

C

# BANK OF MONTREAL

1943

## Annual General Meeting

Held 6th December, 1943

PURVIS HALL  
LIBRARIES

DEC 28 1943

MCGILL UNIVERSITY





# BANK OF MONTREAL

(ESTABLISHED OVER 125 YEARS)

INCORPORATED BY ACT OF PARLIAMENT

HEAD OFFICE—MONTREAL

---

## CHAIRMAN OF THE BOARD

H. R. DRUMMOND

## PRESIDENT

GEORGE W. SPINNEY, C.M.G.

## VICE-PRESIDENTS

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

W. A. BOG

## GENERAL MANAGER

B. C. GARDNER

## DIRECTORS

THE HON. HENRY COCKSHUTT

C. F. SISE

W. G. MURRIN

G. BLAIR GORDON

ROBERT A. LAIDLAW

J. V. R. PORTEOUS

C. G. HEWARD, K.C.

SIR FREDERICK WILLIAMS-TAYLOR

NORMAN J. DAWES

LOUIS L. LANG

H. W. MOLSON

R. G. IVEY, K.C.

JOHN A. MACAULAY, K.C.

D'ALTON C. COLEMAN

ROSS H. McMASTER

W. SANFORD EVANS

L. J. BELNAP

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

S. G. BLAYLOCK

GORDON C. LEITCH

G. E. BARBOUR

---

## 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	-	-	-	-	-	-	-	-	-		40,879,521.13
TOTAL ASSETS	-	-	-	-	-	-	-	-	-		1,313,064,654.69



THE 126th Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 6th December, 1943, in the Board Room at the Bank's headquarters.

Among those present were: G. R. Ball, Arthur Barry, George E. Barbour, J. A. Beaulieu, F. G. Belcher, L. J. Belnap, George C. Benjamin, W. B. Blackader, S. G. Blaylock, W. A. Bog, J. S. Bolton, Arthur Browning, W. W. Bruce, F. D. Chapman, Ross Clarkson, D. M. Cleland, D'Alton C. Coleman, F. W. Collins, A. T. Corner, W. R. Creighton, D. E. Crutchlow, Norman J. Dawes, T. Dickson, H. R. Drummond, The Hon. Chas. A. Dunning, P.C., C. G. Dunning, W. R. Eakin, J. S. England, W. Sanford Evans, Royal L. H. Ewing, A. E. Francis, James M. Fraser, B. C. Gardner, James Garrow, M. H. Gault, G. Blair Gordon, Alastair A. Gowan, C.A., A. G. Guest, W. T. G. Hackett, G. H. Harman, C. D. Hart, C. Henderson, C. G. Heward, K.C., George Hogg, F. H. Hopkins, G. B. Howard, P. H. Howarth, Chas. Hudon, The Hon. Adrian K-Hugessen, K.C., Joseph Hurtubise, T. M. Hutchison, R. G. Ivey, K.C., R. P. Jellett, A. C. Jensen, E. Jones, R. E. Knight, R. A. Laidlaw, J. N. Laing, Louis L. Lang, G. Lawson, G. C. Leitch, J. A. MacAulay, K.C., W. T. A. MacFadyen, E. A. Macnutt, A. Macpherson, J. MacRae, G. A. McColl, J. E. McCully, George C. McDonald, C.A., W. McDonnell, C. O. McGirr, Ross H. McMaster, A. McTurk, T. E. Merrett, Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., H. W. Molson, C. O. Moon, W. G. Murrin, Frank W. Nelles, S. C. Norsworthy, H. S. Oliver, Elzear Orchard, J. H. Ottmann, John Patterson, Eugene Payette, L. H. Pinsonnault, J. V. R. Porteous, V. R. Purser, W. A. Ralston, E. E. Rutherford, O. R. Sharp, W. A. Shields, C. F. Sise, A. G. A. Spence, George W. Spinney, C.M.G., J. T. Stevens, E. H. Stewart, H. F. C. Stikeman, H. D. Suckling, Arthur Terroux, L. W. Townsend, R. H. Turley, Horace D. H. Williams, R. J. Williams.

On motion of Mr. H. R. Drummond, Mr. G. W. Spinney was requested to take the chair.

Mr. W. A. Bog moved, seconded by Mr. Ross H. McMaster that Col. Royal L. H. Ewing and Mr. H. F. C. Stikeman be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be Secretary of the Meeting. This was carried unanimously.

The Chairman then called upon Mr. B. C. Gardner, General Manager, to read the Annual Report of the Directors to the Shareholders, to present the Annual Statement, and to read the Auditors' Report.

## THE ANNUAL REPORT

The Directors have pleasure in presenting the Report showing the result of the Bank's business for the year ended 30th October, 1943.

### PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1942.....	\$1,236,686.94
Profits for the year ended 30th October, 1943, 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 \$2,913,194.04 (of which \$165,585.92 is refundable under the provisions of The Excess Profits Tax Act).....	3,302,834.19
	4,539,521.13
Quarterly Dividend $1\frac{1}{2}$ per cent. paid 1st March, 1943.....	\$ 540,000.00
Quarterly Dividend $1\frac{1}{2}$ per cent. paid 1st June, 1943.....	540,000.00
Quarterly Dividend $1\frac{1}{2}$ per cent. paid 1st Sept., 1943.....	540,000.00
Quarterly Dividend $1\frac{1}{2}$ per cent. payable 1st Dec., 1943.....	540,000.00
	2,160,000.00
Written off Bank Premises.....	500,000.00
	2,660,000.00
Balance of Profit and Loss carried forward.....	<u>\$1,879,521.13</u>

(Signed) GEORGE W. SPINNEY,  
President.

(Signed) B. C. GARDNER,  
General Manager.

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

The Directors have to record with deep regret the death of their late valued colleagues, Mr. D. Forbes Angus and Sir Edward Beatty, G.B.E., the former a member of the Board since 1912 and the latter elected a Director in 1919.

Mr. Gordon C. Leitch was appointed a member of the Board in February; in March, Mr. C. G. Heward, K.C., was appointed a Director and in May and November, respectively, Mr. D'Alton C. Coleman and Mr. George E. Barbour were appointed Directors.

