

1941
BANK OF MONTREAL

ANNUAL GENERAL MEETING

HELD 1ST DECEMBER, 1941

BANK OF MONTREAL

(ESTABLISHED OVER 100 YEARS)

INCORPORATED BY ACT OF PARLIAMENT

HEAD OFFICE—MONTREAL

PRESIDENT

H. R. DRUMMOND

VICE-PRESIDENTS

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

W. A. BOG

GENERAL MANAGERS

JACKSON DODDS, O.B.E.

G. W. SPINNEY

DIRECTORS

D. FORBES ANGUS

W. N. TILLEY, K.C.

C. F. SISE

W. G. MURRIN

G. BLAIR GORDON

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

THE HON. HENRY COCKSHUTT

SIR FREDERICK WILLIAMS-TAYLOR

NORMAN J. DAWES

LOUIS L. LANG

H. W. MOLSON

ROBERT A. LAIDLAW

SIR EDWARD BEATTY, G.B.E.

ROSS H. McMASTER

W. SANFORD EVANS

L. J. BELNAP

C. H. HOUSON

LOUIS S. ST. LAURENT, K.C.

LONDON COMMITTEE

F. R. S. BALFOUR

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

SIR FREDERICK WILLIAMS-TAYLOR

CAPITAL, <i>paid up</i>	-	-	-	-	-	-	-	-	\$	36,000,000.00
REST AND UNDIVIDED PROFITS	-	-	-	-	-	-	-	-		40,153,668.75
TOTAL ASSETS	-	-	-	-	-	-	-	-		1,046,551,479.25

The 124th Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 1st December, 1941, in the Board Room at the Bank's headquarters.

Among those present were: D. Forbes Angus, R. H. Arkell, Arthur Barry, Sir Edward Beatty, G.B.E., F. G. Belcher, L. J. Belnap, Russell T. Black, W. B. Blackader, W. A. Bog, J. S. Bolton, Arthur Browning, W. W. Bruce, C. W. Buchanan, The Hon. C. H. Cahan, K.C., A. H. Carson, F. D. Chapman, Ross Clarkson, D. M. Cleland, Ronzo H. Clerk, N.P., F. W. Collins, The Hon. Henry Cockshutt, D. E. Crutchlow, Norman J. Dawes, Jackson Dodds, O.B.E., H. R. Drummond, The Hon. Chas. A. Dunning, P.C., C. G. Dunning, James A. Eccles, G. I. Evans, W. Sanford Evans, Mrs. Amy Ewart, George H. Ewart, A. B. Foster, A. E. Francis, B. C. Gardner, M. H. Gault, G. Blair Gordon, G. H. Greening, C. D. Hart, Samuel Hart, A. J. L. Haskell, C. G. Heward, K.C., Geo. Hogg, F. H. Hopkins, C. H. Houson, Chas. Hudon, M. Hunter, Joseph Hurtubise, Thomas M. Hutchison, R. P. Jellett, R. E. Knight, R. A. Laidlaw, Louis L. Lang, F. X. Leduc, Lt.-Col. Walter E. Lyman, W. T. A. MacFadyen, A. Macpherson, Donald N. MacRae, George C. McDonald, C.A., W. McDonnell, T. E. Merrett, Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., Walter H. Murray, W. G. Murrin, G. H. Napier, Frank W. Nelles, S. C. Norsworthy, Lt.-Col. W. P. O'Brien, Lt.-Col. Gavin L. Ogilvie, H. S. Oliver, D. J. O'Shaughnessy, Eugene Payette, G. F. Pearson, L. H. Pinsonnault, Henry E. Rawlings, L. S. St. Laurent, K.C., LL.D., H. E. Sellers, O. R. Sharp, G. Ross H. Sims, C. F. Sise, H. F. Skey, G. W. Spinney, J. T. Stevens, E. H. Stewart, Harry F. C. Stikeman, Arthur Terroux, L. W. Townsend, J. H. F. Turner, R. L. Warren, R. J. Williams, E. P. Winslow.

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

The Hon. Henry Cockshutt moved, seconded by Mr. Henry E. Rawlings, that Messrs. James A. Eccles and Harry F. C. Stikeman be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the meeting. This was carried unanimously.

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

THE ANNUAL REPORT

The Directors have pleasure in presenting the Report showing the result of the Bank's business for the year ended 31st October, 1941.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1940.....	\$1,321,642.15
Less adjustment of previous years' taxes.....	225,000.00
	<u>\$1,096,642.15</u>
Profits for the year ended 31st October, 1941, 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 Government Taxes amounting to \$2,242,905.10.....	3,437,026.60
	<u>4,533,668.75</u>
Quarterly Dividend 2 per cent. paid 1st March, 1941.....	\$ 720,000.00
Quarterly Dividend 2 per cent. paid 2nd June, 1941.....	720,000.00
Quarterly Dividend 2 per cent. paid 2nd Sept., 1941.....	720,000.00
Quarterly Dividend 2 per cent. payable 1st Dec., 1941.....	720,000.00
	<u>2,880,000.00</u>
Appropriation for Bank Premises.....	500,000.00
	<u>3,380,000.00</u>
Balance of Profit and Loss carried forward.....	<u><u>\$1,153,668.75</u></u>

(Signed) HUNTLY R. DRUMMOND,
President.

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

During the financial year, five offices were closed in the Dominion of Canada. Two offices were opened in Newfoundland.

The Directors have to record with deep regret the death of their late valued colleagues, Mr. F. E. Meredith, K.C., and The Right Honourable Arthur B. Purvis, P.C., the former a member of the Board since 1923 and the latter elected a Director in 1934, and of The Most Honourable The Marquess of Willington, P.C., G.C.S.I., G.C.M.G., G.C.I.E., G.B.E., who was appointed Chairman of the London Advisory Committee of the Bank in 1938.

In August, Mr. Louis S. St. Laurent, K.C., was appointed a member of the Board.

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

(Signed) HUNTLY R. DRUMMOND,
President.

Bank of Montreal, 1st December, 1941.

THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1941, was submitted as follows:

LIABILITIES		
Capital paid up.....	\$	36,000,000.00
Reserve Fund.....	\$	39,000,000.00
Balance of profits carried forward as per Profit and Loss Account.....		1,153,668.75
		40,153,668.75
Unclaimed Dividends.....		32,201.54
Quarterly Dividend, payable 1st December, 1941.....		720,000.00
		40,905,870.29
		76,905,870.29
Notes of the Bank in circulation.....	\$	17,890,850.50
Deposits by and balances due to Dominion Government.....		76,166,791.85
Deposits by and balances due to Provincial Governments.....		17,166,670.46
Deposits by the public not bearing interest.....		324,271,245.66
Deposits by the public bearing interest, including interest accrued to date of statement.....		489,846,521.33
Deposits by and balances due to other chartered banks in Canada.....		3,752,207.16
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries.....		17,184,453.05
		946,278,740.01
Acceptances and Letters of Credit outstanding.....		18,772,428.22
Liabilities to the public not included under the foregoing heads.....		4,594,440.73
		\$1,046,551,479.25
ASSETS		
Gold held in Canada.....	\$	17.50
Subsidiary coin held in Canada.....		1,500,356.71
Gold held elsewhere.....		1,392.18
Subsidiary coin held elsewhere.....		71,994.84
Notes of Bank of Canada.....		22,092,174.50
Deposits with Bank of Canada.....		68,559,939.01
Notes of other chartered banks.....	\$	604,330.00
Cheques on other banks.....		38,368,663.05
Government and bank notes other than Canadian.....		530,009.71
Due by banks and banking correspondents elsewhere than in Canada.....		54,967,508.92
Call and short (not exceeding thirty days) loans in Canada on Stocks, Debentures, Bonds and other securities, of a sufficient marketable value to cover.....		4,472,437.64
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.....		15,569,284.91
		114,512,234.23
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value.....		241,151,685.19 ✓
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value.....		195,056,842.06 ✓
Canadian municipal securities, not exceeding market value.....		18,015,097.61
Public securities other than Canadian, not exceeding market value.....		19,999,037.69
Other Bonds, Debentures and Stocks, not exceeding market value.....		24,701,239.07
		\$ 705,662,010.59
Current loans and discounts in Canada, not otherwise included, estimated loss provided for....		253,468,729.32
Loans to Provincial Governments.....		1,290,637.78
Loans to Cities, Towns, Municipalities and School Districts.....		27,673,908.67
Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for.....		21,271,754.14
Non-current loans, estimated loss provided for.....		958,488.71
		304,663,518.62
Bank premises, at not more than cost, less amounts written off.....		13,900,000.00
Real estate other than bank premises.....		474,138.06
Mortgages on real estate sold by the bank.....		473,061.33
Liabilities of customers under Acceptances and Letters of Credit as per contra.....		18,772,428.22
Deposit with the Minister of Finance for the security of note circulation.....		1,015,765.82
Shares of and loans to controlled companies.....		1,536,527.54
Other Assets not included under the foregoing heads.....		54,029.07
		\$1,046,551,479.25

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

HUNTLY R. DRUMMOND,
President.

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

TO THE SHAREHOLDERS OF THE BANK OF MONTREAL

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

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

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

MONTREAL, 18th November, 1941.

BANK OF MONTREAL TRUST COMPANY

(New York)

Balance Sheet as at 31st October, 1941

ASSETS		U.S. Currency	LIABILITIES		U.S. Currency
Cash.....		\$ 20,000.00	Deposits:		
Due from Banks:			Trust Funds.....	\$ 5,913.40	
Approved Reserve Depositories.....	\$ 617,035.74		Demand.....	52,273.17	
Other Banks and Bankers (Foreign)....	24,832.94		Time.....	40,914.96	
		641,868.68	Due to Banks, Bankers and Trust Companies.....	6.94	
Investments:			Reserve for Taxes.....		\$ 99,108.47
*United States Government Securities...	\$1,054,758.15		Other Liabilities.....		2,975.73
Accrued Interest.....	3,472.33				264.41
		1,058,230.48	Capital and Surplus:		
(Quoted Market Value, 31st October, 1941—\$1,058,724.20)			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 \$100.00 each.....	\$1,000,000.00	
			Surplus.....	539,000.00	
			Undivided Profits.....	90,928.51	
Other Assets.....		12,177.96			1,629,928.51
		<u>\$1,732,277.12</u>			<u>\$1,732,277.12</u>

NOTE:—

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

Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Bank of Montreal Trust Company as at 31st October, 1941, and we have obtained all the information and explanations which we have required.

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

(Signed)

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

MONTREAL, 18th November, 1941.

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 31st October, 1941

ASSETS		U.S. Currency	LIABILITIES		U.S. Currency
Real Estate, Buildings and Equipment (64-68 Wall Street, New York), less Reserves for Depreciation.....		\$1,144,897.44	Capital Stock:		
Prepaid Taxes and Insurance.....		22,463.63	Authorized, Issued and Fully Paid—		
Cash.....		5,614.53	100 Shares of \$100.00 each.....	\$ 10,000.00	
		\$1,172,975.60	Twenty-Year Four Per Cent. Gold Debentures—		
Deficit.....		116,240.89	Due 1st March, 1950.....	\$1,000,000.00	
			Twelve-Year Four Per Cent. Debenture Bonds—		
			Due 1st March, 1950.....	250,000.00	1,250,000.00
			(Interest on the Debentures for the period 1st March, 1941, to 1st March, 1942, was reduced to three per cent.)		
			Rentals Received in Advance.....		216.66
			Accrued Debenture Interest.....		6,250.00
			Accounts Payable.....		2,749.83
			Bank Loan.....		20,000.00
		<u>\$1,289,216.49</u>			<u>\$1,289,216.49</u>

NOTE:—

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

Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Hochelaga Realty and Development Company as at 31st October, 1941, and we have obtained all the information and explanations which we have required.

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

(Signed)

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

MONTREAL, 18th November, 1941.

THE ST. JAMES LAND COMPANY LIMITED

Balance Sheet as at 31st October, 1941

ASSETS

*The rights of the Company in an emplacement conveyed to Insurance Exchange Corporation Limited, by a 99-year lease (emphyteutic lease) and in the building thereon constructed by Insurance Exchange Corporation Limited, as at 23rd January, 1923.....	\$200,000.00
Expended on the building to date.....	117,205.14
	<u>\$317,205.14</u>
Less Reserve for Depreciation.....	105,198.29
	<u>\$212,006.85</u>
	<u>\$212,006.85</u>

LIABILITIES

Capital Stock:	
Authorized, Issued and Fully Paid—	
200 Shares of \$100.00 each.....	\$ 20,000.00
Capital Surplus.....	192,006.85
	<u>\$212,006.85</u>

*NOTE:—

The St. James Land Company's rights in the above described emplacement and building have been hypothecated by The St. James Land Company Limited to the extent of \$289,024.80 to secure bonds of Insurance Exchange Corporation Limited, for the payment of which amount The St. James Land Company Limited is not personally liable. The Capital Stock is entirely owned by the Bank and the shares appear on its books at a nominal value of \$1.00.

C. H. CRONYN, Director.
J. T. STEVENS, Director.

Auditors' Report

We have made an examination of the books and accounts of The St. James Land Company Limited as at 31st October, 1941, and we have obtained all the information and explanations which we have required.

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

(Signed)

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

MONTREAL, 18th November, 1941.

THE PRESIDENT'S ADDRESS

Gentlemen,—I have to report that in the year which has passed since our last meeting, we have suffered loss in the death of two of our directors, Mr. Frederick Meredith and The Right Honourable Arthur Purvis, and of the Marquess of Willingdon, Chairman of our London Committee.

Mr. Meredith's term as director covered a period of eighteen years, during which his intimate knowledge of business in this city and in the Province of Quebec made him a most valued member of our Board.

