out. I think the results of these conversations and investigations will be satisfactory, as already contracts have been negotiated, and we may hope that additional business will follow.

WHEAT

In view of the large world surplus of wheat this year the Federal Government undertook to guarantee a fixed price for wheat—not so large as the grain growers of our western provinces asked, but nevertheless at a level which in view of all the circumstances must be regarded as generous. While there are many who hold strong views in regard to guaranteeing a fixed price for any product, I think it is better to take a realistic view of the situation with which the grain growers were faced, and if we do that it is difficult to be critical of the step the Government has taken, even though it may result in a loss which will have to be made up from the national exchequer. We must bear in mind that the Prairie farmers experienced not one but a succession of poor crops and had reached such a position of financial and moral crisis that the sale of their crop this year at unremunerative prices might have brought dire results. With a guaranteed price for their wheat—and it must be remembered that this guarantee applies only to wheat and not to the large crops of other grains—many of the western farmers have been able once more to gain a livelihood for themselves and their families, to make some improvement in their finances, and, we trust, to put themselves in a position where, with reasonable crops in the future, they may be able to sell their products without the prop of a guaranteed price which this year has been so helpful. The immediate effect of the guaranteed price has been the prompt sale by the grower of his crop, and a further effect has been the removal of many people from the rolls of those on direct relief. These effects, coming at a time when trade in the supply centres of the East appeared somewhat hesitant, have been most helpful in putting business on a more even keel throughout the Dominion. Therefore, I believe that for this year the establishment of a guaranteed price for wheat has been a wise measure and one which, while primarily benefiting the Prairie Provinces, has been helpful to business in every part of the Dominion.

MINING

In the stressful times through which we have been passing it may well be said that mining has been the sheet-anchor of our economic life. Here is an industry which over a period of years has measurably offset contraction in other lines of activity by increasing its production and extending its frontiers. Canada is now a recognized source of world supply for many of the base metals. During the present year a new record has been set up in gold mining by the production for the first time of more than 400,000 fine ounces of gold in one month, and as the year closes we see total production of gold on the basis of \$180,000,000 annually.

Despite the further progress which has been made in consolidating the position of mining and of its corollary, metallurgy, I think the most outstanding step which has been made in the development of our national resources has been in the results attained in the Alberta oil fields. Oil production there has now reached such a stage that it has commanded not only national but international attention, with the result that problems as to the best methods of transportation to distant markets are already being discussed. These are matters that await determination as to the regular volume of production which can reasonably be

counted upon, although the growth of production to date has been such as to indicate that possibly it may bring Canada to a place second only to Trinidad in the British Empire as a source of oil. Meanwhile, proration of production has been put into effect pending the development of markets and of facilities for refining and distribution. What already is assured is production of such a volume as will prove of marked benefit to the economic life of the whole prairie country, and a major asset in developing the great mining regions which lie north of the grain growing areas.

TRADE AGREEMENTS

An important factor bearing on the economic situation comes from the tripartite trade treaties just signed by the representatives of the United Kingdom, the United States and Canada. These treaties will affect in more or less degree every industrial and commercial enterprise in this country. The situation has been a peculiar one for Canada, inasmuch as it has provided the most dramatic demonstration yet given of Canada's position as the natural liaison between Great Britain and the United States. Without Canada's co-operation the agreement making for closer commercial co-operation between the two largest English-speaking nations, so important at this juncture in world affairs, would not have been possible. Canada has given that co-operation, not without sacrifices and not without some misgivings as to what these sacrifices may portend. Partly as compensation for giving way to American producers in the British market and partly as compensation for a lowering of our tariffs all along the line in favour of American manufactures, Canada has received advantages in the American market for a wide variety of the products of the farm, the forest, the fisheries and the mines. Primary producers in every province have long desired this freer access to the great market to the south, and we all hope that the advantages which it offers to them will result in such a general increase in the purchasing power of the nation as to offset the added competition which many manufacturing industries will be called upon to face.