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

(Signed) GEORGE W. SPINNEY, *President.*



# THE GENERAL STATEMENT

The General Statement of the position of the Bank on 30th October, 1943, 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.....	1,879,521.13
	40,879,521.13
Unclaimed Dividends.....	13,812.23
Quarterly Dividend, payable 1st December, 1943.....	540,000.00
	41,433,333.36
	77,433,333.36
Notes of the Bank in circulation.....	\$ 9,790,640.00
Deposits by and balances due to Dominion Government.....	68,655,669.39
Deposits by and balances due to Provincial Governments.....	34,317,292.19
Deposits by the public not bearing interest.....	462,812,258.98
Deposits by the public bearing interest, including interest accrued to date of statement.....	603,681,734.87
Deposits by and balances due to other chartered banks in Canada.....	2,851,512.96
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries.....	33,556,323.07
	1,215,665,431.46
Acceptances and Letters of Credit outstanding.....	17,068,844.05
Liabilities to the public not included under the foregoing heads.....	2,897,045.82
	\$1,313,064,654.69

## ASSETS

Gold held in Canada.....	\$ 7.29
Subsidiary coin held in Canada.....	1,638,439.64
Gold held elsewhere.....	1,011.87
Subsidiary coin held elsewhere.....	21,840.56
Notes of Bank of Canada.....	25,573,184.00
Deposits with Bank of Canada.....	94,282,369.05
Notes of other chartered banks.....	\$ 451,540.00
Cheques on other banks.....	49,918,072.03
Government and bank notes other than Canadian.....	760,153.29
Deposits with and balances due by other chartered banks in Canada.....	112.86
Due by banks and banking correspondents elsewhere than in Canada.....	41,078,538.25
Call and short (not exceeding thirty days) loans in Canada on Stocks, Debentures, Bonds and other securities, of a sufficient marketable value to cover.....	3,350,701.53
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.....	18,686,280.46
	114,245,398.42
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value.....	553,058,646.80
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value.....	158,084,989.29
Canadian municipal securities, not exceeding market value.....	13,024,963.38
Public securities other than Canadian, not exceeding market value.....	54,747,860.10
Other Bonds, Debentures and Stocks, not exceeding market value.....	20,931,460.78
	1,035,610,171.18
Current loans and discounts in Canada, not otherwise included, estimated loss provided for.....	215,195,244.95
Loans to Provincial Governments.....	1,363,780.99
Loans to Cities, Towns, Municipalities and School Districts.....	16,180,796.51
Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for.....	10,954,254.27
Non-current loans, estimated loss provided for.....	250,152.10
	243,944,228.82
Bank premises, at not more than cost, less amounts written off.....	13,400,000.00
Real estate other than bank premises.....	141,098.71
Mortgages on real estate sold by the bank.....	412,628.94
Liabilities of customers under Acceptances and Letters of Credit as per contra.....	17,068,844.05
Deposit with the Minister of Finance for the security of note circulation.....	718,536.25
Shares of and loans to controlled companies.....	1,501,990.04
Other Assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes \$195,472.75).....	267,156.70

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.

\$1,313,064,654.69

GEORGE W. SPINNEY,  
President.

B. C. GARDNER,  
General Manager.

### TO THE SHAREHOLDERS OF THE BANK OF MONTREAL

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and have verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise, at various dates throughout the year, checked the cash and verified the securities at several important Branches. We have to report that: (a) we have obtained all the information and explanations which we have required; (b) in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank, and (c) in our opinion the above Statement discloses the true condition of the Bank and is as shown by the Books of the Bank.

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

Auditors

Montreal, 20th November, 1943.



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

Balance Sheet as at 30th October, 1943

ASSETS	U.S. Currency	LIABILITIES	U.S. Currency
Due from Banks:		Deposits:	
Approved Reserve Depositories.....	\$ 215,945.57	Trust Funds.....	\$ 3,324.04
Other Banks and Bankers (Foreign).....	24,836.34	Demand.....	69,181.48
	\$ 240,781.91	Time.....	39,405.33
Investments:		Due to Banks, Bankers and Trust Companies.....	6.94
*United States Government Securities.....	\$1,521,114.81		\$ 111,917.79
Accrued Interest.....	8,905.80	Reserve for Taxes.....	5,705.15
(Quoted Market Value, 30th October, 1943—\$1,536,250.00)	1,530,020.61	Other Liabilities.....	973.65
*These include \$100,000 United States of America Treasury Bonds which, in accordance with New York State Banking Law, are deposited with and registered in the name of the Superintendent of Banks of the State of New York.		Capital and Surplus:	
		Capital Stock—	
		Authorized, Issued and Fully Paid—	
		10,000 Shares of \$100.00 each.....	\$1,000,000.00
		Surplus.....	546,000.00
		Undivided Profits.....	117,862.25
			1,663,862.25
Other Assets.....	11,656.32		
	<u>\$1,782,458.84</u>		<u>\$1,782,458.84</u>

**NOTE:—**

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

**Auditors' Report to the Shareholders**

We have made an examination of the books and accounts of Bank of Montreal Trust Company as at 30th October, 1943, and we have obtained all the information and explanations which we have required.

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

(Signed)

GEORGE C. McDONALD, C.A.,  
W. D. GLENDINNING, C.A.,

Auditors.

MONTREAL, 20th November, 1943.

**HOCHELAGA REALTY AND DEVELOPMENT COMPANY**

Balance Sheet as at 30th October, 1943

ASSETS	U.S. Currency	LIABILITIES	U.S. Currency.
Real Estate, Buildings and Equipment (64-68 Wall Street, New York), less Reserves for Depreciation.....	\$1,126,939.42	Capital Stock:	
Prepaid Taxes, Insurance, etc.....	22,235.09	Authorized, Issued and Fully Paid—	
Cash.....	5,213.12	100 Shares of \$100.00 each.....	\$ 10,000.00
	1,154,387.63	Twenty-Year Four Per Cent. Gold Debentures—	
Deficit.....	114,343.86	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, 1943, to 1st March, 1944, was	
		reduced to three per cent.)	
		Accrued Debenture Interest.....	6,250.00
		Accounts Payable.....	2,481.49
	<u>\$1,268,731.49</u>		<u>\$1,268,731.49</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 30th October, 1943, and we have obtained all the information and explanations which we have required.

No provision has been made in the above Balance Sheet for a contingent liability in respect of claims in litigation aggregating \$56,000.

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

(Signed)

GEORGE C. McDONALD, C.A.,  
W. D. GLENDINNING, C.A.,

Auditors.

MONTREAL, 20th November, 1943.



# THE ST. JAMES LAND COMPANY LIMITED

Balance Sheet as at 30th October, 1943

## 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  
 \$317,205.14

Less Reserve for Depreciation. .... 116,918.79

\$200,286.35

\$200,286.35

## LIABILITIES

### Capital Stock:

Authorized, Issued and Fully Paid—  
 200 Shares of \$100.00 each. .... \$ 20,000.00  
 Capital Surplus. .... 180,286.35

\$200,286.35

### \*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 and mortgage 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 to the Shareholders

We have made an examination of the books and accounts of The St. James Land Company Limited as at 30th October, 1943, and we have obtained all the information and explanations which we have required.

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

(Signed)

GEORGE C. McDONALD, C.A.,

W. D. GLENDINNING, C.A.,

Auditors.

MONTREAL, 20th November, 1943.



# The President's Address

GENTLEMEN,—It is with a deep sense of loss that we have to record the death since our last meeting of two of our Directors, Mr. D. Forbes Angus and Sir Edward Beatty, G.B.E. Mr. Angus was elected to the Board of this Bank in 1912. His term of service as a Director and that of his distinguished father, the late R. B. Angus, covered an unbroken term of fifty-two years, so that the name Angus is deeply and honourably woven into the history of this institution. Sir Edward Beatty had been a Director of the Bank for over twenty-three years. It is no exaggeration to say that he was invaluable to us and that he had a special place in our affections and in the affections of those with whom he came in contact in other spheres of his business and philanthropic activities—which were many.

