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BANK OF MONTREAL

1944

Annual General Meeting

Held 4th December, 1944

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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.

C. F. SISE

B. C. GARDNER

GENERAL MANAGER

B. C. GARDNER

DIRECTORS

SIR FREDERICK WILLIAMS-TAYLOR

ROSS H. McMASTER

NORMAN J. DAWES

W. SANFORD EVANS

W. G. MURRIN

LOUIS L. LANG

L. J. BELNAP

G. BLAIR GORDON

H. W. MOLSON

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

ROBERT A. LAIDLAW

R. G. IVEY, K.C.

S. G. BLAYLOCK

J. V. R. PORTEOUS

JOHN A. MACAULAY, K.C.

GORDON C. LEITCH

C. G. HEWARD, K.C.

D'ALTON C. COLEMAN

G. E. BARBOUR

THE HON. LUCIEN MORAUD, K.C.

J. A. HUMBIRD

LONDON COMMITTEE

F. R. S. BALFOUR, C.V.O.

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

SIR FREDERICK WILLIAMS-TAYLOR

CAPITAL, <i>paid up</i>	-	-	-	-	-	-	-	-	-	\$	36,000,000.00
REST AND UNDIVIDED PROFITS	-	-	-	-	-	-	-	-	-		41,413,821.32
TOTAL ASSETS	-	-	-	-	-	-	-	-	-		1,526,734,251.53

THE 127th Annual General Meeting of the Shareholders of the Bank of Montreal was held on the 4th December, 1944, in the Board Room at the Bank's headquarters.

Among those present were: Arthur Barry, George E. Barbour, A. I. B. Belcher, F. G. Belcher, C. K. Bell, L. J. Belnap, W. B. Blackader, S. G. Blaylock, J. A. Boisjoli, J. S. Bolton, V. A. Brabant, Arthur Browning, W. W. Bruce, D. M. Carmichael, F. D. Chapman, Ross Clarkson, D. M. Cleland, D'Alton C. Coleman, F. W. Collins, A. T. Corner, D. E. Crutchlow, R. L. Curphey, Norman J. Dawes, G. N. Douglas, J. C. Downing, H. R. Drummond, The Hon. Chas. A. Dunning, P.C., C. G. Dunning, W. R. Eakin, Mrs. Ruth H. Earle, W. Sanford Evans, R. L. H. Ewing, G. Filliter, A. B. Foster, A. E. Francis, B. C. Gardner, M. H. Gault, P. R. Gault, A. H. Ginman, G. Blair Gordon, G. H. Greening, W. T. G. Hackett, Samuel Hart, A. J. L. Haskell, C. Henderson, G. W. S. Henderson, C. G. Heward, K.C., George Hogg, G. B. Howard, P. H. Howarth, Chas. Hudon, J. A. Humbird, Joseph Hurtubise, T. M. Hutchison, R. G. Ivey, K.C., W. James, W. Jardine, R. P. Jellett, A. C. Jensen, R. E. Knight, Robert A. Laidlaw, Louis L. Lang, G. Lawson, Gordon C. Leitch, J. A. MacAulay, K.C., W. T. A. MacFadyen, A. Macpherson, T. Matheson, A. S. Maxwell, I. A. McCarthy, George C. McDonald, C.A., W. McDonnell, C. O. McGirr, Ross H. McMaster, T. E. Merrett, Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., H. W. Molson, The Hon. Lucien Moraud, K.C., W. G. Murrin, Frank W. Nelles, A. St. C. Nichol, C. A. Norsworthy, S. C. Norsworthy, Lt.-Col. Gavin L. Ogilvie, H. S. Oliver, Elzear Orchard, J. H. Pangman, John Paterson, C.A., G. F. Pearson, L. H. Pinsonnault, J. V. R. Porteous, V. R. Purser, E. E. Rutherford, O. R. Sharp, G. Ross H. Sims, L. L. Sinclair, C. F. Sise, George W. Spinney, C.M.G., J. T. Stevens, E. H. Stewart, J. J. M. Stewart, H. F. C. Stikeman, Arthur Terroux, L. W. Townsend, R. H. Turley, E. A. Warren, E. P. Winslow.

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

Mr. C. F. Sise moved, seconded by Mr. W. G. Murrin, that Lt.-Col. Gavin L. Ogilvie 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 31st October, 1944

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th October, 1943.....	\$1,879,521.13
Profits for the year ended 31st October, 1944, after making appropriations to Contingent Reserve Fund, out of which Fund full provision for Bad and Doubtful Debts has been made, and after making provision for estimated Income and Excess Profits Taxes amounting to \$3,725,000 (of which \$340,000 will be refundable under the provisions of The Excess Profits Tax Act).....	3,194,300.19
	<hr/> \$5,073,821.32
Quarterly Dividend $1\frac{1}{2}$ per cent. paid 1st March, 1944.....	\$ 540,000.00
Quarterly Dividend $1\frac{1}{2}$ per cent. paid 1st June, 1944.....	540,000.00
Quarterly Dividend $1\frac{1}{2}$ per cent. paid 1st September, 1944.....	540,000.00
Quarterly Dividend $1\frac{1}{2}$ per cent. payable 1st December, 1944.....	540,000.00
	<hr/> 2,160,000.00
Written off Bank Premises.....	500,000.00
	<hr/> 2,660,000.00
Balance of Profit and Loss carried forward.....	<hr/> <u>\$2,413,821.32</u>

NOTE REGARDING SPECIAL ADJUSTMENT OF TAXES IN RESPECT OF THE YEAR ENDED 30th OCTOBER, 1943

The Minister of Finance has expressed the opinion that the transfers made in 1943 to Contingent Reserve Fund from the earnings of this Bank were in excess of the reasonable requirements of the Bank.

The management and the auditors of the Bank do not agree with the Minister in this matter but having been advised of the Minister's views and of his purpose to act in accordance therewith, we have estimated that approximately \$2,200,000 of such transfers must be added to income of that year for tax purposes. As a result the Bank will be called upon to pay additional taxes for the year 1943 of a like amount under the Income & Excess Profits Tax Acts. Provision has been made from Contingent Reserve Fund for this tax liability, of which twenty per cent., or \$440,000, will be refundable under the provisions of The Excess Profits Tax Act.

(Signed) GEORGE W. SPINNEY,
President.

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

During the financial year, one office was opened in the Dominion of Canada.

The Directors have to record with deep regret the death of their late valued colleagues, Mr. W. A. Bog and The Hon. Henry Cockshutt, the former a member of the Board since 1934 and Vice-President since 1936, and the latter elected a Director in 1917. The death of Mr. Alastair A. Gowan, Shareholders' Auditor, is also recorded with deep regret. In accordance with the terms of The Bank Act, Mr. John Paterson, C.A., was appointed by the Minister of Finance to fill the vacancy caused by the death of Mr. Gowan.

In April, The Hon. Lucien Moraud, K.C., was appointed a Director, and in October, Mr. J. A. Humbird became a member of the Board. All the offices of the Bank, including the Head Office, have been inspected during the year.

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

Bank of Montreal, 4th December, 1944.