The death of Mr. Purvis in a flying accident in August, while engaged in his duties as Director General of the British Purchasing Commission in the United States, has been a grievous loss to our Bank, to Canada and to the Empire.

Lord Willingdon, a former Governor-General of Canada and Viceroy of India, who also filled many other posts in the Empire, had, on returning to England in 1938, accepted the Chairmanship of our London Committee. His death is a deeply regretted loss to the Bank.

In August last, Mr. Louis S. St. Laurent, K.C., was appointed a director of the Bank. Mr. St. Laurent is an outstanding member of the Bar in the Province of Quebec. You will be asked at this meeting to approve his addition to our Board.

THE BANK'S STATEMENT

The average assets of the Bank last year were \$973,000,000; this year they have risen to an average of \$1,031,000,000, the highest in our history.

Our earnings of \$3,437,000 compare with \$3,435,000 last year. Thus we can see how slender a margin of profit remains to a bank, considering the amount of funds it employs. The reason for this is, as compared with past years: decrease in loans, with corresponding increase of investments, which reduces our earnings. Nevertheless, the Bank has not swerved from its policy of carrying in its portfolio short term bonds, even if the interest yield is lower.

In point of fact, over 96% of all investments mature before the end of 1946.

In this year it is satisfactory to note our loans have increased \$36,000,000, and with the vast expansion of business in Canada, this trend may be expected to continue.

These results are due in no small measure to the efficiency and loyalty of the Staff of the Bank under very trying conditions.

The Bank lent Mr. Spinney to the Government to organize its Victory Loan Campaign and you all know its brilliant success was largely due to his organizing ability. In consequence, they have again

requisitioned his services to organize the whole task of raising money in this country, in which he is now engaged.

The Bank has also been glad to make available to the Government the services of other officers for special work in which their experience is of value to the country. I know you will wish to join me later in supporting in no formal manner the vote of thanks which it is usual to put before our meeting to the General Managers and their Staff.

BUSINESS IN CANADA

When we say that business in Canada has reached a level unparalleled in the history of this country, we do but scant justice to the effort which has been put forth. Since the onset of the war, an industrial and economic revolution has occurred in this country.

In a country occupied in peaceful pursuits, a large army and navy and, it is not exaggeration to say, an unsurpassed air force, have been built up, and on the home front war industries of a nature unknown here have come into being and are doing splendid work in furnishing the tools of war to our soldiers and the Empire.

More and more our Government is entering the realm of business by building or financing the plants which our war effort is calling into existence. In the present circumstances, a detailed review of business activity is not necessary. Sufficient it should be to say that business has now reached a point where unemployment is practically non-existent and to continue to increase our war effort we must curtail in other spheres, be prepared to accept material sacrifices and to subordinate individual interest to the common purpose.

Starting with a bonus on wages to compensate for the increased cost of living, the Government has imposed ceilings on both prices and wages, necessary steps to avert inflation which proved so disastrous after the last war. With work and wages at the highest point in our history, the temptation to spend increased wages is natural.

The Government's action is a venture without precedent in any free country. The Government itself admits that it is an experiment and that, to be successful, it must have the whole-hearted co-operation of the people at large.

Inevitably price control must be followed by restrictions on the production and sale of goods not essential to our war effort; in fact the Government has already put into effect curtailment of instalment buying and restrictions on many commodities.

You will agree with me that the people of Canada are ready—more, they are eager—to make any sacrifice the Government calls for in their will to victory.

Meanwhile, the plan is a reminder that, in a war for our very existence, profits must take second place in our minds. Morally, profiteering has no relation to size, nor does it apply exclusively to employers, in spite of the contrary impression fostered for so many years in the minds of the population.

AGRICULTURE

Last year at this time we were faced with the problem of the largest stock of wheat in our history.

By means of subsidies the Government reduced the acreage sown to wheat and nature reduced the crop, so that to-day we have 90 million bushels less than last year.

To help to meet the needs of the conquered nations of the world, whom Germany is deliberately starving to-day, every bushel of wheat we have will be needed.

Further, the knowledge that it is the intention of Great Britain and her Dominions to supply this help, given to the world by the far-sighted Prime Minister of Great Britain, Winston Churchill, will encourage the will to resist of all the nations now under the German heel.

It is a pleasure to see that the cash income of Canadian farmers promises in 1941 to be substantially larger than the total of \$715,000,000 for 1940, and, while no precise estimate will be available until January, tentative estimates, based on incomplete figures for the volume of agricultural marketings and the official index for farm prices, range from \$900,000,000 to \$950,000,000. The distribution of the increase is by no means uniform, however.

RAILWAYS

Transportation facilities have always been of paramount importance in the economic life of Canada, and in the present circumstances new emphasis has been given to the value of our railways.

Both systems have not only handled greatly increased traffic with efficiency and despatch but are also doing war work of value, and the Canadian Pacific has turned over all its fleet to the service of the country.

GOVERNMENT CONTROLS

When the war is over and Government purchasing disappears, it is essential that Government controls and regulation be removed with all possible speed, accompanied by the fullest amelioration in taxation that is allowable, for, if we are to continue in a system of free enterprise for which we are fighting, it is to private initiative that we must look for resumption of normal activities. Nothing can stifle individual effort more effectively than excessive regulation and high taxation and no one can undertake new ventures un-

less permitted to retain the profit which arises from successful effort.

Through its taxation, the Government has conscripted capital in all business enterprises; it controls the credit situation through the Bank of Canada, curbs instalment buying, limits the production of some goods such as automobiles, radios, etc., forbids wage increases except as the cost of living rises, and doubtless will have to go even further along similar lines.

Your Bank pays in ALL taxes as much as it does in dividends; in other words, for the first six months of the year we work for governments, the last six months for ourselves.

Any man who has an earned income of \$40,000 is conscripted by the Government from January to June, and with larger income he works longer for the Government and less for himself.

FOREIGN TRADE

While Canada's foreign trade has increased to record levels, it has been conditioned almost entirely by the war. During the second full year of the war, our exports rose to \$1,450,000,000 from \$1,130,000,000 during the first year; while imports were \$1,310,000,000 as compared with \$992,000,000. The pattern of the first year has been further accentuated. The proportion of our exports which went to Great Britain and other Empire countries increased from 51% to 56% of the total, while the bulk of our imports, actually 69%, continued to come from the United States. These figures do not include exports of non-monetary gold, which have amounted to more than \$200,000,000 in each of the years mentioned.

A notable development during the past year has been the cultivation of closer diplomatic and trading relations between Canada and Latin America. Ministers have been exchanged with Argentina, Brazil and Chile and new trade agreements have been concluded or arranged with Argentina, Brazil, Chile, Ecuador and Uruguay. The exigencies of the war and the lack of shipping may prevent the full benefits of those closer contacts from being realized immediately, but they will be recognized on both sides as a constructive basis for the development of wider trade channels when peace returns.

It was apparent on the outbreak of war that our greatly increased need of supplies from the United States, together with the disappearance of the free exchange market for the pound sterling, would be likely sooner or later to raise serious difficulties.