In February last, Mr. Gordon C. Leitch, who is prominently identified with the milling industry, joined our Board. Mr. Leitch is a resident of Toronto and enlarges the representation on our Board from the Province of Ontario. In March, Mr. C. G. Heward, K.C., an outstanding member of the legal profession in Montreal, was appointed a Director. In May, Mr. D'Alton C. Coleman, Chairman of the Board and President of the Canadian Pacific Railway, joined the Board, and, in November, Mr. George E. Barbour, an outstanding resident and representative of the Maritime Provinces, was also appointed a Director. You will be asked at this meeting to approve the election of these gentlemen to our Board. For my own part I sincerely welcome the benefit of their experienced judgment in the direction of the Bank's affairs.

Following our last Annual Meeting, Mr. Drummond was elected Chairman of the Board and I was honoured by election to the Presidency of the Bank. Mr. B. C. Gardner was appointed General Manager, a position for which he is eminently suited for he has had a wide and varied experience in banking and possesses the special qualities of leadership which are so essential in this important office.

## *The Bank's Statement*

As will be seen from the Profit and Loss Statement, after paying Federal Government taxes of \$2,913,194.04, our profits for the year were \$3,302,834.19. Last year, taxes were \$2,539,874.12 and profits were \$3,283,018.19. After paying a dividend of \$6 per share, and reducing Bank Premises by \$500,000 for depreciation, and making full reservation for Bad and Doubtful Debts, we are

able to carry forward to Profit and Loss Account the sum of \$642,834.19. This addition to Profit and Loss is higher than it was for the previous year. In part it reflects the reduced dividend rate and to some extent also it is the result of recoveries from debts which previously had been written off. I am sure the shareholders will agree that in the light of all the contingencies this strengthening of our Profit and Loss figures is not by any means an unfavourable feature of the Balance Sheet now before you.

## *The Home Front — Achievements and Problems*

On the battle lines throughout the world, the past year has given us much cause for profound thankfulness. On the home front too the year has been one of achievement. But I think that any realistic view of the local scene must lead to the conclusion that the threat of inflation with all its attendant dislocation and hardship has in no way diminished in the past twelve months but has, if anything, increased. Moreover, I do not think it too much to say that by reason of the very successes of the Allied forces, we in Canada are peculiarly vulnerable to the dangers of complacency with a consequent relaxation of our energies at a time when our full efforts should be sustained. In brief, I think we have a situation in which it is necessary for Canadians to draw upon their reserves of sound common sense and their capacity for clear thinking and self-discipline. For it is at a time such as the present that these qualities, displayed by those at home, can have a telling effect on the duration of the struggle and on our ultimate ability to meet and to solve the problems of transition from war to peace.

Much has been said, and rightly so, concerning the spectacular wartime achievements of Canadian industry—achievements which would not have been possible but for the co-operation and untiring efforts of millions of Canadian workers who have brought to the task of war production the fullest measure of their energies and skill. I should also like to pay tribute to those responsible for no less remarkable accomplishments in two other fields—agriculture and transportation. At no time in the war has food occupied so vitally important a place in the armoury of the United Nations as it does at present. The manner in which Canadian farmers have met, and are continuing to meet, the challenge of vastly increased demands upon them, under extreme handicaps of shortage of help and scarcity of machinery, is deserving of the praise



and gratitude of the entire nation. I should like also to say a word concerning the services rendered by our two great railroad systems. Despite scarcity of equipment and manpower, the railways are handling freight and passenger traffic in all-time record volume. The performance of such a task, under trying conditions of operation, and with relatively little inconvenience to shippers of freight and to the travelling public, is an accomplishment of which the management and operating personnel of the railway systems may well be proud.

### *The Wartime Work of the Bank*

I think it would be quite in order for me now to draw attention to the manner in which your Bank has endeavoured in a spirit of service to meet the changing needs of a nation at war. There has been little change in the volume of loans of both commercial and financial character, but in other directions the work has vastly expanded. Transactions in cheques and deposits, Victory Bonds and relative coupons, pouring through our hands, have been immeasurably heavier than before the war. Our safekeeping facilities have been under a severe strain. We have already opened thousands of ration coupon accounts and handled coupons running literally into hundreds of millions. The ramifications of Foreign Exchange control also have added to our responsibilities. It has been necessary to cope with these situations with a staff which, by reason of heavy enlistments, is seriously depleted in its experienced ranks. Of their diligence and loyalty the General Manager will have something to say later on in this meeting.

In the year just closed, our acquisitions of Government securities were on a reduced scale as compared with the preceding year, notwithstanding a substantial increase in the Government debt. You will, I am sure, appreciate my point when I say this is a development we welcome, since it is a direct reflection of the national effort to control inflation by financing the war to the greatest possible extent by taxation and the sale of bonds to individuals and other non-bank investors. While the continued purchase of short-term Government securities is a wartime duty which the Bank is glad to assume to the extent required, we are at one with the Minister of Finance in his desire to see that the necessity for this expansionary type of financing is kept to the practical minimum.

Nor has our attitude in this regard been merely one of passive agreement. For our whole organization has focussed very special attention upon the matter of aiding in the sale of Victory Bonds and

War Savings Certificates. I am proud of our record in these great national undertakings. By written word and oral persuasion we have done everything within our power to encourage depositors in this Bank to use their funds to the utmost limit of their ability in the purchase of Government securities and to pledge their incomes to the same end. But that is not all. We have established low rates and special arrangements designed to direct these securities into our hands for safekeeping. The significance of this service goes beyond the elimination of the obvious risks in keeping securities in one's own home, for we know from experience that the investor who lodges his bonds at the bank for safekeeping is thereby helped and encouraged to perpetuate his savings.

### *Victory Bonds in the War and After*

You probably have read public statements recently that would imply that the banks and other large institutions have an interest in depriving the individual of his Victory Bonds in accordance with some deep-laid and sinister scheme of concentration of wealth. Such statements, it seems to me, cannot be the result of a thoroughly informed and unbiased appraisal of the facts. First-hand knowledge enables me to speak on this point with some authority. As Dominion Chairman of our Victory Loan organization for a period of two and a half years, I was able to observe at close range the thoughtful planning and tireless energy which the Banks, Trust and Loan companies, Insurance companies, Investment houses, together with all other responsible groups in the community, brought to bear in distributing Victory Bonds into the hands of small buyers and in endeavouring to have them kept there. The success which these efforts have attained can in some degree be measured by the increasing number of individual sales which have been made in Victory Loan campaigns. In the First Loan of June, 1941, there were 968,259 subscriptions. In the Loan just closed, there were over 3,000,000 sales, or say one sale for every four persons in the Dominion.