THE GENERAL STATEMENT

The General Statement of the position of the Bank on 31st October, 1944, was submitted as follows:

LIABILITIES

1. Capital paid up.....	\$ 36,000,000.00
2. Rest or reserve fund.....	\$ 39,000,000.00
3. Dividends declared and unpaid.....	551,643.39
4. Balance of profits, as per profit and loss account.....	2,413,821.32
	<u>41,965,464.71</u>
	\$ 77,965,464.71
5. Notes in circulation.....	\$ 8,568,045.00
6. Deposits by and balances due to Dominion Government.....	74,713,948.73
7. Deposits by and balances due to provincial governments.....	32,871,720.98
9. Deposits by the public not bearing interest.....	536,541,715.87
10. Deposits by the public bearing interest, including interest accrued to date of statement.....	740,988,542.21
11. Deposits by and balances due to other chartered banks in Canada.....	4,242,671.19
12. Deposits by and balances due to banks and banking correspondents elsewhere than in Canada....	31,452,537.89
	<u>1,429,379,181.87</u>
13. Acceptances and letters of credit outstanding.....	16,604,876.48
14. Liabilities to the public not included under the foregoing heads.....	2,784,728.47
	<u>\$1,526,734,251.53</u>

ASSETS

1. Gold and subsidiary coin held in Canada.....	\$ 1,869,525.58
2. Gold and subsidiary coin held elsewhere.....	14,421.35
3. Notes of Bank of Canada.....	30,419,142.75
4. Deposits with Bank of Canada.....	151,305,814.87
5. Notes of and cheques on other banks.....	\$ 56,397,561.85
6. Government and bank notes other than Canadian.....	865,064.69
7. Deposits with and balances due by other chartered banks in Canada.....	20.00
8. Due by banks and banking correspondents elsewhere than in Canada.....	31,264,449.84
9. Dominion government direct and guaranteed securities maturing within two years, not exceeding market value.....	494,368,794.21
10. Other Dominion government direct and guaranteed securities, not exceeding market value.....	277,361,310.63
11. Provincial government direct and guaranteed securities maturing within two years, not exceeding market value.....	53,824,183.97
12. Other provincial government direct and guaranteed securities, not exceeding market value.....	27,026,694.97
13. Canadian municipal securities, not exceeding market value.....	21,344,012.93
14. Public securities other than Canadian, not exceeding market value.....	62,128,553.54
15. Other bonds, debentures and stocks, not exceeding market value.....	19,867,235.70
16. Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....	6,632,049.80
17. 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.....	44,533,800.89
	<u>1,095,613,733.02</u>
	1,279,222,637.57
18. Current loans and discounts in Canada, not otherwise included, estimated loss provided for.....	\$194,258,849.00
19. Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for.....	8,616,484.00
20. Loans to provincial governments.....	1,782,922.73
21. Loans to cities, towns, municipalities and school districts.....	9,793,211.29
22. Non-current loans, estimated loss provided for.....	228,682.12
	<u>214,680,149.14</u>
23. Liabilities of customers under acceptances and letters of credit as per contra.....	16,604,876.48
24. Real estate other than bank premises.....	30,775.66
25. Mortgages on real estate sold by the bank.....	296,515.80
26. Bank premises at not more than cost, less amounts, if any, written off.....	12,900,000.00
27. Deposit with the Minister of Finance for the security of note circulation.....	481,554.76
28. Shares of and loans to controlled companies.....	1,489,552.54
29. Other assets not included under the foregoing heads (but including refundable portion of Dominion Government Taxes \$975,703.73).....	1,028,189.58
	<u>\$1,526,734,251.53</u>

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

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.
JOHN PATERSON, C.A.,
of the firm of Riddell, Stead, Graham & Hutchison

Auditors.

MONTREAL, 20th NOVEMBER, 1944.

BANK OF MONTREAL TRUST COMPANY
(New York)

Balance Sheet as at 31st October, 1944

ASSETS		U.S. Currency	LIABILITIES		U.S. Currency
Due from Banks:			Deposits:		
Approved Reserve Depositaries	\$ 216,551.05		Trust Funds	\$ 3,039.57	
Other Banks and Bankers (Foreign)	12,381.86		Demand	72,801.09	
		\$ 228,932.91	Time	38,109.20	
Investments:			Due to Banks, Bankers and Trust Companies	1,392.20	
*United States Government Securities	\$1,540,044.54		Reserve for Taxes		\$ 115,342.06
Accrued Interest	9,812.91	1,549,857.45	Other Liabilities		8,436.68
(Quoted Market Value, 31st October, 1944—\$1,542,906.25)			Capital and Surplus:		990.23
*These include \$100,000 United States of America Treasury Bonds which, in accordance with New York State Banking Law, are deposited with and registered in the name of the Superintendent of Banks of the State of New York.			Capital Stock—		
			Authorized, Issued and Fully Paid—		
			10,000 Shares of \$100.00 each	\$ 1,000,000.00	
			Surplus	550,000.00	
			Undivided Profits	117,173.79	1,667,173.79
Other Assets		13,152.40			
		<u>\$1,791,942.76</u>			<u>\$1,791,942.76</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, 1944, 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.,
JOHN PATERSON, C.A.,

MONTREAL, 20th November, 1944.

Auditors.

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 31st October, 1944

ASSETS		U.S. Currency	LIABILITIES		U.S. Currency
Real Estate, Buildings and Equipment (64-68 Wall Street, New York), less Reserves for Depreciation	\$1,117,528.19		Capital Stock:		
Prepaid Taxes, Insurance, etc.	19,900.43		Authorized, Issued and Fully Paid—		
Cash	15,532.40		100 Shares of \$100.00 each	\$ 10,000.00	
		\$1,152,961.02	Twenty-Year Four Per Cent. Gold Debentures—		
Deficit	115,870.51		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, 1944, to 1st March, 1945, was reduced to three per cent.)		
			Accrued Debenture Interest		6,250.00
			Accounts Payable		2,581.53
		<u>\$1,268,831.53</u>			<u>\$1,268,831.53</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, 1944, 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.,
JOHN PATERSON, C.A.,

MONTREAL, 20th November, 1944.

Auditors.

THE ST. JAMES LAND COMPANY LIMITED

Balance Sheet as at 31st October, 1944

ASSETS		LIABILITIES	
*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.....		Capital Stock:	
Expend on the building to date.....	\$200,000.00	Authorized, Issued and Fully Paid—	
	117,205.14	200 Shares of \$100.00 each.....	\$ 20,000.00
	\$317,205.14	Capital Surplus.....	180,001.00
Less Reserve for Depreciation.....	117,204.14		
	<u>\$200,001.00</u>		
	<u>\$200,001.00</u>		<u>\$200,001.00</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 \$262,024.27 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 31st October, 1944, 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.,
JOHN PATERSON, C.A.,
Auditors.

MONTREAL, 20th November, 1944.

The President's Address

GENTLEMEN,—During the year which has passed since our last meeting your Board has suffered loss in the death of two of its members, Colonel The Honourable Henry Cockshutt and Mr. W. A. Bog. Colonel Cockshutt's term as Director covered a period of twenty-seven years; he was a most valued and respected member of our Board and brought to our meetings the benefit of a wide experience and sound judgment. Mr. Bog had made the Bank his life's work. Entering our service as a junior clerk in 1881 at Picton, Ontario, his native town, he rose steadily in our ranks and became Joint General Manager in 1930. In 1936, upon relinquishing the Joint General Managership, he was elected to the office of Vice-President. Mr. Bog possessed outstanding qualities of character, integrity and wisdom, and his counsel will be greatly missed.