EUROPE

To turn to matters abroad, the year in Europe has been exceptionally eventful and it draws to a close with the international political situation still far from reassuring. The continuation of war in the far East and in Spain, the financial and economic difficulties through which France is passing, the treatment of minorities in certain European countries and the national aspirations of those countries are problems which remain, but to their solution a better international feeling engendered by the Munich four-power pact will, it is hoped, contribute materially. In the United Kingdom, although many branches of industry are less active than they were at this time last year, symptoms of domestic business have remained healthy and encouraging during a difficult period and there are numerous indications of present improvement. In regard to the overseas trade of the United Kingdom which has shown substantial curtailment, our London manager reports that the figures now available for the first half of this year show, as against the similar period of 1937, that the export trade with countries under the Ottawa and other trade agreements receded but £5,000,000 out of a total fall of £26,000,000.

UNITED STATES

In the United States the decline in business which had already assumed serious aspects when I addressed you a year ago, continued with increasing severity throughout the winter and the early spring. Increasing Government participation in the business and social life of a community must perforce carry in its train added Government responsibilities and the tendency to seek

a quick solution in times of crisis by way of Government intervention had become more and more the order of the day. It was not unnatural, therefore, that in April last the Government should have decided to take steps designed to increase the volume of available credit and the spending powers of the people. Banking reserves were sharply increased by injecting into the credit system some \$1,400,000,000 of gold held by the Government in the inactive fund and by reducing the ratio of reserves which member banks of the Federal Reserve System were required to maintain against their deposit liabilities. It has, however, been repeatedly demonstrated within recent years that an increase in the volume of available credit is of little avail as a stimulus to activity unless there be sufficient confidence within the community to use it in a normal way for the transaction of everyday business. The administration also embarked on a programme for the disbursement of some \$3,000,000,000 by way of construction projects under the supervision of Government agencies and by loans and grants to states and municipalities for approved works. The expenditure of this huge sum will mean a further large addition to the debt of the central government.

Since the spring there has been a definite improvement in business in the United States. Whether it has come as a result of this further "pump-priming" or from more natural causes, only time can tell, but meanwhile this much is certain, namely, that repeated increases of billions of dollars in Government debt cannot continue indefinitely; also that taxation has approached dangerously near the limit.

INTERNATIONAL AND DOMESTIC RELATIONS

This year we have witnessed the opening of two more international bridges across that portion of Canada's boundary marked by the St. Lawrence waterway system, and each has been the occasion of renewed expressions of friendship and esteem between the two great English-speaking nations which share this continent in amity. There are now along our frontier many international bridges over boundary waters and it is estimated that individual passages of Americans and Canadians over that border now number more than sixty million each year. What splendid tributes these bridges and this traffic are to the common-sense of the two peoples! Nowhere else in the world to-day is there such an example of mutual trust and respect as that undefended border line between Canada and the United States. It is an inspiration to know that the legacy of peace which the makers of the two nations have handed down to us is being preserved and every day made stronger by the people who hold that peace in trust.

But if our relations with our neighbours are so good, what of the relations among the provinces of Canada? We hear a good deal these days about the things that divide us and far too little about those which unite us. Instead of fostering or magnifying grievances between West and East or between East and West, should we not rather be thanking our good fortune that we have so great a West and so great an East? What are our grievances compared with the tragic strains and stresses from which the European nations are suffering? Among the causes of the troubles in Europe are land hunger and inadequate natural resources. These are fundamental issues of which we as a nation know nothing because we have as our national domain what any European nation would regard as a noble empire. Yet we becloud the vision of this national domain of ours, in which every man can dwell in peace, with none to make him afraid, by magnifying our growing pains, by countenancing, and even for political purposes fostering, sectional strife and by parochial and provincial views of problems and responsibilities that should be decided on broad national lines.