In my view the widest possible distribution of Victory Bonds in public hands, apart from its necessity under present conditions, has tremendous post-war significance. For if the national debt is distributed among all sections of the community, the processes of repayment will be eased and facilitated. Moreover, the reserve of purchasing power, built up to-day by hundreds of thousands of Canadians through the purchase of Victory Bonds, can play a very real and important part in stabilizing



the post-war economy and maintaining employment.

I know there have been some fears expressed that there will be a rush on the part of individuals to cash their bonds at the end of the war and that the impact of this spending power on goods, which for some time will be limited in supply, will give rise to an even greater danger of inflation than now exists. This is a possibility I am not inclined to accept without reservation, for the desire to save and to provide for the future is a basic human instinct, and a habit which quickly takes root. It is true that in the pre-war years many people were either denied the opportunity, or lost the habit, of saving. During the war, saving has again become possible, and is now not only considered respectable but has been elevated to the position of a patriotic duty. Many people are enjoying for the first time the feeling of independence which only a reserve of savings can bring. I suggest that the will to save can, in large measure, be projected into the post-war years if Canadians see to it that the act of saving continues to be respectable and that the savings of the individual will be respected.

### *Government Debt, Interest Rates, Taxes*

There is one aspect of the Government debt, relating to the earning power of the Bank, upon which I would like to comment. We have for some years been operating under a condition of low interest rates. It is common knowledge that governmental policy has been in this direction—in peacetime years with a view to stimulating business recovery and expansion, and since the war for the purpose of keeping down the carrying charges on the debt to the lowest possible figure. This is a situation which has also had its parallel in Great Britain, the United States and elsewhere. An inevitable consequence is of course that those who are in any way in receipt of interest incomes find them lower than they were in earlier years.

This has been clearly reflected in the interest return on savings deposits. The present rate of  $1\frac{1}{2}\%$  may appear low in comparison with the  $3\%$  rate which was paid for about thirty years prior to May 1st, 1933. But the reductions which have taken place since that date have been a direct consequence, firstly, of the decline in the interest return on active assets, securities and loans alike, and secondly, of the increasing proportion of total assets represented by securities which, for reasons of liquidity, must be of short term and on which the interest rate is therefore very low. For example, our year-end Balance Sheet shows total security

holdings of \$799,847,920.35. Within this amount there are \$18,011,000. Dominion and Provincial Treasury Bills on which the average yield is about  $1.5\%$ , and \$212,720,000. Deposit Certificates, Dominion of Canada six months' obligations, on which the yield is  $\frac{3}{4}$  of  $1\%$ . Our entire security portfolio yields us slightly over  $1\frac{1}{2}\%$ . It is to be noted that all these figures I have given represent gross interest return and do not take into consideration operating expenses and taxes properly applicable thereto.

The depositor is, of course, by no means the only person affected by this situation. It is true that the savings depositor's interest rate has been cut in half as compared with the rate prevailing before 1933; but for every dollar of dividend which our shareholders received in 1930 they receive to-day something less than 43 cents. I might add that for every dollar of Dominion and Provincial Government taxes which we paid in 1930, our payments to-day amount to nearly \$4.00. I do not make this reference to taxes in any spirit of complaint, but simply that you may have the complete picture before you.

### *The Individual and Governmental Control*

At this point I think it would be quite in order to make some reference to the much discussed subject of nationalization of banking. For it seems to me that the frank and considered opinion of a banker, who like most other Canadian bankers has come up "the hard way," is at least as worthy of a hearing as the views of ardent exponents of theories of state ownership. Let me say, therefore, as a banker, and as a Canadian who has the interests of his country at heart, that I am at a loss to understand what good object nationalization of banking would achieve. Indeed I am convinced that such a move would be productive of consequences gravely detrimental to the community at large.

To be more specific, I cannot see that under nationalization the many and varied banking services on which the entire business and commercial organization depends, and which everyone is inclined to take for granted, would be performed with greater efficiency and despatch than they are now. I find it difficult to believe that the individual in his dealings with a Government-owned bank would have a greater assurance of privacy or personal attention to his particular problems than he has at present. May I say too that I can find no need for nationalization in order to place the nation's supply of money under governmental regulation, since the regulation of the money supply is a function already



performed by the Government-owned central bank.

Our position to-day is that there are ten banks actively competing with each other for business; and I can assure you that this competition is real and intensive. Under these circumstances if an individual has reason to believe that he is not being adequately served or that his proposals have not received due consideration by any one bank, there is nothing to prevent him from going to another. I think it is safe to say that under our competitive system a refusal of business by several banks would probably be sufficient evidence that the proposal was not one which, by any stretch of the imagination, could conform to good banking principles.

The alternative which the proponents of nationalization offer in exchange for the present system of competitive banking is a banking monopoly under governmental control. Under such circumstances once the borrowing requirements of a customer were denied, for any reason whatever, he would have no recourse except through the channels of special pleading or political influence.

One of the most prominent proponents of nationalized banking recently stated, as one of the points in its favour, that control of finance is a most essential step to control of the whole economy. With the truth of this statement as applied to nationalization of the banks I would most definitely agree. Set up a government monopoly of banking in Canada and the socialization of the rest of the economy would scarcely be more than a "mopping-up operation." For if a governmental bureau becomes the only source of day-to-day credit accommodation for Canadian industry and agriculture, the Canadian economy will have already lost its independence regardless of the extent to which any field of endeavour may continue to retain the outward appearance of free enterprise. This, I suggest, is a point that employees, as well as owners and management, may ponder. For if the Government, directly or indirectly, is to attain control of the entire productive facilities of the country, such an important element in production as labour cannot possibly hope that the vast regimentation involved would apply to everyone else and pass the workingman by.

In its primary aspects the matter of nationalized banking is one of monopoly versus competition in the field of credit; and even within these limits it concerns everyone owning or dependent upon a Canadian enterprise that may have need of day-to-day or seasonal credit accommodation. In its broader implications the issue is that of individual liberty of action as opposed to the concept of a

central Government supreme not only in the field of legislative powers and responsibilities, but in the spheres of business, industry and finance as well. This would inevitably mean the domination by the central authority of all bodies whether public or private which must have recourse to credit facilities.

Underlying all the talking and thinking about post-war planning which we hear so much of to-day is the determination that out of this war there must come a better Canada; and that those who have fought and worked for victory must be assured of an opportunity as free and independent citizens to obtain and enjoy for themselves and their children the material benefits of the freedom they have helped to defend. No one will deny that in the accomplishment of these purposes there will be a place for governmental measures wisely conceived and administered. But I suggest that the real basis for full employment and decent living standards is a high and increasing productivity that will be possible only in a healthy, vigorous and flexible economy. We shall be in great need of initiative, imagination and inventive genius. And as we value our political freedom and our economic future, we must guard against the doctrine that the way to achieve the post-war objectives we seek is to confine the Canadian economy within the strait-jacket of governmental regulation, ownership and control. Such a doctrine ignores political and economic realities as well as some of the persistent frailties of human nature, and rests upon the assumption that government ownership and control are inherently "right" and individual ownership and enterprise inherently "wrong." My hope would be that Canadians will never, through indifference or lack of clear thinking, acquiesce in the creation of an economic order in which enterprise and initiative, and the spur of competition, are regarded as of little value and low reputation.