In the twelve months two new members have been added to our Board of Directors—The Honourable Lucien Moraud, K.C., a prominent member of the Bar in Quebec City, and Mr. John A. Humbird, of Vancouver, British Columbia, who is an important figure in the lumber industry on the West Coast. At our meeting to-day you will be asked to confirm the election of these gentlemen to our Board. I believe you will agree with me that the Bank is fortunate in securing them as members, having in mind not only their proven ability but the variety of interests and sections of our country which they represent. We shall also place before you for election to-day the name of Mr. B. C. Gardner.

Revision of The Bank Act

The banking system of Canada has received an unusual degree of public attention since our last meeting, principally in connection with the decennial revision of The Bank Act. As the General Manager will deal with this subject at some length, I shall refer only to the reduction in the par value of bank shares and to the long discussions before the Standing Committee of the House of Commons on Banking and Commerce on the subject of Inner or Contingent Reserves.

In line with the recommendation of the Committee, Parliament enacted that the par value of the shares of all banks be reduced from \$100 to \$10 per share. In our case the result is that instead of having outstanding 360,000 shares at \$100 each, the issue is now 3,600,000 shares at \$10 each. In the course of time the result of the "split" should be a wider distribution of ownership of our capital stock, which we would welcome.

Contingent Reserves

The subject of Inner or Contingent Reserves occupied a substantial part of the hearings of the Banking and Commerce Committee and, as the discussions revealed many basic misconceptions, some of which received wide publicity, I should like to comment on certain features of this subject.

May I say at the outset that the custom of adding to the Inner or Contingent Reserves of a bank during the years when it is possible to do so, in order to "cushion" less favourable periods when loans may unexpectedly become bad and the value of assets may shrink, is one which the test of experience in all countries has proven to be the only safe policy to protect the interests of depositors. The practice has been recognized from the very inception of banking legislation that, in valuing assets, provision should be made for estimated and unforeseen losses. Indeed, the statutes under which we operate make it obligatory for us to do so. The history of Canadian banking indicates clearly that many of the banking difficulties of earlier days would have been avoided if proper provision had been made for unforeseen losses. This applies not only to bank failures but to bank mergers, which in many cases would have been unnecessary if adequate reserves had been set up.

It is elementary that in commercial banking risks must be accepted and even though lending arrangements be surrounded with all reasonable safeguards, the best that management can do is to minimize the risk of loss. Experience has shown that in any given cycle of years specific losses will develop which the banker can neither foresee nor prevent. No bank can maintain a proper continuity of service to the public without making losses, nor can a bank be operated prudently without reserves to meet such losses. The keystone of the banking system is public confidence and this confidence can easily be impaired through any sharp contraction in either the earning position or the published reserve position of the banks. Inner Reserves are the principal means by which banks provide for unforeseen losses and average their losses over good and bad years.

The Bank of Montreal has followed the practice of setting up such reserves and it is doubtful if we could have weathered all the storms of the past 127 years, and continued throughout to play our part in serving the community, if the management in good times had not prudently set aside reasonable sums to meet the inevitable changes in business conditions and the effect of such changes upon the value of the Bank's assets. At the present time we

are responsible for \$1,420,000,000 of deposits entrusted to us by 1,300,000 depositors. Our liability to these depositors is in effect a demand liability which must be the first consideration of the management in estimating the realizable value of our assets.

There was considerable discussion before the Committee of proposals that all Inner or Contingent Reserves should be disclosed. I am opposed to such disclosure because of my belief that it would not be in the public interest. In unsettled periods wide swings in these reserves might disturb the public mind and give rise to fears and misgivings which might be entirely unjustified. Reserves for contingencies necessarily fluctuate with the times. Their publication without specific supporting information, which in practice could not be furnished without violating the confidential relationship between banker and client, would not only be dangerous but would be misleading to depositors and shareholders.

I do not propose to review in detail the long discussion on the tax position of Contingent Reserves as this was dealt with by the Minister of Finance in his statements before the Banking and Commerce Committee. It was, however, made clear that reasonable provision for losses must be considered as an expense of doing business and, therefore, as a charge in computing taxable income.

In his statement the Minister declared that in his judgment and the judgment of his advisers, the allocations made to the reserves of two, or possibly three, banks at the end of the year 1943 may have represented an undue degree of conservatism. It is my duty to inform our shareholders that our Bank is one of those to which the Minister referred. In matters of this kind there is obviously room for differences of opinion and I can do no better than quote the words of the Minister from his statement made before the Standing Committee on Banking and Commerce on June 6th, 1944—

"I must emphasize that our view of what is reasonable and necessary is only a matter of judgment, as no rule of thumb can be applied to determine the value of bank assets which vary greatly in character and diversification and as it is given to no man to forecast with assurance the probable contingencies of the future. Moreover, I must admit that we are now acting with the advantage of hindsight to some extent—in other words, we have formed our judgment in the light of certain recent, favourable developments, including particularly the declared policy of the

Bank of Canada and the Government to maintain a low level of interest rates after the war. That development which was announced only in February of this year was not foreseen when the bank management and auditors had to reach their decision in the latter part of 1943. Finally, the differences in judgment fall within a narrow range, having in mind the magnitude of the assets involved. I may add that the banks concerned have been advised of my views and naturally they believe that their own judgment is sounder than that reached by my advisers and myself, and justified by their more intimate knowledge of their own bank's affairs, the experience they have had in the past, and their conception of future contingencies and their bank's responsibilities in relation thereto. Nevertheless I am the one responsible for the public policy aspects of this matter and therefore, after the further examination necessary to determine the precise amount of the excess in each case, I will advise the Minister of National Revenue of the addition which in my opinion should be made to the net income of the banks concerned for the purpose of taxation."

Since this statement was made we were advised by the Minister of Finance that in his opinion the transfers to Contingent Reserve Fund from the earnings of the Bank in 1943 were in excess of our reasonable requirements. We on our part have made it clear that, with a full sense of duty both towards the Bank and towards the nation at a time when Government revenues are so badly needed, neither those who are shouldered with the direct responsibilities of the Bank nor our auditors agree with the stand taken by the Minister in this matter. We were, however, advised by the Minister of the intention to act in conformity with his views as above quoted and accordingly we have estimated that approximately \$2,200,000 of such transfers must be added back to income of the year 1943 for tax purposes. As a result, the Bank will be called upon to pay additional taxes for that year of a like amount under the Income and Excess Profits Tax Acts. Provision has been made from Contingent Reserve Fund for this tax liability, of which 20%, or \$440,000, will be refundable under the provisions of The Excess Profits Tax Act.

Profit and Loss Statement

Coming now to our earning position for the year under review, you will note from the Profit and Loss Statement that after making appropriations

to Contingent Reserve Fund and after setting aside \$3,725,000 to cover Income and Excess Profits taxes, our earnings were \$3,194,000. Out of this sum we have appropriated \$500,000 for Bank Premises Account, leaving \$2,694,000 to cover dividend requirements of \$2,160,000. There is thus available \$534,000 for transfer to Profit and Loss Account. The provisions for Income and Excess Profits taxes for the current year have of course been made on the same basis as was used in adjusting our tax liability for 1943.