Through the agreements reached by our Prime Minister and the President of the United States, these difficulties have been to a large extent obviated and the extension of the Lease-Lend principle to imports into Canada from the United States for ultimate transfer to England has greatly helped the situation.

These agreements and the spirit in which they were negotiated will be of help in dealing with problems after the war.

GOVERNMENT FINANCES

During the present fiscal year the Dominion Government is committed to expenditures which may exceed the enormous figure of \$2,800,000,000. More than half this figure represents the estimated cost of direct war expenditures undertaken by Canada on its own account, which may reach \$1,450,000,000. Of the remainder, about \$900,000,000 is expected to be required to cover the cost of providing materials and supplies to Great Britain, and the balance, approximately \$470,000,000, represents provision for ordinary costs of government. The all-inclusive cost of the war alone this fiscal year will probably average about \$200,000,000 per month.

No one who is carrying his fair share of the load has any doubt as to what these figures mean, or regarding the courageous manner in which the Government is meeting the problem which they present. Federal taxes this year, together with revenue from other sources, are calculated to produce over \$1,400,000,000, which represents nearly three-fourths of the total anticipated expenditures undertaken by Canada on its own account. It is worth remarking that, while total federal taxes this year will be more than two and one-half times as large as they were two years ago, the amount payable in the form of direct taxes by individuals and business concerns is five times as great.

Heavy as these taxes are, they leave the large sum of about \$1,250,000,000 to be financed by borrowing. This is the measure of the obligation to save which the Canadian people must assume for this year.

It is no exaggeration to say that the obligation which now faces every Canadian citizen to save to the limit of his ability and to lend his savings to the Government is, in fact, as necessary as his obligation to pay taxes.

The excellent response to the Victory Loan in June last was encouraging evidence of the extent to which these facts are appreciated; but the effort which has been made so far, impressive as it is, must become universal and unrelenting if it is to suffice to meet the growing needs of our war effort.

This duty to save is imposed not only on the citizens of Canada as individuals but also falls equally on all forms of government. The citizen who is paying a great part of his income in taxes and who is making genuine sacrifices in order that he may lend his savings to the Government, has every right to expect that his governments, Dominion, Provincial and Municipal, shall curtail ordinary outlay and eliminate capital expenditure to the utmost possible extent.

UNITED STATES

In the United States commerce and industry are dominated by the exigencies of the defence programme. Substantial progress has been made despite difficulties of a formidable nature inherent in the transition from peace, and the pace of production is being daily accelerated. Since June, 1940, expenditures authorized by the United States Government for defence purposes, including Lease-Lend appropriations, have reached a total of over \$60,000,000,000, and while up to the end of August, 1941, only \$7,000,000,000 of this amount had been actually paid out—an average of less than \$500,000,000 per month over the fifteen months' period—it is estimated that the rate of expenditure is now running close to \$1,500,000,000 per month, indicating that the preparatory stage definitely has been passed.

Foreign trade of the United States in 1941 has been running ahead of the preceding year, but the channels of trade are much more sharply defined. Exports to the British Empire in the first eight months of this year were 50% higher in dollar value and now constitute about 70% of the total export trade. Lease-Lend articles are included in these figures. Shipments to Latin America and to some of the Far Eastern countries have increased, but elsewhere foreign trade has largely disappeared. Imports are greater by over 20%, accounted for in part by the movement of wood products and nickel from Canada. To facilitate trade with South America, credits are being made available by the Export-Import Bank where necessary.

GREAT BRITAIN

In Great Britain, beyond providing the bare essentials of a greatly modified standard of living, trade and industry are being devoted almost entirely to the prosecution of the war and to the maintenance of exports to provide necessary funds to buy munitions and foodstuffs overseas. With trade wholly under its control, the Government has recently placed more restrictions upon exports and has diverted the productive capacity of still more manufacturing plants to war supplies.

Nowhere among free nations has industry ever been keyed to such intensive and relentless production, almost to the total sacrifice of the personal element, as in Great Britain at the present time. I am sure we cannot but admire the courage, the steadfastness and the resolution of the whole British people under conditions which we have not yet had to endure here.

I may add that we learn from our London Manager that the extraordinary and continuing increases in Canada's contributions of men and material to the prosecution of the war have deeply impressed the people of Great Britain.

FRANCE

This is the darkest hour in the history of France; crushed under the brutal heel of the German she lies prostrate but not without hope.

Under the flag of Free France, Frenchmen will fight for liberty.

In Canada let us uphold the arms of these heroic defenders of the faith:

"Spes ultima manet".

CONCLUSION

To-day, faced with the facts of what total war, coupled with modern invention, means, we have to discard old ideas.

Airplanes, ships, submarines, radio and propaganda have abolished old limits. In such a war as this there are no longer fixed geographical frontiers to any country. As a Prime Minister of England has said, the frontier of England is on the Rhine, and to-day our frontier is in Europe.

We are fighting an enemy whose whole energy has been devoted through years to one end, world domination, and we have to meet that challenge.

Democracy gives us great privileges but not for nothing; every privilege has its corresponding duty; to keep the privileges we must be prepared to sacrifice everything except ultimate freedom itself. Freedom is worth sacrificing everything else for.

No story of the war would be complete without mention of the heroic part played by our beloved King and Queen, symbols of the unity of the British Commonwealth of Nations.

Sharing the dangers, living with and working amongst their people, they are an inspiration and a hope to all of us, and in Canada a strong force making for a united nation.

THE GENERAL MANAGERS' ADDRESS

The Chairman then called upon Mr. Jackson Dodds, as Joint General Manager, to read the address of the Joint General Managers, which was as follows:—
Mr. Chairman and Gentlemen,

On behalf of Mr. Spinney and myself, I have the honour to present to you the 124th Annual Balance Sheet of the Bank.

After deducting Dominion Government taxes of \$2,243,000, an increase of \$315,000 over the total of Dominion and Provincial Taxes paid in 1940, our net profits amount to \$3,437,000 as compared with \$3,436,000 last year. The payment of \$225,000 in respect of previous years' taxes arose from legislation passed in 1941.

Important changes in the Balance Sheet are as follows:

Total Assets amount to \$1,046,600,000 compared with \$961,300,000 a year ago, the increase having occurred mainly in loans and discounts and in investments.

Quick Assets total \$706,000,000 or 72.78% of all Liabilities to the Public.

Notes of and deposits with the Bank of Canada are \$9,600,000 higher and amount to \$90,700,000, representing 11.28% of all Liabilities in Canadian dollars as compared with the statutory reserve requirement of 5%.

Investments, not exceeding market value, carried at \$498,900,000, show an increase during the year of \$37,000,000 and now represent 53.74% of our deposits, as compared with 54.43% in October, 1940, and 56.58% in October, 1939. The increase is partly explained by our participation in the purchase by the Chartered Banks of \$250,000,000 Dominion Government 1½% Notes in December last. Our holdings of Municipal bonds have shown some contraction during the year mainly as a result of retirements at maturity. Of our \$436,200,000 of Dominion and Provincial Governments securities \$241,200,000 will mature within two years, and of the balance \$168,000,000 (par value) will fall due before 31st October, 1946.