The whole subject is one of vital national importance and I am confident that you, as proprietors of the Bank, would feel that it would have been remiss on my part if, at the proper time and place, I had failed to state my views. This seems to me to be a proper time and a proper place.

### *The Bank in the Post-war Years*

For 126 years this Bank has played an important part in the commercial and industrial development of the Dominion. In all that time our facilities have been freely available to the Canadian people in the exercise of banking functions, conducted in all their aspects, without bias or political prejudice, and in



accordance with principles which experience has proven to be sound. In this, we have I think played a not unfitting part as the oldest representative of the Canadian banking system. Long traditions of soundness, sane and experienced management, fair and confidential dealing, plus the competitive spur to progressive outlook and efficiency, have all combined to build this system that is serving the public well. I am confident that your Bank is well equipped to do its important part towards meeting the problems and opportunities of the post-war years in a continued spirit of enterprise and helpfulness to the whole community.

## The General Manager's Address

MR. CHAIRMAN AND GENTLEMEN,—Before submitting for your approval the 126th Balance Sheet of the Bank, I would like to express my thanks for the generous terms in which the President has referred to my appointment as General Manager. I can only say that I am deeply sensible of the responsibilities of the office and of the traditions of the great institution which I am privileged to serve.

### *Balance Sheet*

Following the usual custom I shall comment briefly upon the more important changes in the Balance Sheet since last year.

Our total assets now aggregate \$1,313,065,000 as compared with \$1,175,319,000 a year ago. Quick assets aggregate \$1,035,610,000, or 83.81% of all liabilities to the public.

Notes of and deposits with the Bank of Canada amount to \$119,856,000 representing approximately 11.39% of all deposit liabilities in Canadian dollars.

Investments, not exceeding market value, carried at \$799,848,000, show an increase during the year of \$115,701,000. This increase was mainly in our holdings of Dominion of Canada Deposit Certificates and other short-term obligations of the Dominion Government. Our holdings of Provincial and Municipal securities show some further contraction reflecting the lower borrowing requirements of these bodies.

Current Loans and Discounts are little changed from the previous year-end figures. Our Commercial Loans continue to reflect the reduction in inventories, the shortening of credit terms, the reduced activities of companies engaged in the financing of durable consumer goods, such as motor

cars, the inactivity of financial markets, and the reduction of private debt.

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

### *Premises*

Bank Premises at \$13,400,000 show a decrease of \$500,000 compared with last year. We have recently made a survey of the condition of our premises, from which it is clear that at the end of hostilities work which is now deferred under wartime regulations will have to be done. This work, combined with the erection of our proposed new building to house our Toronto business, will help to take up labour released from other activities during the transitional period at the end of the war.

### *Deposits*

Deposits in Canada and abroad aggregate \$1,205,875,000, an increase of \$141,229,000 over the preceding year. The higher level of deposits continues to reflect the abnormal conditions of wartime production and finance. Both demand and notice deposits have shown wide fluctuations during the year due to the effect of governmental payments for war expenditures and purchases of Victory Bonds by depositors. Deposits by the public bearing interest now aggregate \$603,682,000 and show a greater increase than those free of interest, in contrast to the trend of the previous year.

### *Circulation*

Notes of the Bank in circulation total \$9,791,000 as against \$15,355,000 a year ago. The legal limit of our note issue is now \$16,200,000 or 45% of our 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 25% of our paid-up capital. Shareholders' double liability decreases *pari passu* with the reduction in the authorized note issue.

### *Bank Services*

The services of the Bank have been maintained at a high level of efficiency in spite of the greatly increased volume of routine resulting from wartime conditions. The rise in bank deposits has been accompanied by a growth in the number of Current and Savings Accounts and we now provide banking facilities for about 1,200,000 customers under



these headings. This increase has been accompanied by an even greater growth in the volume of transactions handled at our branches, including the special wartime services, to which the President has referred in his address.

In the loaning field the Bank has supplied, with Government co-operation, the necessary funds to finance operations of a character that would normally hardly qualify for banking assistance.

In all of these operations we have little or no criticism from those who use our services and I should like to pay a tribute to our customers and to the public generally for their cheerful co-operation in these difficult times.

Subject to the maintenance of essential services, we are examining every possibility of saving labour by simplification of routine.

### *Closing of Branches*

During the past year the policy of closing branches at over-banked points was continued by the banks generally in order to conserve manpower. We, ourselves, closed fourteen branches. We opened one new branch at Cornwallis, Nova Scotia, for the convenience of the officers and men of the Royal Canadian Navy.

### *Business Activity*

The volume of Canadian business activity reached new peaks in the twelve months just closed. During the past five or six months, however, production has remained steady at a high level and it seems reasonable to expect that the index of general business in Canada will not show any sharp increase in the immediate future. Basically, this reflects the fact that we have reached, for all practical purposes, a condition of full employment of human and material resources. This does not mean that more intensive use of existing resources could not result in some additions to our aggregate output. It does, however, suggest that for the duration of the war at least, any very marked advance in one branch of industrial production is likely to be at the expense of some other department of the economy. Already lack of manpower has affected the output of Canadian industries, such as gold mining, lumbering and newsprint.

The period of huge additions to wartime manufacturing plants appears to be past, with consequent reduction in the level of construction activity and the use of construction materials. On the other hand, the demand for raw materials for the new

productive facilities brought into being has increased. Moreover, as the war progresses it brings changes in the requirements of the fighting forces which necessitate re-adjustment in the employment of our industrial facilities.

With production and employment at a high level, retail trade has been very active but some signs of a moderate tapering off are in evidence. This is in part a consequence of curtailed inventories of consumers' goods, particularly in the durable goods categories, and is also the result of restraining influences of taxation and the voluntary savings effort undertaken by the Canadian people.

### *Wheat*

The latest estimate by the Dominion Bureau of Statistics places wheat production for all Canada this year at 294 million bushels—about 50% of the 1942 harvest. This is the smallest wheat crop since 1937 but it is larger than any harvested from 1933 to 1937 and was produced from the smallest acreage seeded to wheat since 1918.

The outstanding development in the grain trade this year was the step taken by the Dominion Government in ordering the closing out, by October 16th, 1943, of all open wheat future contracts on the Winnipeg Grain Exchange. This is the second occasion on which closure of the Winnipeg Wheat Futures Market has been brought about by war. The previous suspension of trading was ordered in 1917.

Notwithstanding substantially less wheat grown this year, improvement in the general economy of the Western Provinces is being brought about as the result of higher prices, distribution by the Canadian Wheat Board of final payment on participation certificates applicable to the crops of 1940-41, 1941-42, 1942-43 and the heavy cash returns from livestock, hogs, wool, cream and other farm produce.