ROYAL VISIT

We are promised in the coming year an honour unique in our history, namely, an official visit from the reigning sovereign and his gracious consort. That Their Majesties will have a joyous welcome from every section of this far-flung Dominion, and one that in every respect will be worthy of this great occasion is, of course, assured. I am one of many who look upon this coming of the King and Queen to our Dominion—coupled with the further news of the appointment of H.R.H. the Duke of Kent to the Governor-Generalship of Australia—as the symbol of a new vision of Empire: a vision in which are seen the genius and the capital resources of the Empire concentrated as never before upon the upbuilding of the Empire itself and the upbuilding of the welfare of its own peoples. If that belief is true, then it may well be that Canada will begin in full measure to fulfil the destiny marked out for her by her territorial domain, by her geographical position, by her great pioneering achievements and, above all, by the quality of her racial stocks and racial traditions.

It is an old saying, the truth of which the passing of the years serves but to emphasize, that "In unity is strength". The British Empire undoubtedly is at a turning point in its history, and it follows as night follows day that, as part of that Empire, Canada must be at a turning point too. Never did we Canadians need to be united among ourselves as we need to be now. Let us relegate our parochial squabbles to their rightfully subordinate place and, as a nation, face with a united front the great era to which the finger of destiny so unmistakably is pointing.

THE GENERAL MANAGERS' ADDRESS

The Chairman then called upon Mr. G. W. Spinney, as Joint General Manager, to read the Address of the Joint General Managers, which was as follows:—

Mr. Chairman and Gentlemen,

On behalf of Mr. Dodds and myself, I have the honour to present to you the 121st Annual Balance Sheet of the Bank.

Our Profits at \$3,398,000 are practically the same as for the preceding year. Low interest rates and the still moderate borrowing requirements of business make it difficult to effect any improvement in this respect. Meanwhile taxes are ever on the increase—so much so that operating costs under this heading were about \$500,000 higher for the year under review than for 1933, despite the fact that we have 63 fewer branch offices.

Important changes in the Balance Sheet figures are as follows:—

Our Total Assets amount to \$874,300,000, compared with \$829,600,000 a year ago.

Quick Assets, including Securities, total \$620,300,000, representing 77.80% of all Liabilities to the Public. Naturally we would like to see the percentage brought considerably lower through an increase in good commercial loans, and we are glad the trend is in this direction.

Notes of the Bank in Circulation show a decrease of \$1,900,000, at \$22,500,000. Until 1st January, 1939, our maximum circulation limit under the terms of the Bank Act will be \$30,600,000. For the following year the limit will be \$28,800,000.

Deposits by the Public amount to \$725,800,000, an increase of \$44,800,000. The increase in our Canadian Deposits has been \$39,100,000.

Notes of the Bank of Canada and balances with that institution amount to \$86,600,000, which far exceed the statutory reserves obligatory under these two headings, and represent 12.71% of all our deposit liabilities payable in Canadian dollars.

Under the terms of the Bank of Canada Act, the minimum reserve we must carry is 5% of such liabilities but our traditional policy is to keep a much higher percentage. In illustration, our average ratio for the entire fiscal year was 11.05%.

LOANS AND ADVANCES

Current Loans and Discounts in Canada amount to \$178,700,000, an increase of \$27,800,000 over last year and \$47,900,000 over two years ago. There has been a substantial increase in the number of commercial borrowers who are using our facilities and to an extent we have obtained more profitable employment of money than could be found in short-term, high-grade securities. This is a highly satisfactory development. While, for either legal or sound banking reasons, some requests for loans cannot be granted, every application is carefully weighed and none is turned aside without good reasons, which we endeavour to convey to the applicant. To be unable to grant a loan may at times lead to misunderstanding but to make one which is contrary to the basic principles of commercial banking would not be in harmony with our idea of the responsibility which we owe to our depositors.

Loans to Provinces and Municipalities at \$37,000,000 are \$5,500,000 higher than a year ago.

Our Current Loans and Discounts elsewhere than in Canada are \$10,300,000, a decrease of \$9,700,000.