The Realities of Post-War Planning

Thanks to the courage and sacrifice of those on the fighting fronts and to the efforts of all who have played their parts faithfully and well in their appointed places at home, the year has brought the United Nations far along the road to victory. It is not unnatural, therefore, that despite the sobering knowledge that much remains to be done before the final goal is reached, men's minds are now turning forward to the days of peace. It is quite obvious that there is emerging in Canada a deep and overwhelming conviction that after the pain and struggle of this war there must come new opportunities for individual and social betterment in our time and for our children. Hence, we find that post-war planning is a subject on everybody's mind and on everybody's tongue. "Full employment" and "social security" have become almost household words. But as the end of the war approaches, this post-war planning, which perhaps in earlier days often took the form of a rather pleasant intellectual exercise, now looms up as a hard economic reality.

I take second place to no man in my earnest desire that our hopes and expectations shall be achieved. But I sometimes wonder whether all the brave plans for the future are accompanied by a full realization of what has to be accomplished if these plans are to materialize. Indeed, it would seem that many people are assuming to-day that a post-war economic millennium, in which everybody will be more secure, richer and presumably happier, can materialize by Order-in-Council. But to take an honestly realistic look at the post-war prospect is to recognize that the reconversion of industry to civilian production, the re-employment in peacetime pursuits of those now in the Armed Forces and in war work and the restoration of our external trade on a satisfactory basis will involve problems of tremendous magnitude. And after giving full value to everything that governmental agencies can usefully do to aid the transition from war to

peace, there will remain a vast area of effort and opportunity that will challenge to the utmost our courage, ingenuity and powers of co-operation. If we let Government do everything, we are going along the road Germany followed to totalitarianism. This is what we are fighting abroad. Let us fight also against its beginnings at home.

The challenge is the greater because a mere return to pre-war conditions obviously will not be good enough. There are to-day something like 1,300,000 more Canadians at work or in the Armed Forces than at the start of the war. We have an export trade that is running at the rate of over three billion dollars annually, just about three times the pre-war rate; but it is probable that not more than 25% of our present exports represents ordinary peace-time business. These facts in themselves indicate clearly that reconversion of our economy will not be effortless or easy.

A Vantage Ground for the Future

I am no pessimist concerning this country's post-war possibilities. Canada will start out into the post-war era with some great advantages. Due to the tremendous stimulus of war production, our economy has become better balanced and diversified as between the primary industries and manufacturing than ever before. Our population has acquired new skills. We have brought about a veritable revolution in productive methods and techniques that is full of promise for the future. I think also it is fair to say that our reputation and stature among nations of good-will has become enhanced, a factor of no small significance from the standpoint of external trade. Moreover, we have been able to accomplish our vast mobilization of material resources without subjecting our economy to the stresses and our people to the cruel injustices of inflation. It seems to me that our hope of achieving our post-war aims depends in large measure upon maintaining these advantages.

The Real Basis of Welfare

We shall probably hear much from the panacea vendors within the next few years and we shall do well to cultivate a nice sense of discrimination in appraising their wares. We shall also need to have a clear-headed appreciation of the true significance of measures which may redistribute goods and services but which do not of themselves increase productivity. Some of these measures are undoubtedly desirable from humanitarian and social standpoints, but I hope we shall not fall into the

error of regarding them as short-cuts to national prosperity. Even full employment, it seems to me, is not necessarily wholly synonymous with material welfare. There can be full employment in a slave state as the oppressed populations of Europe know to their cost. There can also be employment that because it is aimless and unproductive is void of benefit to the community and spiritually degrading to the individual. Then too, a high national income is not necessarily the ultimate end of economic policy. The national income may rise in reflection of an inflationary upsurge in prices. Such an increase would not bring about an all-round improvement in living standards, but would simply make things more expensive for everyone.

As I see them, the true objectives of post-war planning must be—full employment arising out of productive activity and operating under conditions of individual liberty to produce a high standard of living in real terms of goods and services. I know of no other objectives that will satisfy the requirements of a progressive and freedom-loving people. Nor do I know of any way in which these ends can be achieved except through production on the broadest possible scale and the freest possible exchange of the resultant products within our own borders and beyond them.

Some Practical Objectives

Accepting these broad objectives, and keeping our initial advantages in mind, certain practical consequences follow. In the first place, it will be essential that the success achieved thus far in the war in holding down prices and living costs be maintained and carried through into the period of post-war readjustment. Up to the present we have been able to avoid the excesses of inflation because as a people we have had the common sense and the will-power to do so. These attitudes of mind and will have been manifest in intelligent compliance with price control measures. But even more important, in my opinion, has been the growing realization of the value and significance of voluntary saving, through our great national Victory Loan and War Savings campaigns, in holding down the cost of living and in providing a basic financial reserve for millions of individuals.

Secondly, I suggest that the post-war relationship between government and individual enterprise can do much to influence for good or for ill, the conditions of future economic progress. I hold strongly to the view that a supine dependence on government would represent the negation of the qualities most necessary to an enterprising and

democratic economy. At the same time it would be idle to ignore the fact that by reason of the costs of reconstruction and the more permanent demand for social security measures of various kinds, the financial needs of government are likely to remain at a considerably higher level than before the war. Under such conditions the distribution of the cost of government becomes a matter of peculiar importance. For if these costs are distributed in such a way that incentives are diminished and individuals or corporations are thereby discouraged or deterred from entering into productive undertakings, then the net result will be a loss to the Canadian people in terms of employment and living standards.

Nor do I believe that there is an easy way out of this problem of financing governmental expenditure by resort to a long-term process of deficit spending based upon the comfortable theory that "we owe the debt to ourselves and therefore the size of it really doesn't matter." I suggest that it is *because* we owe the debt to ourselves, because the bonds that Canadians hold to-day represent their work, savings and self-denial throughout the years of war and their assets for the future, that the trend of this debt in years to come does matter very much indeed. I am not alarmed at the size of the national debt. On the contrary, I believe it is well within manageable proportions in relation to our present and potential productive capacity. But if over the long term we complacently accept and apply theories that set no practical limits to the size of the debt, then we shall only have ourselves to blame if the value of that debt ultimately and inevitably diminishes in terms of the quantity of goods the dollar will buy. I do not suggest that in each and every year the expenditures of government should be completely covered by taxation. What I do suggest is that over a period of years governmental income must bear a reasonable relationship to governmental outgo if the value of the debt and the currency and confidence therein are to be maintained. Moreover, what I have said emphasizes in my own mind the need for an approach to post-war reconstruction in Canada along lines that will in every possible way encourage the processes of production and interchange through private agencies rather than through the channels of government spending.

Foreign Trade and its Implications

Nowhere will qualities of initiative and enterprise be more greatly needed than in the field of export trade. To find our way into new markets,

under conditions of active international competition, will require a tremendous effort. Even under the most favourable conditions, our fortunes in export markets will, in the final analysis, depend upon the factors of quality and price. High production costs at home can strike a blow to our aspirations in the export field. Nor can we expect our foreign customers to favour us at the cost of sacrifice in quality, or to accept a product not wholly suited to their needs. Here I suggest that Canada, with great natural resources and a highly intelligent and adaptable population, has a potential advantage of real promise. Is it not conceivable that with skilful and careful use of our opportunities, we might develop in post-war export trade a world-wide reputation for specialty products of extremely high quality and a dependable standard?

Then too, in the development of our external trade we shall be faced with the problem of providing ways and means whereby our foreign customers can pay for the high volume of Canadian goods which we would like to see them buy. In large measure we have met this problem in the war years by the simple expedient of giving goods away. It will undoubtedly be necessary for some time after the war to keep on doing this to some extent as part of our contribution to rehabilitation and relief. But to continue such practice on a wide scale as normal peace-time procedure would mean that we would be drawing upon our domestic financial resources to pay for exports, instead of taking payment through a return flow of goods. Hence, we shall be compelled to adjust our thinking on international trade and finance to the realities of our post-war creditor position.