Current Loans and Discounts in Canada at \$253,500,000 are \$36,000,000 higher.

Current Loans and Discounts elsewhere than in Canada at \$21,300,000 are up \$6,500,000.

Loans to Cities, Towns and Municipalities now stand at \$27,700,000, showing a reduction of \$6,000,000.

Bank Premises stand at the same figure as last year, viz., \$13,900,000.

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

Notes of the Bank in circulation total \$17,900,000 as against \$19,800,000 a year ago. Our legal limit is now \$23,400,000, or 65% of paid-up capital, and will continue under the terms of the Bank Act to decrease at the rate of \$3,600,000 per annum until reduced in 1945 to \$9,000,000. Shareholders' double liability decreases *pari passu* with the reduction of the note issuing privilege.

Deposits by and balances due to the Dominion Government at \$76,200,000 are higher by \$19,000,000.

Deposits by the public at \$814,100,000 are \$64,000,000 higher than a year ago. It will be noted that only one-eighth of the increase is interest-bearing, which may suggest to some that it is very profitable business. But it must be borne in mind that ordinarily the cost of service rendered exceeds the amount paid out in interest and that under present conditions overhead charges are much higher than usual.

Acceptances and Letters of Credit outstanding total \$18,800,000 and show an increase of \$7,000,000, due to enlarged requirements of trade and commerce.

During the year we have opened two and closed five offices. All the branches have been inspected, and, with a few unavoidable exceptions, I have for the first time in any one year met all the Managers, who were called in to divisional centres for the purpose and to attend conferences.

BANKING IN WAR TIME

The net changes which our Balance Sheet shows since the outbreak of war may appear relatively moderate by comparison with the profound changes which the war has brought about in many other fields of activity. The rapid growth of production during the past two years has required a fairly considerable expansion of bank credit. But the actual amount by which bank credit has increased during this period has been proportionately less than the increase of activity which it has served. This may be explained by a number of causes. In the first place, there was at the outbreak of war a large volume of idle money in the hands of corporations and individuals throughout the country. This money has been set to work—partly by the owners themselves in new industrial activity growing out of Canada's war efforts and partly by the Government through the agency of its greatly increased expenditure based on taxation and borrowing. Secondly, the employment of money for non-essential and speculative purposes has declined. And in the third place, many pre-war borrowers have repaid their bank loans.

The effect of these various factors is represented, as far as this bank is concerned, by a growth of 117 million dollars in our total Canadian deposits since August, 1939, which is a rise of 17% over the pre-war figure. Reflecting the more active use of money to-day, to which reference has just been made, the proportion of our deposits in Canada held in current accounts, as opposed to savings accounts, has increased during the same period from about one-third to one-half of the total. These figures still reflect to some extent the effect of the Victory Loan subscriptions.

The one purpose which dominates economic activity in Canada to-day is the prosecution of the war. In these circumstances it is natural that the relations between the government authorities and ourselves have been drawn closer than usual. We think that it is worth remarking that, to judge from our own experience during this most critical period of the country's history, the banks as they are now constituted have been able to render every service which has been required of them by the government and the central bank with complete co-operation and with full under-

standing and agreement concerning the ends in view.

From our point of view this co-operation has been greatly facilitated by the way the Bank of Canada has handled its responsibilities and by the stability which has distinguished its execution of monetary policy. Moreover, to the Bank of Canada must go the credit for the control of Foreign Exchange which we think all agree is essential under present war conditions. The chartered banks serve effectively as the medium through which this control is exercised.

It goes without saying that these benefits have been due not so much to the mere existence of a central bank as to the responsible character and practical experience of those who direct its operations. If its operations had been less wisely conceived or had been clumsily executed, very serious damage might have been done instead.

In reviewing the part which we have played since the outbreak of war, the provision of additional credit is the most conspicuous feature of our operations which appears upon the Balance Sheet. It is this aspect of banking, also, which commonly attracts the attention of people who interest themselves in monetary policy and related questions. But those of us who have responsibility for administering the affairs of the Bank are bound to attach even greater importance to more fundamental banking functions.

It is our business, first of all, always to make sure that we keep faith with our note holders and depositors. The plain fact is that our very ability to provide credit rests directly upon the knowledge of every one of our depositors that a deposit in this Bank is as good as cash in his pocket. This confidence has nothing to do with the subtle details of monetary policy. It cannot be procured by government action. It is a matter between our customers and ourselves. When we tell a man that we will pay him cash when he asks for it—which is in effect what we do whenever we credit a sum of money to his account—he knows that we will keep our word because we have literally been making it our business to do so for more than a hundred years. This simple principle is the whole basis of bank credit. If it goes, a bank's ability to extend credit goes with it.

Elementary as the facts just mentioned may be, it is well to recall them just now, when the banks are faced with unusually heavy responsibilities, and when there are already signs that the more specious brands of so-called monetary reform are being relabelled with a view to the time when they will be advertised as remedies for our post-war problems. It will be clear from what has been said that people who formulate theories concerning the use of bank credit but who ignore the underlying fact that banks have to pay cash to their depositors when they ask for it,

are simply building castles in the air upon non-existent foundations.

WHEAT CROP

The 1941 wheat crop in the Prairie Provinces, officially estimated at 282,000,000 bushels as against 525,000,000 bushels for 1940, is the smallest produced since 1937. Reduced acreage by Government regulation, coupled with unfavourable growing and harvesting conditions, largely accounts for the substantial decrease. Monetary returns from wheat, including all bonuses, are unofficially estimated at \$152,000,000—\$82,000,000 less than last year. While a considerable portion of this will be made up through increased returns from livestock and other farm income, in the areas necessarily devoted to wheat growing exclusively many prairie farmers will receive barely sufficient for living expenses.

Canada's carry-over continues substantial but lack of storage is not such a disturbing factor this year, due to increased temporary facilities provided by the elevator companies and continuance of the quota delivery system. Our vast wheat reserves undoubtedly are regarded with satisfaction by the British Government as an important war contribution from Canada.

GOVERNMENT FINANCING

During the period under review new and refunding issues of the Dominion Government, exclusive of Treasury Bill financing, aggregated \$1,296,820,000. This figure includes a new issue of \$250,000,000 1½% Notes sold to the chartered banks in December last and a refunding issue of \$200,000,000 1½% Notes in renewal of \$200,000,000 2% Notes sold to the banks shortly after the outbreak of war. The most important operation of the year was the highly successful distribution of the 1941 Victory Loan, offered for public subscription early in June. The amount named in the prospectus was \$600,000,000, but the Minister of Finance reserved the right to accept subscriptions in excess of this amount and total subscriptions to the Loan aggregated \$837,000,000 from nearly a million subscribers. We have assisted many of our customers to subscribe by making advances for this purpose.