### *Newfoundland*

In Newfoundland the completion early this year of many large-scale defence projects, which were commenced in 1941, released men for the fisheries, where the numbers engaged substantially exceeded those of last year. The catch of codfish, which is slightly higher than in 1942, has been allotted to the different markets by the Combined Food Board of the United Nations at prices in excess of those paid last year. Prices to producers, which have been arranged by agreement between the interested parties and the Government, were also much higher.



The paper mills operated at slightly below capacity for most of the year and there has been a shortage of labour in the woods.

The base-metal mine at Buchans worked at capacity throughout the year. The iron ore mines at Bell Island, which were shut down for a short period in the spring, have worked on curtailed production for the remainder of the year.

Government revenue for the first six months of their fiscal year about equalled the high figures for the same period last year. A decrease in Customs revenue, due to the increasing difficulty in obtaining import goods, was largely offset by increased revenues from direct taxation.

The country's war record is an enviable one and I was pleased to note the excellent response to the recent Victory Loan issue. The Island is experiencing a substantial measure of prosperity and though the general activity is somewhat less than in 1942 it is noteworthy that most of the country's primary products are in steady demand at remunerative prices.

As you may know, I spent many years in the Bank's service in Newfoundland and I, therefore, follow developments in the Island with particular interest.

### *United Kingdom*

In spite of the fact that the National Debt has passed £18,000,000,000, interest rates have remained relatively steady at 1% to 1-1/32% for three months Treasuries to 2 1/2% to 3% for longer term government offerings. Prices of industrial shares have shown appreciation over the year with some recession in gilt-edged issues. Call loan rates have been steady at 3/4% to 1 1/4%. Notes in circulation continue to increase and are now in excess of £1,000,000,000.

As the danger of mass bombing raids on London is now thought to be less, the operating departments of banks which were moved out of London have in most instances returned to their old stands. Practically all the departments of our London Office which were evacuated to Wimbledon have been moved back to 47 Threadneedle Street.

Our Waterloo Place Branch is engaged almost exclusively in meeting the banking needs of members of Canada's Overseas Forces. The business has outgrown our quarters but we are fortunate in being able to rent space in an adjoining building, sufficient we hope to take care of expected expansion. The many complimentary letters received indicate that our service is appreciated. Our Manager there is a veteran of the first World War

and thoroughly understands the banking needs of men and women in the services.

### *United States*

Despite higher taxes and retirement of private debts, bank deposits and currency in circulation have risen steadily. On the other hand, loans and discounts of all banks have advanced only slightly since 1939 and have actually receded since December, 1941. Holdings of Government securities represent about 70% of the total earning assets of banks but portfolios are largely confined within a maturity range of ten years. Stock market activity has been more marked and the averages are higher than those of the two preceding years. Buying has been largely for investment and call loans against Stock Exchange collateral remain in low figures with rates unchanged at 3/4% to 1%. Government short-term notes give a slightly higher interest return than in 1942, but the yield on long maturities is a little lower. The net direct funded debt of the Dominion Government payable in the United States has been reduced since 1942 by \$126,000,000 and Canada's credit in the New York market is in the front rank.

Within the limitations of various Government controls our offices in the United States continue to play their full part in facilitating business and financial relationship between the United States and Canada.

### *Staff*

By all standards the past year has not been an easy one for the Staff, who have worked long hours and have performed their many and varied duties with courtesy, efficiency and despatch. I cannot speak too highly of their loyal services. The increased volume of routine plus special wartime duties have entailed many extra hours of work. Especially are we mindful of the heavy pressure upon our Managers, Accountants and other senior officers who have had to train inexperienced employees in the handling of relatively senior posts, very often on short notice. We have been impressed with the way in which our women clerks, both permanent and temporary, have risen to the occasion. They are doing splendid work and, without them, either we could not have carried on our full banking services or we would have been forced to ask for the deferment from military duty of some of our experienced personnel.

Of our male staff, 62% of those of military age have volunteered for and are now on active service.



This total includes a large number not subject to military call-up because of their marital status, while a number of others have volunteered but have been unable to qualify on medical grounds. In August, 1939, 64% of our staff were officers, 30% stenographers and women clerks and 6% messengers. To-day the figures are 37% officers, 58% stenographers and women clerks and 5% messengers. I think you will agree that this is an important change in the composition of our staff.

We have been asked for and have loaned additional officers to the Government and we are glad to know they are acquitting themselves well in their new duties.

It is a source of keen satisfaction to us that a number of our men now serving their King and Country have won distinction and decorations on the field of battle. Ten members of our staff are listed as prisoners of war and ten are reported as missing. Our thoughts are with their relatives and friends and it is our earnest hope that the day is not far distant when they will be returned safely to their families. I have to record with deep regret that thirty-six of our men have paid the supreme sacrifice. Their memory will enrich the traditions of our service and our deepest sympathy goes out to their relatives and friends.

I should mention that already we have given a great deal of thought and study to the question of reabsorbing our men now on Military Service and plans have been prepared to enable us to fit them into their rightful places in our organization when they return. It is our expectation that because of the duration of hostilities and their long absence from civilian life, members of our staff on active service may require assistance in re-establishing themselves in civilian life and we are, therefore, prepared to provide financial help where the need is clearly indicated. They may be assured of a warm welcome back to our service.

### *Report Adopted*

The Chairman then moved, seconded by Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., that the report of the Directors, now read, be adopted and printed for distribution among the Shareholders. The report was unanimously adopted.

Mr. C. F. Sise moved, seconded by Mr. W. G. Murrin, that Messrs. George C. McDonald, C.A., and Alastair A. Gowan, C.A., be appointed Auditors for the Bank for the ensuing year, and that the ballot for the Auditors be taken at the same time as the ballot for Directors is taken. The motion was carried.

On the motion of Mr. Norman J. Dawes, seconded by Mr. Louis L. Lang, 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 four new directors have been added. I shall, with your concurrence, ask Mr. Dunning to move the amendment which is necessary to place the number of directors to be elected at the required number of 25."

On motion of The Hon. Charles A. Dunning, P.C., seconded by Mr. S. G. Blaylock, 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 23 and substituting the figure 25."

The Hon. Adrian K-Hugessen, K.C., moved, seconded by Mr. James M. Fraser:

"That the thanks of the meeting are hereby tendered to the President and Directors, for their attention to the interests of the Bank."

In speaking to the motion, Senator Hugessen said:

"I think we all realize, gentlemen, the heavy weight of responsibility that rests upon our Directors, particularly in times of national crisis such as these. It is a responsibility which, though primarily existing to us, the shareholders, really is a responsibility to the country as a whole, a responsibility to maintain intact this great organization as one of the foundations of our commercial and financial life.