PREMISES

Bank Premises at \$13,900,000 show an increase of \$200,000 compared with last year. The only major building expenditure at present under contemplation is in connection with the new Main Office at Toronto. Our present premises were erected in 1888 and served our purpose well in their day but they are no longer adequate, and besides, in the course of time, the financial centre of the City has moved away from the site of our old building.

INVESTMENTS AND INTEREST RATES

Coming now to the largest item of our assets, Investments, not exceeding market value at \$440,900,000, show an increase of \$3,200,000. There are included in this total Dominion and Provincial Government obligations amounting to \$362,200,000, of which \$172,600,000 mature within two years.

The large total of Dominion and Provincial Government obligations held by the Chartered Banks, amounting in all to about 18% of the outstanding issues, causes us to be particularly interested in the trend of interest rates and Government finance. The present state of international uncertainty and the rapidly changing character of economic and political forces obscure the outlook for money rates. A few comments, however, on the subject may be appropriate.

The very size of the Federal debt, direct and indirect, amounting to \$4,401,000,000, and the cost of servicing it, are reasons for assuming that monetary ease will be maintained in so far as it is feasible. Such a statement would be applicable also to the United States and Great Britain.

Since 1930 the Federal Government direct debt has increased \$1,064,000,000 but the average coupon rate of interest thereon has dropped in the same period from 5.02% to 3.53%. On the 1930 interest basis, carrying charges of the present debt would now be \$166,000,000 per annum, whereas actually they are \$117,000,000. A considerable portion of the debt is short-term. Excluding Treasury Bills, upwards of \$1,400,000,000 of Federal and Provincial direct and guaranteed issues will have to be met within the next five years, to say nothing of the substantial amounts of Municipal maturities falling due during the same

period and of new money requirements. In the light of this situation it seems obvious that the Central authorities will endeavour to keep money rates down.

Money management in its present form is a comparatively recent development and it cannot be taken for granted that the current level of interest rates can be maintained indefinitely. It may be significant to recall that but two months ago, when an outbreak of hostilities in Europe appeared to be imminent, the price of gilt-edged securities in the principal money markets fell sharply. In London long-term British Government issues were marked down as much as 8 points before prices were pegged. In New York U.S. Government obligations showed losses up to $2\frac{1}{4}$ points, while in this country Dominion of Canada long-term bonds fell as much as 4 points. With the passing of the crisis, prices have, to some extent, recovered their lost ground. However, this occurrence serves to remind us that interest rates continue to be vulnerable to factors which instruments of management will find it difficult to control.

As a safeguard to the shrinkage in values which would ensue should a marked stiffening in interest rates occur, we have consistently adhered to the policy of restricting investments to securities within the short-term orbit. While this has narrowed our earning capacity, any other investment policy would be fraught with risk which we would not care to face.

At the present time 45.92% of our entire portfolio of securities will mature within two years while 95.18% of our total holdings will fall due before the end of 1944.

PUBLIC FINANCE

The improvement in interest rates obtained by public bodies in recent years has rarely been accompanied by any comparable improvement in the financial position of the borrowers. Banks and large investment companies have the machinery for weighing the merits of public obligations and it is disclosing no secret to say that as custodians of savings they are seriously concerned about the constantly upward trend of Government and Municipal debts.

In view of the crippling effect of the taxation which would have been required to meet emergency expenditures out of current revenue, deficit financing in certain cases during depression years was admittedly unavoidable but if public credit is to be preserved it is clear that the "pay as you go" principle should be re-established as quickly as possible and appropriate measures taken to pay off the debts already incurred.

Despite the unsettling effect of excessive taxation which is such a deterrent to business, the alternative course of practising economies in public administration is in the main avoided. Businessmen have had to economize to tide over a period of reduced earnings and higher taxation yet most Governmental bodies seem unable to follow a similar policy to any conspicuous extent.