Gross receipts by the Dominion Government from the sale of War Savings Certificates and Stamps from the inception of the Plan in May, 1940, to October 31st, 1941, aggregated nearly \$100,000,000. All branches of the Bank in Canada act as Selling Agents of War Savings Certificates and Stamps and operate the Bank Pledge Plan to facilitate regular purchases by applicants.

In view of the heavy financial requirements of the Dominion Government, Provincial, Municipal and Corporation financing was in lower volume than

in the previous year and has been confined mainly to refunding operations. The effect of increased war expenditures upon the volume of business has resulted in increased revenues for Provincial and Municipal bodies and the rising trend of employment has resulted in reduced public expenditure for Unemployment Relief. The financial requirements of the Dominion Government for war purposes make it incumbent on other governmental units to limit expenditures which may involve new financing.

During the year, the British Government requisitioned from United Kingdom residents their holdings of Dominion of Canada 3¼% and 4% Registered Stocks previously outstanding in an amount of £35,000,000 and of certain other Canadian issues. This has resulted in the repatriation of additional Canadian issues payable abroad.

NEWFOUNDLAND

In Newfoundland the construction of naval, military and air bases by the United States and the presence, for the defence of the North American Continent, of large bodies of armed forces, both Canadian and American, have created a wave of prosperity throughout the country.

Government revenues, to date this year, are the highest in the history of the Island. For the first time in years the Government showed a surplus at the end of their last fiscal year and have budgeted for an estimated surplus of \$2,500,000 for this year.

UNITED KINGDOM

Much progress has been made towards subordination of private interest to the war effort. Mobilization of total man and woman power is now in full swing. Recent increases in the number and severity of restrictions have been accepted cheerfully.

National expenditure has risen to, say, fourteen million pounds a day in comparison with about ten million pounds a day at this time last year. The Chancellor of the Exchequer told the country a short time ago that a greater proportion (namely 40%) of the national expenditure is now being met out of current revenue than was the case during the last war and that the country has so far succeeded in financing the war by methods which have held the danger of inflation in check. There has been a degree of inflation in the sense of a rise of internal prices, but there has been no uncontrollable upward rush of prices.

The Bank of England rate has been maintained at 2% and money at call from ¾% to 1%. The maximum rate of interest allowed by banks on deposits irrespective of amount or period has continued to be 1% per annum.

UNITED STATES

A point has now been reached in production and employment where, with the increasing diversion both of labour and material into defence industries, it has become necessary to curtail production in many lines of civilian durable goods and establish priorities to make this policy effective. Some dislocation will ensue and certain industries will undoubtedly suffer as a result, but this seems to be inevitable in the circumstances and every effort will doubtless be made to utilize both plant and labour in more essential activities.

The abnormal demand for raw materials has, as elsewhere, led to the establishment of price ceilings over an increasing list of commodities essential to the rearmament programme and control in this field has so far been reasonably effective. Up to the present time, the cost of living index has not fully reflected the higher wholesale prices, but food costs have been an exception and are well in advance of the general average.

While, however, the tendency has been to cover more and more commodities by price ceilings, there has, so far, been no concerted action taken to bring under control the cost of production and distribution represented by wages and it is fair to say that any system of price control which ignores this factor cannot long be effective. If prices are to be brought more and more under a measure of control, costs must also be restrained or the margin of profit available to business dwindles beyond the point where it is able to survive.

Recognizing the monetary factors which also influence the situation, the Treasury and the Federal Reserve Board have recently moved to curtail the excess reserves of member banks of the Federal Reserve System by increasing the reserve ratios.

The provisions of the Neutrality Act continue to bar any new issues by belligerent governments in United States markets. Pre-war Canadian loans in the New York market have been consistently strong throughout the period under review, evidencing the high rating accorded to Canadian credit by investors in the United States.

In the money market, despite the steady rise in commercial loans and the volume of new Treasury financing to meet defence needs, the weight of Excess Reserves has, so far, operated to prevent any increase in rates and money has continued in supply. As in recent years, the requirements of the securities markets have been small indeed and call money is freely offered at 1%.

STAFF

The war has increased our staff problems tremendously; there is scarcely a branch which has not had at least one of its members leave for active service.

About 50% of our officers 25 years of age and under have applied for and been granted leave of absence to join the Navy, the Army or the Air Force. In replacement of men who have enlisted and also to enable us to cope with an increasingly heavy volume of routine, we have engaged women clerks so that we now have nearly 900 more women than we had at the outbreak of hostilities, some 500 of them being temporary employees who offered their services for the duration of the war. In the latter group are many former members of our staff who had left to be married and who have now come back to help us out in time of need. They are performing yeoman service.

It takes time to train new employees and this has imposed a heavy strain on our Managers, Accountants and senior officers and it is with a feeling of pride and deep appreciation that we recognize the way in which they have risen to the occasion. In the past we have always been conscious of their whole-hearted interest in the Bank's welfare and their desire to serve to the best of their ability the communities in which they live. These qualities of loyalty and service were never more in evidence than they are to-day. The spirit of our Managers and staff in London, England, is typical of the people over there; their faith, courage, endurance and determination to carry on are beyond all words of praise.

Since the war started we have facilitated the arrangements of those who wished to join the Armed Forces by granting them leave of absence without question or delay and we are maintaining for them their seniority in the Bank and their standing in the Pension Fund Society. We shall continue this policy and we shall keep constantly in mind that the most effective welcome back we can extend to them when the war is over is to give them their rightful place in our organization.

There are those who a short while ago were amongst us in the Bank's service and who have passed on, and, in passing, gave their lives for the highest cause of all. No words can bring comfort to their nearest and dearest but we would like to place on record the fact that we realize to the full the debt we all owe them and are proud to have known them when they were with us in the service of this Bank.

REPORT ADOPTED

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

Mr. Norman J. Dawes moved, seconded by Mr. W. G. Murrin, 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. Louis L. Lang, seconded by Mr. G. Blair Gordon, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

The Chairman then said: "During the year two vacancies have occurred in our Board, while one new Director has been added, making in the total number of Directors a net reduction of one. As it is not proposed to place before you at this time any new names, I shall, with your concurrence, ask Mr. Sise to move the amendment which is necessary to reduce the number of Directors to be elected at this time from 22 to 21".

On the motion of Mr. C. F. Sise, seconded by Mr. L. J. Belnap, By-law No. 4 of the By-laws enacted by the Shareholders was then amended as follows:

"Resolved that clause (b) of By-law No. 4 of the By-laws enacted by the Shareholders be amended by striking therefrom the figure 22 and substituting the figure 21".

The Hon. C. H. Cahan, K.C., moved, seconded by Lt.-Col. Gavin L. Ogilvie: "That the thanks of the meeting are hereby tendered to the President, the Vice-Presidents and Directors, for their attention to the interests of the Bank".

In speaking to the motion, The Hon. Mr. Cahan said: "One hundred and twenty-four years ago, on November 3rd, 1817, the Bank of Montreal opened for business on St. Paul Street, in this city. It has now entered upon the 125th year of its banking career. It has established and maintained traditions of upright dealing that are recognized throughout the commercial world.