Both because of our tremendous concern in the restoration of multilateral trade and because of our creditor position on international account, Canadians have a very direct and definite interest in the proposals for an International Monetary Fund and an International Bank for Reconstruction and Development recently put forward at Bretton Woods. There may well be details in both these plans that are open to criticism. But I feel that the successful application of the principles underlying these two proposals could do much to encourage and facilitate the flow of international commerce upon which the fortunes of all nations of good-will so greatly depend.

Security Through Risk

To my mind, a survey of the conditions under which we in Canada shall seek our post-war economic objectives, leads to one inescapable con-

clusion. This is that real and enduring economic security can only be achieved through risk. I do not know whether this is a law of economics but I am convinced that it is a law of life. This may seem at first sight to be a curious doctrine to be put forward by a banker, since banks, above all other institutions, are popularly believed to be rather more than ordinarily conservative in outlook and to regard anything "risky" with very scant favour. It would be a fair question, therefore, to ask what I conceive the function of the banks to be against the background that I have outlined.

My answer would be that no bank will be able to fulfil its post-war functions adequately unless it enters into that period with the courage and confidence that can only come from inherent strength resulting from sound policies consistently applied throughout the years. The intention of the Bank of Montreal is to carry into the post-war years those same attributes of sound and constructive banking that have characterized our operations in the past. While we are proud of our long traditions this does not mean that we have been or will be tradition-bound. We shall ever be alert to seek new ways of extending and improving our service to the community and of playing a courageous and progressive part in the years that lie ahead.

The General Manager's Address

MR. CHAIRMAN AND GENTLEMEN,—

I have the honour to present to you the 127th Balance Sheet of the Bank.

Before commenting on the General Statement, I should mention that as a result of the revision of The Bank Act at the last session of Parliament certain changes were made in the statutory form of liabilities and assets to be submitted at the Annual General Meeting of Shareholders. This has resulted in some regrouping of headings but the form of the statement is not altered materially.

Profits

Profits for the year, after all expenses including provision for bad and doubtful debts and after provision for federal government taxes of \$3,725,000, were \$3,194,000 as compared with \$3,303,000 in the previous year. In considering the Profit and Loss statement now submitted, I should point out that in comparing the figures with the preceding year, regard must be had to the adjustments in taxation,

to which the President has referred. As a result of the tax adjustments a comparison of net earnings before taxation shows a reduction of just under \$1,500,000 from the adjusted figure of the previous year. Gross current earnings were in higher figures, notwithstanding a lower average yield on investments, a lower level of commercial loans and reduced revenues due to maintenance of higher cash reserves, but the increase in gross earnings was more than offset by increased gross operating expenses, which included an increase of more than \$1,000,000 in interest paid to depositors, and a special additional contribution to the Pension Fund Society made possible by amendments to the Income War Tax Act.

The President has referred to the tax situation for the fiscal year ended October 31st, 1943, to which reference is made in the Profit and Loss statement. As one of the signatories of the Bank's Annual Report and General Statement for that year, I wish to state that I am in entire agreement with the views which the President has expressed on this subject.

Balance Sheet

Important changes in the Balance Sheet are as follows:

Total assets now aggregate \$1,526,734,000, an increase of \$213,670,000 over the total of \$1,313,065,000 at the end of the previous year. Quick assets aggregate \$1,279,223,000, or 88.30% of all liabilities to the public.

Deposits with the Bank of Canada, plus holdings of Bank of Canada notes, aggregate \$181,725,000, representing approximately 14.82% of all deposit liabilities in Canadian dollars. Adequate cash reserves are held against our foreign liabilities.

Investments, not exceeding market value, carried at \$955,921,000 increased by \$156,074,000. It will be noted that Dominion Government direct and guaranteed securities are now segregated in the Balance Sheet and carried at \$771,730,000. Included in these holdings are about \$350,000,000 of Deposit Certificates and Treasury Bills, an increase for the year of nearly \$130,000,000. In considering the increase in these holdings with their low average yield, it should be noted that our interest-bearing deposits, which are subject to interest at substantially higher average rates, increased during the year by \$137,000,000.

Call and short loans abroad at \$44,534,000 compare with \$18,686,000 at the end of the previous year. This reflects the employment of special funds in London and New York arising from deposits at

these points, some of which may be of a temporary nature.

Current loans and discounts at \$214,451,000 show a reduction for the year of \$29,243,000. This is mainly a reflection of lower advances to the grain trade and to the heavy industries, including manufacturers of munitions and other war supplies. Certain types of loans are in increased figures but the over-all picture continues to reflect the tendency for business enterprises to maintain a strong working capital position due in part to low inventories, provision for deferred maintenance, and reduction of receivables. We shall welcome the opportunity, which we trust will not be long delayed, to supply the credit requirements of our customers, not only for normal purposes of trade and commerce but also to assist in meeting their problems of conversion from wartime to peacetime production.

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

Premises

Bank Premises are carried at \$12,900,000, after writing off \$500,000.

The increased volume of business has caused somewhat crowded conditions in a number of our offices. We have adhered to our decision against constructing extensions to our buildings in wartime, but in a number of branches we have rearranged the interiors in order to make better use of the space available and provide a faster and more convenient service to customers.

Our post-war building programme has of necessity been enlarged during the year. Including the completion of our Toronto building, the projects we have in mind will make a substantial contribution to employment in the building and allied trades when labour is released from war activities.

Deposits

Deposits in Canada and abroad aggregate \$1,420,811,000, an increase of \$215,000,000 over the previous year-end figures. Notice deposits in Canada, which at the end of the last fiscal year were somewhat lower than demand deposits, have shown a relatively larger increase and are now \$57,000,000 in excess of demand deposits in Canada.

The extent of the expansion in the Balance Sheet position as the result of war conditions may be seen from the fact that our total deposits have increased from \$763,000,000 in 1938 to \$1,420,000,000 in

1944. This increase has been mainly directed to government use by our purchases of government securities.

Branches

During the year we opened one sub-agency. No branches were closed in this period. Our branch system is, we believe, well located to supply representative banking service on an efficient and economical basis and to take full advantage of post-war business developments.

Bank Services

The services of the Bank have been maintained at a high level of efficiency. The volume of transactions exceeded all previous records. We have had a satisfactory increase in the number of Current and Savings depositors and in the number of borrowers. The increased volume of normal banking routine is in addition to the substantial increase in special wartime services relating to Victory Loan distribution, Ration Coupon Banking, Foreign Exchange Control, et cetera.

We have continued to co-operate to the utmost in every endeavour to facilitate the war programme. Special efforts have been made to widen the distribution of Victory Loans among our depositors and the general public. We are pleased that our safekeeping facilities are being availed of by a substantially larger number of Victory Bond purchasers as we consider this is an important factor in the maintenance of such distribution.

In view of the greatly increased volume of transactions and of present staff conditions, I would like to pay tribute again to our customers and to the public generally for their cheerful co-operation in these difficult times.