Perhaps one of the reasons why there is no widespread demand for economy in Government is that so much of our taxation is of the "hidden" variety. The average citizen does not show concern at hidden taxation of which he is not immediately conscious but resists such levies as direct sales tax which serve to remind him daily of the demands of Government. It might, therefore, benefit the nation if some rearrangements could be made in certain classes of taxation which would produce no higher actual charge to the individual but which would result in his knowing the cost and therefore assuming a direct and personal interest in Government economy which he cannot be expected to have under the present system.

The means of keeping public borrowing within reasonable bounds is to some extent in the hands of the bond buyer himself and he should be given greater assistance in the matter of discrim-

inating between good risks and doubtful. To this end I suggest that some form of restraint should be exercised through the existing method of marketing and distributing public issues. Calls for tenders and offering prospectuses for new issues should contain a clear and unequivocal statement of the borrower's debt and financial position, with comparative figures over a period of years. The purpose of issue should be clearly and accurately stated. Such terms as "for general purposes" or "to retire temporary indebtedness" should be considered inadequate. If any capital budget has been projected for a future period the particulars should be shown. These provisions, and probably there are some others which could be effectively used, would give the investor an appraisal of the borrower's situation, which he rarely enjoys to-day.

SECURITY MARKETS

During the Bank year there was no marked activity in the local market for high-grade bonds, but the trend of prices continued firm except during the acute period of the European crisis. New and refunding bond issues of the Dominion Government (direct and guaranteed) aggregated \$338,500,000, Provincial and Municipal public issues were approximately \$204,200,000 and Corporation issues \$56,600,000.

Apart from mining flotations there has been little or no expansion in the supply of new share capital. Corporation borrowers have continued to favour a policy of borrowing in part by means of short-term obligations bearing a lower rate of interest than that which would apply to long-range loans. This method of financing has come into vogue since the advent of low money rates and, while the position and prospects of the borrower may appear to justify taking advantage of the lower interest cost, the practice is not always in the borrower's best interests. Certain instances have already come to light where the finances of corporations have been strained by the necessity of meeting short-dated maturities which could easily have been funded for longer periods at the time of the original flotation. In such cases the maintenance of a strong working capital position would have proven more advantageous than the lower initial interest cost for money gained through short-term financing. Furthermore, to meet a series of early maturing obligations may make it more difficult for the borrower to meet depression conditions. Unless he can arrange for a bank credit he may have to make excessive inroads into his cash resources or sacrifice inventories or other assets in order to maintain regular payments.

As a result of low interest rates available on short-term issues a number of Governmental bodies also have considerably shortened the maturities of their debts. In some cases they may have been forced to borrow on short term, owing to the absence of a long-term market. In others, the immediate economy may have been forced by budgetary pressure, but in many cases the motive has been the wish of the Government to show that its latest financing is the cheapest on record. Some indication of the extent of this shortening of maturities lies in the fact that whereas the average maturity of funded debt of the nine Provinces in 1929 was 17½ years, to-day the average is approximately 12½ years.

Present low rates of interest may not continue indefinitely and a substantial portion of the financing of recent times may have to be refunded at higher rates when the issues mature. The final result may show that it would have been cheaper to finance for longer terms even at a nominally higher initial cost.

FOREIGN EXCHANGE

The political tension in Europe during several months past has caused a continuous flight of capital to New York from London and other monetary centres in Europe. As a result the pound sterling has been under pressure and has declined con-

siderably in terms of both the Canadian and U.S. dollar. The low point reached in Canada was \$4.65½, representing a fall of 38 cents from the high of the year. Other European currencies in terms of United States dollars showed weakness in varying degrees, depending on the vulnerability of each country to an outbreak of hostilities.

The enormous flow of capital to New York resulted in a gain of \$1,000,000,000 in gold in three months, to bring the already huge holdings of the metal in the United States to the all-time high of \$14,051,000,000 on October 26th, a total representing well over one-half of the known monetary supplies in the world.