"Such traditions are the accumulated knowledge, experience, custom and usage, based on sound business principles which have been handed down by each generation of competent administrators, and which, even unconsciously, guide the activities of their successors.

"I am not speaking without some personal knowledge, for I have lived through 80 of those years, and in the last half century I have had personal acquaintance with all, and have enjoyed the intimate friendship of many of the successive Presidents, Vice-Presidents and General Managers of this Bank and of many of its Directors, whose names are familiar to all students of the history of this Dominion of Canada. They form a galaxy of men of integrity, efficiency and foresight, such as Lord Strathcona, Sir George Drummond, R. B. Angus, Sir Vincent Meredith and Sir Charles Gordon, to mention only successive presidents whom I have personally known, and who have now passed from the scene of their mundane activities.

"During my professional career I have undertaken for these men and their associates several important and delicate commissions in foreign countries, American and European, and I have knowledge of the scrupulous care which always dictated their banking policies.

"The highest tribute which I can now pay to the President, Directors and Officers of the Bank is that I am fully persuaded that they are efficiently administering the affairs of the Bank in full accord with the splendid traditions which their predecessors have established". (Applause)

Lt.-Col. Gavin L. Ogilvie said: "I have pleasure in seconding the motion expressing our deep gratitude to the President, the Vice-Presidents and Directors, and I would like also to say to the President how grateful we are that he is so competently carrying on in the position occupied so ably by his father". (Applause)

The motion was carried unanimously. The Chairman expressed appreciation, on behalf of the Directors and himself, of the resolution and the accompanying remarks.

The Hon. Charles A. Dunning, P.C., then moved, seconded by Mr. C. H. Houson, "That the thanks of the meeting are hereby tendered to the General Managers, the Assistant General Managers, the Superintendents, the Managers, and other officers of the Bank for their services during the past year".

In presenting the motion, The Hon. Mr. Dunning said:

"The resolution which I have the honour to move seeks to express on behalf of the Shareholders of the Bank their appreciation of the services rendered by that army of nearly seven thousand officers and staff, from the General Managers all along the line, about which we have heard this morning.

"The results of their work during the year are before us, in so far as they can be related in figures. The Bank staff's service, however, goes far beyond anything which can be reflected in figures. This Bank is a great public service institution, rendering a vitally essential service to this nation and the Empire in these most critical times. To the average Canadian citizen, the Bank of Montreal means that particular member of the staff, wherever he may be, with whom the citizen comes into contact. Each individual member of the staff IS the Bank of Montreal to the people who come into contact with him, either in connection with banking business or in any one of those countless ways in which an officer of a public institution meets the public. The conception of the Bank which the people form rests not only upon the policies of the Bank as laid down by the Board of Directors, but even more directly upon the manner in which those officers of the Bank with whom they come into con-

tact carry out their duties and exemplify the spirit of public service which is a great and worthy tradition of the Bank.

"This is the only opportunity the Shareholders have to give expression to their appreciation of the manner in which the Bank staff are playing their part, and I am sure that it is the unanimous wish of the Shareholders that this resolution of appreciation shall be conveyed to every member of the staff of the Bank.

"I am sure you would desire me to mention especially that large number, referred to by the General Managers, who are on active service in the Navy, the Army and the Air Force. Our thoughts go out to them at this time and I am sure it is a satisfaction to the Shareholders to note from the General Managers' remarks that these men will return to their rightful places in the Bank's service when the war is over". (Applause)

Mr. Houson, in seconding the motion, said he took great pleasure in this, heartily concurring in the remarks expressed by The Hon. Mr. Dunning.

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

"On behalf of my colleague and myself, the Assistant General Managers and all officers and staff of the Bank whom we represent here to-day, I wish to express our grateful thanks to Mr. Dunning and Mr. Houson for so kindly placing this motion before the meeting, and to the shareholders here present who have so generously endorsed the motion with their applause.

"You have indicated that you clearly recognize the value to the Bank of the services of the loyal and intelligent men and women who fill our ranks. These

are days when the banks, like most other business enterprises, are faced with far more than normal problems of operation. I am glad to be able to say therefore, and with complete conviction, that there never was a time when the morale of our staff was higher nor their determination stronger to serve the interests of this fine old institution in which we all take such a deep and pardonable pride". (Applause)

The Chairman then said: "The remaining business before the Meeting is the ballot for the appointment of Auditors and the election of Directors for the ensuing year. The ballot is now open for this purpose".

The ballot for the appointment of Auditors and the election of Directors 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 elected Directors:

D. Forbes Angus, Sir Edward Beatty, G.B.E., L. J. Belnap, W. A. Bog, The Hon. Henry Cockshutt, Norman J. Dawes, H. R. Drummond, The Hon. Charles A. Dunning, P.C., W. Sanford Evans, G. Blair Gordon, Charles H. Houson, Robert A. Laidlaw, Louis L. Lang, Ross H. McMaster, Major-General The Hon. S. C. Mewburn, C.M.G., H. W. Molson, W. G. Murrin, C. F. Sise, Louis S. St. Laurent, K.C., W. N. Tilley, K.C., Sir Frederick Williams-Taylor.

The meeting then terminated.

At a subsequent meeting of the Directors, Mr. H. R. Drummond was elected President, and Major-General The Hon. S. C. Mewburn, C.M.G., and Mr. W. A. Bog were elected Vice-Presidents.

BANK OF MONTREAL

ESTABLISHED 1817

EXECUTIVE OFFICERS

JOINT GENERAL MANAGERS

JACKSON DODDS, O.B.E.

G. W. SPINNEY

ASSISTANT GENERAL MANAGERS

S. C. NORSWORTHY

B. C. GARDNER

O. R. SHARP

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

F. G. BELCHER

SUPERINTENDENTS

ALBERTA DISTRICT.....	C. G. DUNNING, <i>Calgary</i>
BRITISH COLUMBIA DISTRICT.....	W. McDONNELL, <i>Vancouver</i>
MANITOBA AND SASKATCHEWAN DISTRICTS.....	A. MACPHERSON, <i>Winnipeg</i>
MARITIME PROVINCES DISTRICT.....	G. B. HOWARD, <i>Halifax</i>
MONTREAL DISTRICT.....	J. T. STEVENS, <i>Montreal</i>
QUEBEC AND NEWFOUNDLAND DISTRICT.....	D. M. CLELAND, <i>Montreal</i>
FOREIGN DEPARTMENT.....	R. E. KNIGHT, <i>Montreal</i>

Secretary

C. H. CRONYN

Chief Accountant

E. H. STEWART

Assistant to the General Managers

E. A. FOX

Chief Inspector

G. H. GREENING

Manager Staff Department

L. W. TOWNSEND

Manager Securities Department

J. S. BOLTON

Manager Business Development Department

C. O. MCGIRR

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

BRANCHES

The Bank has 508 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.)
BAWLFW—SUB TO DAYSLAND
BENTLEY
CALGARY (MAIN OFFICE,
140 EIGHTH AVENUE WEST)
" ELBOW PARK
" STOCK YARDS
CAMROSE
CARBON
CARSTAIRS
CASTOR
CHAUVIN—SUB TO EDGERTON
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
SEDEWICK
THORSBY
TOFIELD
TROCHU
TWO HILLS
VEGREVILLE
VIKING
WAINWRIGHT
WESTLOCK
WETASKIWIN