Bank Act Revision

During the year the banking system of Canada was the subject of wide public attention as a result of the decennial revision of The Bank Act. The new Act, which came into force on September 1st, 1944, extends the charters of the banks until July 1st, 1954, and prescribes the regulations and controls governing their operations. The Act embodies the result of seven decennial revisions by Parliament of the first banking legislation of a general character passed in the Dominion of Canada by The Bank Act of 1871. That Act in turn was the product of more than half a century of previous experience,

beginning mainly with the foundation of this Bank in 1817.

The important changes in the Act are as follows:

- (1) The maximum rate of interest or discount is reduced from 7% to 6%.
- (2) The Bank of Canada will become the exclusive note-issuing agency in Canada. On and after January 1st, 1945, the outstanding note issue of a chartered bank may not exceed 25% of its paid-up capital. Thereafter a bank may not issue or re-issue its own notes. This means in effect that the amount of chartered bank notes in the hands of the public will be reduced steadily by redemptions until January, 1950, when each bank must pay to the Bank of Canada an amount equal to its then outstanding Canadian note issue, whereupon the liability to redeem such notes will be assumed by the Bank of Canada. The provisions of the Act relating to the Circulation Redemption Fund will then cease to operate and the double liability of shareholders will then be extinguished.
- (3) Deposits in Canada unclaimed for a ten-year period will be transferred to the Bank of Canada, which will assume the subsequent liability to such depositors.
- (4) Section 88 has been amended to simplify routine procedure and to widen the scope of lending to farmers and fishermen. In the case of farmers, the banks are now empowered to lend money for the purchase of agricultural implements and equipment and electrical equipment upon the security of the relative chattels, whether movable or affixed. The amendments also enable the banks to implement the provisions of the new Farm Improvement Loans Act under which the Government may guarantee loans to farmers for certain purposes up to a specified proportion of the aggregate loans. In the case of fishermen, the banks are empowered to take security on fishing vessels, equipment, supplies and products.
- (5) The banks can now lend upon the security of lien notes, conditional sales contracts and other instruments or agreements respecting the sale of goods and merchandise or moneys payable thereunder.

I shall refer briefly to certain other amendments. The statutory par value of bank shares was reduced from \$100 to \$10 per share. Certain changes

are made in directors' qualifications. The name of a chartered bank may not appear on prospectuses or advertisements for the sale of securities other than Dominion Government direct or guaranteed obligations. A new provision requires that the Minister of Finance must place before Parliament annually a combined statement of the current operating earnings and expenses of all banks and other specified information. The Minister of Finance is also required to report to the Minister of National Revenue for taxation purposes any amount set aside or reserved by any bank out of income, either by way of write-down of assets or appropriation to contingency reserves to meet losses on loans or depreciation of assets, if such amount is, in the opinion of the Minister, in excess of the reasonable requirements of the bank.

Certain parallel legislation enacted at the last session of Parliament to supplement the functions of existing credit institutions should also be mentioned. The Farm Improvement Loans Act is intended to encourage the provision of intermediate-term and short-term credit to farmers for the improvement and development of farms and farm dwellings. I have already referred to the provision for government guarantees. In certain specified cases of longer-term loans the banks are empowered to take mortgage security. The Export Credits Insurance Act provides that a government-owned corporation may enter into contracts with exporters to ensure against the risks of losses involved in the export of goods produced in Canada, and may make or guarantee loans to foreign governments or agencies to facilitate the export of such goods. Legislation was also passed to incorporate the Industrial Development Bank as a governmental agency to supplement the activities of other lenders in providing capital assistance, particularly to small enterprises.

It would be difficult in the time at my disposal to undertake any extensive analysis of The Bank Act amendments. We naturally welcome such of the amendments as give us extended powers to meet the sound credit needs of our customers. We shall co-operate to the fullest possible extent with the new governmental agencies in making credit of a specified nature available for domestic or export purposes. The new interest limitations will make it difficult to handle some types of personal loans at a profit but this will not deter us from making every effort to meet the credit requirements of worthy borrowers, whether the transactions are large or small. While the main lending function of the banks must be in the short-term field, it is our desire to make credit available to every competent person,

firm or corporation requiring funds for constructive purposes. In following this aim we hope that within reasonable limits and subject to appropriate safeguards it will be possible for us to extend credit of a somewhat longer term, particularly in the approaching period of conversion from wartime to peace-time production. In this connection we shall place special emphasis upon the ability and integrity of the borrower.

The removal of the long established note-issuing functions of the banks follows upon the curtailments imposed in the 1934 revision. As the notes of this Bank have served as a well-known and acceptable medium of exchange for more than a century, we shall naturally regret their disappearance, although in recent years this privilege has yielded little if any profit to the Bank.

I do not propose to deal in detail with the long discussions on banking and monetary theories which took place within the Banking and Commerce Committee when The Bank Act was under consideration. It is unfortunate that in the record of the hearings many erroneous statements and charges remain uncontradicted. Some critics blamed the banks for extending credit too liberally, while others were equally sure that the banks were too restrictive. Much time was taken up with abstract discussions of monetary theory and of such matters as "costless credit," "debt-free money" and the "100% reserve plan." It is obvious that lacking extensive and expert study a number of specific proposals were put forward without knowledge of their real implications.

The Act, as finally passed, gives the banks adequate scope to provide the same high type of banking service to which the Canadian people are accustomed and which, indeed, they accept as a matter of course. The banking system, like all other fields of human activity, is always capable of improvement and must change with changing times, but it is a system that has served the country well and I am confident will continue to do so in the days that lie ahead.

Business Activity

While business activity continued at high levels throughout the past twelve months, a slight recession in industrial production was in evidence in the latter half of the year. Employment continues high and shortage of manpower is, in general, still a problem for industry and agriculture. Retail trade has been active with sales running ahead of last year's figures. The gross cash income of farmers has been particularly buoyant, and well diversified as

between revenue from field crops, livestock and dairy products.

The business outlook is, of course, influenced by uncertainty as to the extent and nature of war production requirements. It is probable that in the ensuing twelve months, major problems of reconversion of industry from war to civilian output will become an important element in the business picture. Already it has been found possible to make some relaxation of wartime restrictions in the use of materials for civilian production, and further developments in this direction, as and when war orders taper off, should ease the adjustments of the transition period. If the European war ends before the war in Asia, the change from war to peace-time activity will be in two stages and this will have an important bearing on the problems of reconversion.

Newfoundland

In Newfoundland men previously employed on defence projects have continued to return to the fisheries where the numbers engaged are substantially higher than last year. The catch of cod-fish is expected to exceed that of last year and marketing of fish through the Combined Food Board of the United Nations at higher prices is proceeding satisfactorily. Better prices were also received by fishermen, these being fixed by agreement between the Government and interested parties. The fresh fish processing industry, being encouraged by the Government, has made substantial progress during the year under review.

The paper mills operated at or near capacity for most of the year and shipping difficulties, due to the war, in marketing products have been somewhat eased. The base-metal mine at Buchans operated on full time throughout the year but the iron ore mines at Bell Island have worked at only a fraction of their capacity.

Government revenue for the first six months of the fiscal year was considerably in excess of the high revenue figures for the same period last year and, while expenditure is also higher, it is evident that another large surplus will be realized.

On the whole, the country's prosperity has been well maintained. There is still a substantial demand for labour at good wages and most of the primary products continue in steady demand at satisfactory prices.

United Kingdom

Banking developments in the United Kingdom continue to reflect the influences of war conditions.

Expansion of bank deposits throughout 1944 to date has been at a slightly more rapid rate than in the preceding year. This expansion has been accompanied by a rise in bank holdings of Treasury Deposit Certificates which now constitute the largest single asset of the clearing banks. Government bond prices have been steady throughout the year.