The critical situation in late September also resulted in the United States dollar rising in Canada at one time as high as a 3½% premium, followed by sharp reaction. The premium is now at around ¾%.

MONEY TRENDS IN GREAT BRITAIN AND THE UNITED STATES

Except for a short period during the recent crisis, in accordance with Government policy, money in Great Britain has remained abundant and rates low. Call money against prime bills has been constantly obtainable at ½%. For the greater part of the year the rate for discounts up to three months has continued at fractionally over ½%.

In the United States the measure of recovery thus far achieved has occasioned little or no borrowing at the member banks where commercial loans are still some \$900,000,000 lower than a year ago.

Lacking sufficient earning assets in the form of commercial and other loans, the American banks have continued to seek an outlet for a part of their surplus reserves in the securities market. The rates obtainable on short-term notes and bills are almost at the vanishing point.

During November of this year the Dominion Government negotiated a \$40,000,000 thirty-year refunding loan in New York on a yield basis of 3.14%—terms highly complimentary to a credit standing which we would do well to preserve.

Call loan rates in New York have been unchanged at 1% throughout the year, with little demand for money, and commercial paper has been in small supply at 5/8-¾% for prime names. It is not surprising, therefore, that banking profits have continued to decline, with no material improvement in sight. Meanwhile faith in cheap money as a means of promoting economic recovery appears to be weakening.

BUSINESS OUTLOOK IN CANADA

Business as a whole in Canada during the year under review can be said to have fared very well, especially when viewed in the light of conditions prevailing in the rest of the world. Because of geographical and trade relations, our economic welfare must be under the special influence of conditions in the United States and it is therefore reassuring to observe an upturn in business in that country. It is difficult of course to determine the extent to which their apparent betterment evolves from Government spending but general sentiment has improved and this is a prerequisite to industrial recovery.

Any marked improvement in our building trades, which have been lagging, will produce widespread benefit and it is gratifying that the Ottawa Government, with the co-operation of the Banks and various lending agencies in the country, has opened the way to building construction and improvement at low interest and amortization cost, thus providing a marked impetus to the trade on a thoroughly sound basis.

In the complicated conditions which now beset us any general forecast would be risky but, given peace in our time, and prudent

management of our affairs, there is every reason why Canada should face the future with confidence.

STAFF

In conclusion, it is particularly gratifying to report that throughout the year the finest spirit of co-operation has been maintained by the officers and staff of the Bank, who take pride in the institution and are unfailing in their efforts to promote its welfare and maintain its prestige.

REPORT ADOPTED

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

Sir Edward Beatty, G.B.E., moved, seconded by Mr. A. O. Dawson, that Messrs. George C. McDonald, C.A., and W. D. Glendinning, C.A., be appointed Auditors for the Bank for the ensuing year, and that the ballot for the Auditors be taken at the same time as the ballot for the Directors is taken.

The motion was carried.

On the motion of Mr. Ross H. McMaster, seconded by Mr. Norman J. Dawes, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

THANKS TO THE OFFICERS

The Hon. C. H. Cahan, K.C., moved, seconded by Mr. William C. Finley, "That the thanks of the meeting are hereby tendered to the President, the Vice-Presidents and Directors, for their attention to the interests of the Bank".

In speaking to the motion, Mr. Cahan said:

"I would like to add to the formal motion something perhaps not thoroughly realized except by those intimately connected with the affairs of the Bank, namely, that we should congratulate the President, Directors and Officers upon having fully maintained the high ideals of public service and of just and honourable dealing which have characterized this bank for more than a century and which have contributed very much to the stability and welfare of the Dominion as a whole". (Applause)

The motion was carried unanimously.

The Chairman: "I would like on behalf of my fellow-directors and myself to thank you very much, Mr. Cahan, for your kind words".

Mr. L. J. Belnap then moved, seconded by Mr. C. F. Sise, "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".