BRITISH COLUMBIA

ASHCROFT
BRALORNE
CHILLIWACK

BRITISH COLUMBIA

—CONTINUED

CLOVERDALE
DUNCAN
ENDERBY
ESQUIMALT
HANAY
KAMLOOPS
KASLO
KELOWNA
KIMBERLEY
MERRITT
NANAIMO
NELSON
NEW DENVER
NEW WESTMINSTER
NORTH VANCOUVER
OAK BAY
PENTICTON
PORT ALBERNI
POWELL RIVER
PREMIER—SUB TO STEWART
PRINCE GEORGE
PRINCE RUPERT
ROSSLAND
STEWART
TRAIL
VANCOUVER (MAIN OFFICE,
500-520 GRANVILLE STREET)
" BROADWAY & GRANVILLE STREET
" BROADWAY & MAIN STREET
" CARRALL & HASTINGS STREETS
" FOURTH AVENUE & ALMA ROAD
" GRANVILLE & DAVIE STREETS
" HOMER & HASTINGS STREETS
" HOTEL VANCOUVER
" KERRISDALE
" MAIN & HASTINGS STREETS
" MARINE BUILDING
" PENDER & COLUMBIA STREETS
" PRIOR & MAIN STREETS
" WEST POINT GREY
VERNON
VICTORIA (MAIN OFFICE,
1225 DOUGLAS STREET)
" GOVERNMENT STREET
WEST SUMMERLAND
WILLIAMS LAKE

MANITOBA

BELMONT
BISSETT
BRANDON
CARBERRY
DAUPHIN
GLADSTONE
HARTNEY
MACGREGOR

MANITOBA—CONTINUED

MORRIS
NEEPAWA
OAK RIVER
PORTAGE LA PRAIRIE
RESTON
SELKIRK
SOURIS
WINNIPEG (MAIN OFFICE,
COR. PORTAGE AVENUE & MAIN
STREET)
" BANNERMEN AVENUE & MAIN STREET
" CORYDON AVENUE
" FORT ROUGE
" HIGGINS AVENUE & MAIN STREET
" LOGAN AVENUE
" MCGREGOR STREET & SELKIRK AVENUE
" MORLEY AVENUE & OSBORNE STREET
" PORTAGE AVENUE
" PORTAGE AVENUE & GOULDING STREET
" PORTAGE AVENUE & VAUGHAN STREET
" SELKIRK AVENUE & ARLINGTON STREET

NEW BRUNSWICK

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

NOVA SCOTIA

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

BRANCHES IN CANADA

ONTARIO

ACTON
 ALLISTON
 ALMONTE
 ALVINSTON
 AMHERSTBURG
 ARNPRIOR
 ATHENS
 AULTSVILLE—SUB TO WALES
 AURORA
 AYLMEY
 BARRY'S BAY
 BEACHVILLE—SUB TO INGERSOLL
 BELLEVILLE
 BLENHEIM
 BOBCAYGEON
 BOTHWELL
 BOWMANVILLE
 BRAMPTON
 BRANTFORD
 BROCKVILLE
 BRUCEFIELD—SUB TO HENSALL
 CAMPBELLFORD
 CHATHAM
 CHATSWORTH
 CHESTERVILLE
 CLINTON
 COLLINGWOOD
 CORNWALL (MAIN OFFICE,
 159 PITT STREET)
 " MCCONNELL AVENUE & MONTREAL ROAD
 COURTLAND—SUB TO TILLSONBURG
 CREEMORE
 DELHI
 DOUGLAS
 DRUMBO
 EGANVILLE
 ELGIN—SUB TO WESTPORT
 ELORA
 EXETER
 FENELON FALLS
 FINCH
 FOREST
 FORMOSA—SUB TO TEESWATER
 FORT ERIE
 FORT ERIE NORTH
 FORT WILLIAM
 FRANKFORD
 GALT
 GANANOQUE
 GEORGETOWN
 GLENCOE
 GODERICH
 GORE BAY
 GUELPH
 HALIBURTON

ONTARIO—CONTINUED

HAMILTON (MAIN OFFICE,
 COR. MAIN & JAMES STREETS)
 " BARTON STREET & VICTORIA AVENUE
 " CENTRAL MARKET
 " GAGE AVENUE & BARTON STREET
 " 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
 LANCASTER
 LANDSOWNE
 LEAMINGTON
 LINDSAY
 LISTOWEL
 LITTLE CURRENT
 LONDESBOROUGH—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

PEMBROKE
 PERTH
 PETAWAWA MILITARY CAMP
 PETERBOROUGH
 PICTON
 PORT ARTHUR
 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 & LANDSOWNE AVENUE
 " BLOOR STREET & WINDERMERE AVENUE
 " COLLEGE STREET
 " DANFORTH & LOGAN AVENUES
 " DUNDAS STREET & LANDSOWNE AVENUE
 " DUNDAS STREET & RONCESVALLES AVENUE
 " DUPONT STREET
 " EARLSCOURT
 " 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
 " QUEEN'S PARK
 " 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,
1799 WYANDOTTE STREET
EAST)
" WALKER ROAD
WALLACEBURG
WATERFORD
WATERLOO
WATFORD
WELLAND
WEST LORNE
WESTON
WESTPORT
WILLIAMSBURG—SUB TO MORRISBURG
WILLIAMSTOWN—SUB TO LANCASTER
WINDSOR (MAIN OFFICE,
260 OUELLETTE AVENUE)
" LONDON STREET
WOODSTOCK
YARKER
ZURICH

PRINCE EDWARD ISLAND

CHARLOTTETOWN

QUEBEC

AMQUI
ARTHABASKA
ARUNDEL
ARVIDA
BEDFORD
BREAKEYVILLE
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
" SUN LIFE BUILDING
" 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
VALCARTIER
VALLEYFIELD
VERDUN (MAIN OFFICE,
4026 WELLINGTON STREET)
" BEATTY & VERDUN AVENUES
" CHURCH AVENUE
" FOURTH AVENUE & WELLINGTON STREET
VICTORIAVILLE
WATERLOO
WESTMOUNT (MAIN OFFICE,
1299 GREENE AVENUE)
" CLAREMONT AVENUE &
SHERBROOKE STREET

SASKATCHEWAN

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

YUKON

DAWSON
MAYO

OFFICES ELSEWHERE THAN IN CANADA

IN NEWFOUNDLAND

BOTWOOD BUCHANS—Sub to Grand Falls CORNER BROOK CURLING
GRAND FALLS ST. GEORGE'S ST. JOHN'S
STEPHENVILLE CROSSING—Sub to St. George'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