A recently published White Paper on export trade reveals that the volume of the United Kingdom's exports in 1943, excluding exports of munitions by Government Departments, was less than one-third of the 1938 volume. Not only is this a measure of the extent to which the United Kingdom's productive resources have been mobilized for war, but it is also an indication of the effort that will be necessary to restore British export trade to satisfactory levels in the post-war years.

Neither of our London Offices has suffered material damage from robot bombs and normal services have been maintained. Our Threadneedle Street Office handled certain special and difficult transactions during the year in connection with the issue and exchange of securities. We continue to receive many letters from members of Canada's Overseas Forces expressing appreciation of the services received at our Waterloo Place Branch.

United States

The growth of public deposits and the steady increase in currency in circulation, now twice as great as in May, 1941, has served to create a situation where frequent intervention of the Federal Reserve open market committee in the security market for government bonds has been necessary to maintain the statutory reserves of the member banks. There has been some increase in bank loans but it is small in comparison with the growth in investments. Bank profits have been moderately higher but for the most part surpluses have been devoted to the building up of capital funds and reserves.

Stock market averages have fluctuated narrowly and are slightly higher than at the close of last year. The bond market has moved within a narrow range. Government financing has necessarily dominated this field, but the new issue market for corporate securities has been much more active than in either of the two preceding years. The bulk of corporate financing continues to be refunding. No major Canadian financing has taken place in the New York market since the beginning of the year. Dominion of Canada securities continue to enjoy the highest standing.

Our New York Agency and our offices in Chicago and San Francisco continue to afford our clients wide facilities for the transaction of business arising out of trade and commerce with the United States, as well as a wide variety of services in connection with securities. Our New York affiliate, the Bank of Montreal Trust Company, acts as transfer agent and registrar for many of our Canadian clients having securities listed or traded in the New York market. Both the Agency and the Trust Company have been privileged to be of service in certain special financial transactions arising out of the war.

Staff

I now wish to record our sincere appreciation of the continued efficient service and loyal co-operation of each member of the staff throughout another difficult year. They have coped cheerfully with an ever-increasing volume of work and have maintained a high standing of service to the public. I feel I must add a special word of commendation of our Managers, Accountants and other senior officers who have borne the brunt of the load in training new entrants and handling successfully a largely augmented business.

I wish also to pay particular tribute to our staff in London, England, who, during the year, have undergone more trying hardships with the advent of the flying and rocket bombs. Apart from those whose homes were destroyed or damaged, a number of them had narrow escapes. At the office the days were broken by frequent sudden interruptions and to this was added the anxiety of what might be happening at home. In spite of all this the staff at our two offices carried on successfully and cheerfully and with a dogged tenacity for which no praise is too high.

As I mentioned a year ago, the question of absorbing our men who are now on military service has been the subject of a great deal of study and our plans have been prepared well in advance. It seemed to us that many of them would be interested in knowing what our policy is. With this in mind we prepared an outline of the present arrangements and the procedure we expect to follow and sent it, with a covering letter, to our men serving with the forces. Briefly, it is our intention to place these officers on the salary and, within a reasonable time, in the position which they would normally have expected to attain had they been in the continuous service of the Bank. Our object is to see that they have not lost ground through their service to their Country. Their standing in the Pension Fund

Society has been maintained and their coverage under our Group Life Insurance Plan has been continued.

We recognize that many of them will require some time in which to adjust themselves to civilian life and we propose to give them a period of refresher training, varying in length with the needs of each particular case, before assigning them to definite duties. We are satisfied that all members of our staff on active service will be effectively placed in the Bank within a reasonable time. There will certainly be a place for everyone and, we believe, ample scope for advancement.

Approximately 1,400 of our staff have enlisted in the Armed Forces. Of these men and women we are genuinely proud and I wish to acknowledge the debt of gratitude we owe them. It is with a feeling of pride that I mention that a number have won distinction and decorations, both on and off the field of battle. Thirteen of our employees are listed as Prisoners of War and thirteen are reported missing. It is our fervent hope that ere long they will be safely back home. Sixty-one of our gallant men will not return. Our deepest sympathy goes out to their relatives and friends. Their memory will be honoured for all time.

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.

The Hon. Charles A. Dunning, P.C., moved, seconded by Mr. John A. MacAulay, K.C., that Messrs. George C. McDonald, C.A., and John Paterson, 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. Louis L. Lang, seconded by Mr. H. W. Molson, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

The Chairman then said:

"At the present time the number of our Directors stands at 25 and it is proposed to submit to you for election at this meeting the present Board with the addition of the name of Mr. B. C. Gardner, as mentioned in my previous remarks. This will make a total of 26 Directors to be elected at this meeting, which is the full number permitted under our Shareholders' By-law No. 4. In order that the Board of Directors may have power, as was

previously the case, to add to their number during the year, should this be found advisable, we are placing before you a change of By-law No. 4, which will call for the election of the 26 Directors at this meeting, and also will give the Board power to increase their number, should they, during the year, deem this advisable, by not more than two additional, making a possible total in all of 28."

On the motion of Mr. Norman J. Dawes, seconded by Mr. Ross H. McMaster, By-law No. 4 of the By-laws enacted by the Shareholders was then repealed and a revised By-law adopted as follows:

"4. The number of the Directors and the quorum thereof shall be regulated as follows, namely:

(a) The number of the Directors shall be not less than 20 and not more than 28;

(b) Until and subject to the extent to which the provisions of clause (c) hereof shall become effective, the number of Directors shall be 26;

(c) From time to time, upon the passing of a resolution of the Board of Directors declaring that it is expedient that this clause (c) should take effect to the extent of so many additional Directors as the resolution may specify, the number of the Board shall be and it is hereby increased by the number so specified, and the vacancy or vacancies in the Board thereby created may be filled in accordance with the provisions of By-law No. 6 of the By-laws enacted by the Shareholders, provided that in no event shall the total number of the Directors exceed 28;

(d) Three of the Directors shall constitute a quorum."

Following adoption of the above By-law, the Chairman said:

"In the recent revision of The Bank Act certain amendments were made in the Act reducing the minimum share requirements of Directors, subject to such higher requirements as may be specified in the by-laws of the banks. In harmony with the intention of this legislation, we are placing before you an amendment to our By-laws under which the minimum share qualification for Directors will be fixed at \$5,000.00 par value, i.e., 500 shares of stock of the new \$10.00 par value. Heretofore the minimum qualification for this Bank has been \$10,000.00 par value."

On motion of Mr. L. J. Belnap, seconded by Mr. G. Blair Gordon, By-law No. 5 of the By-laws enacted by the Shareholders was repealed and replaced by a new By-law as follows:

"5. No shareholder shall be eligible as Director unless on the day of his election or appointment he is, and in the case of election has been for not less

than thirty days prior to such election, the registered holder and the absolute and sole owner in his own individual right, and not as trustee or in the right of another, of capital stock of the Bank on which not less than five thousand dollars (\$5,000.00) have been paid up. No Director shall act as Private Banker, nor as Director, Manager or Officer of any other Bank or Banking Company, either public or private; and no bankrupt or insolvent shall be eligible or hold office as a Director. In case any Director shall cease to be the registered holder and the absolute and sole owner in his own individual right, and not as trustee or in the right of another, of capital stock of the Bank on which not less than five thousand dollars (\$5,000.00) have been paid up, or in case any Director shall act as Private Banker, or as Director, Manager or Officer of any Bank or Banking Company, either public or private or in case any Director shall become bankrupt, or insolvent, or shall make an assignment for the benefit of his creditors, his office of Director shall *ipso facto* be vacated."