Before reading the motion Mr. Belnap said:

"We have been informed this morning of the splendid reports of the operation of this great bank. The Balance Sheet and addresses which we have just heard make reference among other things to the assets. The Balance Sheet, however, which is most carefully scrutinized, does not mention specifically a most important asset. I refer to the more than 3,800 men and 1,500 women who loyally and efficiently work in co-operation in the 517 offices

of the Bank. Without this most valuable asset there could not be that successful achievement with which you are familiar. The Directors at meetings twice weekly give serious consideration to the problems which come before them, but the General Managers, Assistant General Managers, Superintendents, Branch Managers and other officers loyally work and live, morning, noon and night, in the intricate and hazardous business of the Bank. These men take leading parts in the affairs of the community in which they live; give freely of their time, thus rendering a public service as well as continuing to build and improve this Institution. They are leading citizens in their respective communities. In our General Managers we are fortunate in having men who are the modern type of top executives, so necessary in these difficult and ever changing times; men who are not only ready skilfully to handle problems that may arise, but who are ready 'before they do arise'. It is with much pleasure that I move the Resolution". (Applause)

In seconding the motion, Mr. Sise said: "I would like to suggest that the meeting convey to the 281 retired officers who are in receipt of pensions, and to the 216 widows and orphans of deceased officers who are also in receipt of pensions, the good wishes of the shareholders of the Bank". (Applause)

The motion was carried unanimously.

Mr. Jackson Dodds, responding, said: "On behalf of Mr. Spinney and myself, our Assistant General Managers, Superintendents, Managers and staff of men and women, I wish to express sincere thanks for your expression of appreciation of services rendered during the past year. The Bank has indeed a loyal, efficient and zealous staff, imbued with the traditionally high ideals of the Institution. It is a matter of particular satisfaction to Mr. Spinney and me that the Shareholders recognize the important part played by the staff at large, on whose whole-hearted co-operation the General Managers and Head Office executive place complete reliance. Mr. Belnap's very kind remarks in introducing the resolution will be recorded in the printed report of this meeting and will be greatly appreciated by members of the staff throughout the service".

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 W. D. Glendinning, 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, W. Sanford Evans, Sir Charles Gordon, G.B.E., G. Blair Gordon, 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, Sir Charles Gordon, G.B.E., was elected President, and Mr. H. R. Drummond, Major-General the Hon. S. C. Mewburn, C.M.G., and Mr. W. A. Bog were elected Vice-Presidents.

BANK OF MONTREAL

ESTABLISHED 1817

EXECUTIVE OFFICERS

JOINT GENERAL MANAGERS

JACKSON DODDS

G. W. SPINNEY

ASSISTANT GENERAL MANAGERS

S. C. NORSWORTHY

O. R. SHARP

B. C. GARDNER

SUPERINTENDENTS

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

Secretary

C. H. CRONYN

Chief Accountant

E. H. STEWART

Assistant to the General Managers

E. A. FOX

Chief Inspector

G. H. GREENING

Manager

Business Development Department

P. C. SCHAEFER

Manager

Securities Department

J. S. BOLTON

Manager

Staff Department

L. W. TOWNSEND

Supervisor

Bank Premises Department

C. P. LIEBICH

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

BRANCHES

The Bank has 517 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.)
BAWL—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
SEDGEWICK
STETTNER
THORSBY
TOFIELD
TROCHU
TWO HILLS
VEGREVILLE
VIKING
WAINWRIGHT
WESTLOCK
WETASKIWIN

BRITISH COLUMBIA

ASHCROFT
BRALORNE
CHILLIWACK

BRITISH COLUMBIA —CONTINUED

CLOVERDALE
DUNCAN
ENDERBY
ESQUIMALT
HANEY
KAMLOOPS
KASLO
KELOWNA
KIMBERLEY
MERRITT
NANAIMO
NELSON
NEW DENVER
NEW WESTMINSTER
NORTH VANCOUVER
OAK BAY
PENTICTON
PORT ALBERNI
POWELL RIVER
PREMIER—SUB TO STEWART
PRINCE GEORGE
PRINCE RUPERT
ROSSLAND
STEWART
TRAIL
VANCOUVER (MAIN OFFICE,
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
MAGGREGOR