"On behalf of the shareholders, I do not think that I should terminate this expression of thanks to the President and the Directors without offering to you, Mr. Chairman, our sincerest and warmest congratulations on your return to the service of the Bank after the extremely onerous work of great national importance, which you have been doing in the interests of this country for the last two and a half years (Applause) and to say how much we all appreciate, and feel that it is greatly deserved, the honour which His Majesty has been pleased to confer upon you for your work in that connection. (Applause) I think that, while congratulating you, Mr. Chairman, on that work, our real congratulations should be directed to the country as a whole for having had the opportunity of having your services in the war loan campaigns in this extremely important part of the national effort."



Mr. James M. Fraser, in seconding the motion, said:

"I have much pleasure, Mr. Chairman, in seconding Senator Hugessen's motion and in supporting his references to the President and Directors of the Bank."

The motion was carried with applause.

Chairman: "Senator Hugessen, Mr. Fraser and gentlemen, on behalf of my co-directors and myself I thank you sincerely for this evidence of your confidence in our administration of the Bank. I must, too, acknowledge Senator Hugessen's very kind reference to myself. I am glad to get back to the Bank. At the same time, I feel that even here there are things which may be done of a constructive character, under the leadership of myself and that of Mr. Gardner, in the interests of Canada. And that, I can assure you, is going to be our primary motive."

Mr. John A. MacAulay, K.C., then moved, seconded by Mr. G. Blair Gordon:

"That the thanks of the meeting are hereby tendered to the General Manager, the Assistant General Managers, the Superintendents, the Managers and other officers of the Bank, for their services during the past year."

In presenting the motion, Mr. MacAulay said:

"I am very pleased to have the opportunity of presenting this motion, and in doing so I would like to refer to a few of the significant remarks respecting the staff contained in the General Manager's address. These indicated the percentage reduction in officers and the percentage increase in women employees since August, 1939. Possibly those percentages will mean more to us if they are translated into figures, and in figures this means a decrease of 1,200 officers and an increase of 2,000 women employees."

"We all realize the additional responsibilities that have been placed upon the senior members by reason of war regulations and frequent staff changes. It is a tribute to these senior officers that, irrespective of these difficulties, the Bank's services to the public proceed with continuity and harmony. In my opinion, one of the real tests of successful management is the ability to develop for relatively senior positions persons of comparatively short experience."

"Our management has met that test and has met and overcome all other difficulties. It is very pleasant to hear the General Manager refer with such enthusiasm to the excellent qualities of not only his immediate associates but of all other members of the staff."

"Some of us have had the opportunity during the past year to visit a number of the branches of the Bank and to observe the industry and courtesy attendant upon the performance of the respective duties. The individual contributions on the part of those persons mentioned in the resolution have resulted in a year of constructive effort. The Bank's policies are, through these capable officers, presented and interpreted to its many customers. I wish to record the appreciation of the shareholders for their loyal and devoted service. And in conclusion, I mention with a sense of pride those members of the staff who are serving with the forces overseas, and with a sense of humility and deep regret, those who have made the supreme sacrifice."

In seconding the motion, Mr. G. Blair Gordon said:

"I am glad to second Mr. MacAulay's motion of thanks to the General Manager and the staff. As shareholders we are indeed fortunate in having these loyal and capable men and women who administer and carry on the affairs of the Bank."

"While I am on my feet I might very well, I think, add a word of appreciation from the general public for all the attention and service they have received at the hands of all concerned, including the lady tellers in the bank, who take away our money or give it back to us with equal grace and dexterity. I am sure the motion will meet the approval of the gathering."

The motion was carried with applause.

Mr. B. C. Gardner, responding, said:

"On behalf of the assistant general managers, the superintendents, the managers, the staff, and myself, I wish to thank Mr. MacAulay for proposing and Mr. Gordon for seconding the resolution which has been so spontaneously approved."

"The day has long since gone by when a banker's life was considered an easy one. Our staff work hard and long, impelled as they are by a high sense of duty to the public, to the Bank and to themselves. Under wartime regulations we cannot do as much for them as we would like. However our men have several advantages—security of employment, a system of pensions to which the Bank is contributing more than the staff, annual holidays with pay, the utmost consideration during absences brought about by sickness or accident, a scheme to provide generous benefits in the event of such sickness or accident, for which the Bank provides a substantial part of the annual premium, and finally a Group Life Insurance Scheme, the premiums for which are paid in part by the Bank."

"In these and other directions I would like to mention the never-failing interest of our Board of



Directors in the welfare of the staff, which is an important factor in maintaining the high morale throughout our service.

"I can assure you that the staff will appreciate this expression of your confidence and appreciation and I can truthfully say it is well merited." (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 these purposes."

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

G. E. Barbour, L. J. Belnap, S. G. Blaylock, W. A. Bog, The Hon. Henry Cockshutt, D'Alton C. Coleman, Norman J. Dawes, H. R. Drummond, The Hon. Charles A. Dunning, P.C., W. Sanford Evans, G. Blair Gordon, C. G. Heward, K.C., R. G. Ivey, K.C., Robert A. Laidlaw, Louis L. Lang, Gordon C. Leitch, J. A. MacAulay, K.C., Ross H. McMaster, Major-General The Hon. S. C. Mewburn, C.M.G., H. W. Molson, W. G. Murrin, J. V. R. Porteous, C. F. Sise, George W. Spinney, C.M.G., Sir Frederick Williams-Taylor.

The meeting then terminated.

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



# BANK OF MONTREAL

ESTABLISHED 1817

## EXECUTIVE OFFICERS

### PRESIDENT

GEORGE W. SPINNEY, C.M.G.

### GENERAL MANAGER

B. C. GARDNER

### ASSISTANT GENERAL MANAGERS

S. C. NORSWORTHY

O. R. SHARP

W. T. A. MACFADYEN  
(Resident Toronto)

F. G. BELCHER

R. J. WILLIAMS

L. W. TOWNSEND

### 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>
SECURITIES DEPARTMENT.....	J. S. BOLTON, <i>Montreal</i>
HEAD OFFICE.....	A. C. JENSEN, <i>Montreal</i>
BUSINESS DEVELOPMENT DEPARTMENT.....	C. O. MCGIRR, <i>Montreal</i>

#### *Secretary*

C. H. CRONYN

#### *Chief Accountant*

E. H. STEWART

#### *Chief Inspector*

G. H. GREENING

#### *Assistant to the President*

A. T. CORNER

#### *Assistants to the General Manager*

E. A. FOX

P. H. HOWARTH

#### *Manager*

*Staff Department*

V. R. PURSER

#### *Manager*

*Foreign Exchange Department*

F. W. LINDOP

#### *Manager*

*Bank Premises Department*

H. S. OLIVER

LONDON, ENG.—47 THREADNEEDLE STREET, E.C.2.....	EDWARD POPE, <i>Manager</i>
“ “ —WATERLOO PLACE BRANCH.....	D. MACGREGOR, <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 468 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  
BAWLF—Sub to Daysland  
BENTLEY  
CALGARY (Main Office,  
140 Eighth Avenue West)  
" Stock Yards  
CAMROSE  
CARBON  
CARSTAIRS  
CASTOR  
CHAUVIN—Sub to Edgerton  
DAYSLAND  
DELBURNE  
DRUMHELLER  
EDGERTON  
EDMONTON  
FORESTBURG  
GRANDE PRAIRIE  
HUGHENDEN  
IRMA—Sub to Wainwright  
LACOMBE  
LEDUC  
LETHBRIDGE  
MAGRATH  
MEDICINE HAT  
MORRIN  
MYRNAM  
OLDS  
PARADISE VALLEY—Sub to Edgerton  
RAYMOND  
RED DEER  
RIMBEY  
SEDEGWICK  
THORSBY  
TOFIELD  
TROCHU  
TWO HILLS—Sub to Myrnam  
VEGREVILLE  
VIKING  
WAINWRIGHT  
WESTLOCK  
WETASKIWIN