Col. Royal L. H. Ewing moved, seconded by Mr. A. E. Francis:

"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, Col. Ewing said:

"I need not dwell on the magnificent record of service to the public, which the Bank has rendered in the past 127 years. I am sure I voice the opinion of all the shareholders in saying how extremely fortunate we are in the calibre of the men who direct and watch over the destiny of this great institution, particularly in having so gifted a man as Mr. Spinney for our President. His services to the Bank and the country are too well known to require comment. I would also refer to the great value of the Directors, with their wide experience and devotion to the interests of the Bank, especially during these difficult times of stress."

"May I express the hope that long before the next Annual Meeting the war with its sacrifice and bitter losses will be victoriously ended."

The motion was carried with applause.

The Chairman: "On behalf of my co-directors and myself, I wish to thank Col. Ewing and Mr. Francis for their kind references to our services, and I thank the shareholders gathered here to-day for the indication they have given of their approval of the motion now before the meeting."

"I should like to say that in addition to our regular weekly Board meetings in Montreal, supplementary meetings are held in Toronto,

Winnipeg and Vancouver. There are many occasions, too, between meetings, when I feel it necessary to consult our Directors, and although they are busy men, they never fail to give the Bank's affairs every needful attention. I should like here to acknowledge gratefully their loyal support.

"There is one other matter to which I would like to refer and that is the position of the shareholders of the Bank. I want to let you know that your Board of Directors are mindful of the fact that over the past few years the pattern has been one of declining dividends and therefore of receding value in the price of our stock. We are conscious of the fact that, particularly in the case of the small shareholder, this has been a hardship, and it will be a source of satisfaction to all of us when conditions make it possible to reverse this trend. The present position is that, whereas our shareholders are receiving a dividend of 60 cents a share per annum, our taxes in 1944 will be at the rate of about \$1.00 per share. It is to the war effort that the major part of our profits are going and I feel sure that few, if any, of our shareholders will, in these times, contemplate the situation grudgingly."

Mr. Gordon C. Leitch, then moved, seconded by Mr. J. V. R. Porteous:

"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. Leitch said:

"It is both an honour and a pleasure to present this resolution which is designed to convey on behalf of the shareholders of the Bank their grateful appreciation of the performance of the staff as a whole during these difficult times, and I should like to add a few words in support of Mr. Gardner's admirable contribution.

"It goes without saying that our General Manager is the focal point, and I am quite sure that every member of the staff and everyone here would wish me at the outset to pay homage to the skill and distinction with which the arduous duties of his office have been performed during a period fraught with unusual anxieties and problems.

"It was with considerable pleasure that we listened to the specific reference the General Manager made to the staff of our London, England, offices, and also to the fact that special consideration is being given to the men in the Armed Forces. It is to be hoped that before our next Annual Meeting many of the 1,400 members of the staff now on active service will be back with us, and be

in a position to take advantage of the proposals contained in the General Manager's address for their rehabilitation.

"It is common knowledge to us all that the duties of the senior members of the organization have been greatly increased by reasons of war regulations and frequent staff changes. It is due to these Senior Officers that the Bank has functioned in its usual efficient manner.

"While the Bank can provide buildings and mechanical equipment, without the ability and loyalty of the human element little would be accomplished. Without their faithful and efficient service the Bank would not be able to progress. To all members of the staff, therefore, we extend our sincere thanks."

In seconding the motion, Mr. J. V. R. Porteous said:

"Mr. Chairman, feeling as I do that the good-will of the Bank is so closely interwoven with the thousands of daily personal contacts throughout all our branches, and that the General Manager and all his staff have maintained a high level of service throughout what has been a trying year, I second with great pleasure the resolution proposed by Mr. Leitch which so clearly outlines our appreciation and with which I am in complete accord."

The motion was carried with applause.

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

"On behalf of the Assistant General Managers, Superintendents, Managers, Staff and myself, I wish to express sincere thanks to Mr. Leitch and Mr. Porteous for the motion which they have kindly presented and to the Shareholders here to-day who have so whole-heartedly approved of its terms.

"I mentioned in my address the splendid services which the staff have rendered during the past year and I take this opportunity to say that it is a matter of keen regret to us that, because of the present-day salary restrictions, we are precluded from recompensing them as we would wish. We all recognize the necessity for the regulations which the Government has imposed, but owing to the length of the war, it is evident that hardships have resulted in many cases. Many of our Managers and other senior officers are presently underpaid for the duties they are called upon to discharge and it seems to me that the time is now at hand when the Government should give most earnest consideration to the question of enabling the Salaries Controller to exercise discretion in correcting inequalities and injustices. It is not much comfort to a man

to be told how highly we value his services when we are not able to reward him accordingly.

"We are ever mindful of the keen interest which the Board of Directors take in the welfare of the staff and of their sympathy and understanding. On behalf of the whole staff I would like to express our grateful appreciation." (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 John Paterson, C.A., were duly appointed Auditors and that the following gentlemen were elected Directors:

G. E. Barbour, L. J. Belnap, S. G. Blaylock, D'Alton C. Coleman, Norman J. Dawes, H. R. Drummond, The Hon. Charles A. Dunning, P.C., W. Sanford Evans, B. C. Gardner, G. Blair Gordon, C. G. Heward, K.C., J. A. Humbird, R. G. Ivey, K.C., Robert A. Laidlaw, Louis L. Lang, Gordon C. Leitch, J. A. MacAulay, K.C., Ross H. McMaster, Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., H. W. Molson, The Hon. Lucien Moraud, K.C., 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, Huntly R. Drummond was re-elected Chairman of the Board, George W. Spinney, C.M.G., was re-elected President and Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., was re-elected a Vice-President and C. F. Sise and B. C. Gardner were 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

Assistant to the General Manager

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 471 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
BAWL—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
SEDEWICK
STROME—Sub to Daysland
THORSBY
TOFIELD
TROCHU
TWO HILLS—Sub to Myrnam
VEGREVILLE
VIKING
WAINWRIGHT
WESTLOCK
WETASKIWIN

BRITISH COLUMBIA

ASHCROFT
BRALORNE
CHILLIWACK
CLOVERDALE
DUNCAN
ENDERBY

BRITISH COLUMBIA

(Continued)

ESQUIMALT
HANAY
KAMLOOPS
KASLO—Sub to Nelson
KELOWNA
KIMBERLEY
MERRITT
NANAIMO
NELSON
NEW DENVER—Sub to Nelson
NEW WESTMINSTER
NORTH VANCOUVER
OAK BAY
OSOYOOS—Sub to Penticton
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
WHITE ROCK—Sub to Cloverdale
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
CANNO
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
 BOBCATGEON
 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
 LANDSOWNE
 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
 MILDMA
 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
 SMITHS 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
" Marcell 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, NEW YORK 5
CHICAGO, ILL.—BANK OF MONTREAL—27 SOUTH LA SALLE STREET, CHICAGO 3
SAN FRANCISCO, CALIF.—BANK OF MONTREAL (SAN FRANCISCO)—333 CALIFORNIA STREET, SAN FRANCISCO 4

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