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
CANNO
GLACE BAY
HALIFAX (MAIN OFFICE,
205-207 HOLLIS STREET)
" NORTH END
" QUINPOOL ROAD & KLINE STREET
LUNenburg
MAHON BAY
RIVERPORT
SYDNEY
WOLFVILLE
YARMOUTH

BRANCHES IN CANADA

ONTARIO

ACTON
ALLISTON
ALMONTE
ALVINSTON
AMHERSTBURG
ARNPRIOR
ATHENS
AULTSVILLE—SUB TO WALES
AURORA
AYLMER
BARRY'S BAY
BEACHVILLE—SUB TO INGERSOLL
BELLEVILLE
BLENHEIM
BOBCAYGEON
BOTHWELL
BOWMANVILLE
BRAMPTON
BRANTFORD
BRIDGEPORT—SUB TO KITCHENER
BROCKVILLE
BRONTE
BRUCEFIELD—SUB TO HENSALL
CAMPBELLFORD
CHATHAM
CHATSWORTH
CHESTERVILLE
CLARKSON—SUB TO BRONTE
CLINE LAKE—SUB TO GOUDREAU
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—SUB TO TRENTON
GALT
GANANOQUE
GEORGETOWN
GLENCOE
GODERICH
GORE BAY
GOUDREAU
GUELPH
HALIBURTON

ONTARIO—CONTINUED

HAMILTON (MAIN OFFICE,
COR. MAIN & JAMES STREETS)
" BARTON STREET & VICTORIA AVENUE
" CENTRAL MARKET
" GAGE AVENUE & BARTON STREET
" HOLTON AVENUE
" JAMES & BARTON STREETS
" MAIN STREET EAST (DELTA)
" VICTORIA AVENUE
" WESTINGHOUSE AVENUE
HANOVER
HENSALL
HESPELER
HIGHGATE
HOLSTEIN—SUB TO MOUNT FOREST
INGERSOLL
IROQUOIS
KINCARDINE
KINGSTON
KINGSVILLE
KITCHENER
KOMOKA—SUB TO MARKET SQUARE, LONDON
LAMBTON MILLS
LANCASTER
LANDSLOWNE
LEAMINGTON
LINDSAY
LISTOWEL
LITTLE CURRENT
LONDONBOROUGH—SUB TO CLINTON
LONDON (MAIN OFFICE,
446 RICHMOND STREET)
" CITY HALL
" EAST
" MARKET SQUARE
" SOUTH
LUCAN
LUCKNOW
MANITOWANING
MARKDALE
MEAFORD
MERLIN
MIDLAND
MILDMAY
MIMICO
MINDEMOYA
MITCHELL
MONKLAND—SUB TO FINCH
MORRISBURG
MOUNT FOREST
NAPANEE
NEWINGTON—SUB TO FINCH
NEWMARKET
NEW TORONTO
NIAGARA FALLS
NORWICH
OAKVILLE
ORILLIA
OSHAWA
OTTAWA (MAIN OFFICE,
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 & LANDSLOWNE AVENUE
" BLOOR STREET & WINDERMERE AVENUE
" COLLEGE STREET
" DANFORTH & LOGAN AVENUES
" DUNDAS STREET & LANDSLOWNE 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 OUELLETTE 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
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
SALT COATS
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

IN GREAT BRITAIN

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

IN THE UNITED STATES

NEW YORK, N.Y.—AGENCY—BANK OF MONTREAL—64 WALL STREET
CHICAGO, ILL.—BANK OF MONTREAL—27 SOUTH LA SALLE STREET
SAN FRANCISCO, CALIF.—BANK OF MONTREAL (SAN FRANCISCO)—333 CALIFORNIA STREET

FOREIGN DEPARTMENT - - - - - HEAD OFFICE, MONTREAL