### BRITISH COLUMBIA

ASHCROFT  
BRALORNE  
CHILLIWACK  
CLOVERDALE  
DUNCAN  
ENDERBY  
ESQUIMALT

### BRITISH COLUMBIA

(Continued)

HANEY  
KAMLOOPS  
KASLO—Sub to Nelson  
KELOWNA  
KIMBERLEY  
MERRITT  
NANAIMO  
NELSON  
NEW DENVER—Sub to Nelson  
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  
" 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  
MORRIS  
NEEPAWA

### MANITOBA

(Continued)

OAK RIVER  
PORTAGE LA PRAIRIE  
RESTON  
SELKIRK  
SOURIS  
WINNIPEG (Main Office,  
Cor. Portage Avenue & Main Street)  
" Bannerman Avenue & Main Street  
" 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

### 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

BRIDGEWATER  
CANSO  
CORNWALLIS (Naval Training  
Establishment)  
GLACE BAY  
HALIFAX (Main Office,  
205-207 Hollis Street)  
" North End  
LUNenburg  
MAHONE BAY  
RIVERPORT  
SYDNEY  
WOLFVILLE  
YARMOUTH



# BRANCHES IN CANADA

## ONTARIO

ACTON  
 ALLISTON  
 ALMONTE  
 ALVINSTON  
 AMHERSTBURG  
 ATHENS  
 AULTSVILLE—Sub to Wales  
 AURORA  
 AYLMER  
 BARRY'S BAY  
 BEACHVILLE—Sub to Ingersoll  
 BELLEVILLE  
 BLENHEIM  
 BOBCAYGEON  
 BOTHWELL  
 BOWMANVILLE  
 BRAMPTON  
 BRANTFORD  
 BROCKVILLE  
 BRUCEFIELD—Sub to Hensall  
 CAMPBELLFORD  
 CHATHAM  
 CHATSWORTH  
 CLINTON  
 COLLINGWOOD  
 CORNWALL (Main Office,  
 159 Pitt Street)  
 " McConnell Avenue & Montreal Road  
 DELHI  
 DOUGLAS  
 DRUMBO  
 EGANVILLE  
 ELGIN—Sub to Westport  
 ELORA  
 EXETER  
 FENELON FALLS  
 FINCH  
 FORMOSA—Sub to Teeswater  
 FORT ERIE  
 FORT ERIE NORTH  
 FORT WILLIAM  
 FRANKFORD  
 GALT  
 GANANOQUE  
 GLENCOE  
 GODERICH  
 GORE BAY  
 GUELPH  
 HALIBURTON  
 HAMILTON (Main Office,  
 Cor. Main & James Streets)  
 " Barton Street & Victoria Avenue  
 " Central Market  
 " Gage Avenue & Barton Street  
 " Holton Avenue  
 " James & Barton Streets  
 " Westinghouse Avenue  
 HANOVER

## ONTARIO

(Continued)

HENSALL  
 HESPELER  
 HIGHGATE  
 HOLSTEIN—Sub to Mount Forest  
 INGERSOLL  
 IROQUOIS  
 KINCARDINE  
 KINGSTON  
 KINGSVILLE  
 KITCHENER  
 KOMOKA—Sub to Market Square, London  
 LANCASTER  
 LANSLOWNE  
 LEAMINGTON  
 LINDSAY  
 LITTLE CURRENT  
 LONDESBOROUGH—Sub to Clinton  
 LONDON (Main Office,  
 446 Richmond Street)  
 " City Hall  
 " East  
 " Market Square  
 LUCAN  
 LUCKNOW  
 MANITOWANING  
 MARKDALE  
 MEAFORD  
 MERLIN  
 MIDLAND  
 MILDMAV  
 MIMICO  
 MINDEMOYA  
 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  
 PEMBROKE  
 PERTH  
 PETAWAWA MILITARY CAMP  
 PETERBOROUGH

## ONTARIO

(Continued)

PICTON  
 PORT ARTHUR  
 PRESCOTT  
 PRESTON  
 RENFREW  
 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  
 THORNDAL—Sub to Market Square, London  
 TICHBORNE—Sub to Yarker  
 TILBURY  
 TILLSONBURG  
 TIMMINS  
 TORONTO (Main Office,  
 30 Yonge Street)  
 " Bathurst & King Streets  
 " Bay Street  
 " Bloor & Bay Streets  
 " Bloor Street & Lansdowne Avenue  
 " Bloor Street & Windermere Avenue  
 " College Street  
 " Danforth & Logan Avenues  
 " Dundas Street & Roncesvalles Avenue  
 " Dupont Street  
 " Earls Court  
 " Hounslow Heath Road & St. Clair Avenue  
 " King & Dufferin Streets  
 " King & Yonge Streets  
 " Queen Street East & Beech 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 & 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,  
200 Ouellette Avenue)  
" London Street  
WOODSTOCK  
YARKER  
ZURICH—Sub to Hensall

## PRINCE EDWARD ISLAND

CHARLOTTETOWN

## QUEBEC

AMQUI  
ARUNDEL  
ARVIDA  
BEDFORD  
BREAKEYVILLE  
BUCKINGHAM  
BURY  
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  
" Darling & Ontario Streets  
" De Lorimier Avenue & Rosemount  
Boulevard  
" Drummond & St. Catherine Streets  
" Girouard & Monkland Avenues  
" Guy & Sherbrooke Streets  
" 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  
" Ontario Street & St. Lawrence Boulevard  
" Papineau Avenue & St. Catherine Street  
" Park & Bernard Avenues  
" Peel Street  
" 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  
" Snowdon-Hampstead  
" Sun Life Building  
" University & St. Catherine 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

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

## QUEBEC

(Continued)

SHAWVILLE  
SHERBROOKE (Main Office,  
59 Wellington Street  
" Belvidere & King Streets  
SOREL  
TEMISKAMING  
TROIS-RIVIERES  
VALCARTIER  
VALLEYFIELD  
VERDUN (Main Office,  
4026 Wellington Street)  
" Beatty & Verdun Avenues  
" 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  
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  
WHITEWOOD  
WYNYARD  
YORKTON

## YUKON

DAWSON



## 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







