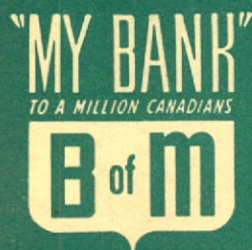




132ND ANNUAL REPORT
of the
BANK OF MONTREAL

ANNUAL GENERAL MEETING

December 5th, 1949



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BANK OF MONTREAL

FOUNDED IN 1817

HEAD OFFICE

MONTREAL

BOARD OF DIRECTORS

H. R. DRUMMOND, *Honorary President*

B. C. GARDNER, M.C., *President*

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

CHARLES F. SISE
Vice-President

ROSS H. McMASTER

NORMAN J. DAWES

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.

J. V. R. PORTEOUS

JOHN A. MACAULAY, K.C.

GORDON C. LEITCH, C.B.E.

C. G. HEWARD, K.C.

D'ALTON C. COLEMAN, C.M.G.

G. E. BARBOUR

THE HON. LUCIEN MORAUD, K.C.

J. A. HUMBIRD

R. C. BERKINSHAW, C.B.E.

HENRY G. BIRKS

THE HON. CHARLES J. BURCHELL, K.C.

R. E. STAVERT

GEORGE W. BOURKE

•

GORDON R. BALL, *General Manager*

•

CAPITAL, \$36,000,000 REST & UNDIVIDED PROFITS, \$49,155,000
RESOURCES EXCEED \$2,000,000,000

ANNUAL GENERAL MEETING

THE 132nd Annual General Meeting of the Shareholders of the Bank of Montreal was held on 5th December, 1949, in the Board Room at the Bank's headquarters.

Among those present were: C. R. M. Allan, Gordon R. Ball, G. E. Barbour, L. J. Belnap, R. C. Berkinshaw, C.B.E., O. G. Bibbs, Henry G. Birks, Brigadier Kenneth G. Blackader, C.B.E., J. S. Bolton, George W. Bourke, T. C. Bowen, F. M. Brady, Munro Brown, W. W. Bruce, Claude W. Buchanan, The Hon. Charles J. Burchell, K.C., George A. Campbell, K.C., W. H. Campbell, C.A., F. D. Chapman, Ross Clarkson, D. M. Cleland, F. W. Collins, Georges Constantin, A. T. Corner, J. S. Costigan, G. Leon Cote, John H. Davey, Norman J. Dawes, James M. Dever, C.A., H. R. Drummond, A. R. Duffield, The Hon. Charles A. Dunning, P.C., W. R. Eakin, E. R. Ernst, A. J. N. Foss, A. B. Foster, J. W. Fox, B. C. Gardner, M.C., M. H. Gault, J. R. Gervais, C. Howard Gordon, G. Blair Gordon, D. L. Grabill, G. H. Greening, P. S. Gregory, T. H. J. Grierson, W. T. G. Hackett, A. D. Harper, A. C. L. Harshaw, A. J. L. Haskell, G. W. S. Henderson, Gerald E. Hervey, C. G. Heward, K.C., R. E. Haldenby, F. H. Hopkins, W. A. Hotson, P. H. Howarth, J. S. Hughes, J. A. Humbird, F. W. Hunter, Joseph Hurtubise, T. M. Hutchison, R. G. Ivey, K.C., R. P. Jellett, A. C. Jensen, R. A. Johnston, G. H. P. Joyce, T. F. Just, J. L. King, R. E. Knight, Robert A. Laidlaw, Louis L. Lang, J. W. O. Lefebvre, Mostyn Lewis, A. J. Livinson, John A. MacAulay, K.C., G. M. Macdonnell, W. T. A. MacFadyen, D. MacGregor, A. Macpherson, R. H. Magwood, J. H. Matson, G. H. F. Maycock, C. W. McBride, I. A. McCarthy, George C. McDonald, C.A., C. R. McKay, D. I. McLeod, A. W. McMaster, T. E. Merrett, Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., The Hon. Lucien Moraud, K.C., W. C. Morley, W. G. Murrin, W. K. Newcomb, S. C. Norsworthy, D.S.O., M.C., Lt.-Col. W. P. O'Brien, Lt.-Col. Gavin L. Ogilvie, W. W. Ogilvie, H. S. Oliver, M.C., G. F. Pearson, W. H. Phillips, Lucien H. Pinsonnault, J. V. R. Porteous, E. J. Pulton, V. R. Purser, F. W. Quane, W. H. Raikes, L. J. Reger, D. Binny Robertson, Russell C. Ronalds, E. E. Rutherford, M. Scott, S. A. Shepherd, L. L. Sinclair, Charles F. Sise, R. E. Stavert, J. T. Stevens, R. C. Stevenson, W. Stewart, E. J. T. Stuart, D.D.S., W. E. R. Sutherland, Stanley W. Tench, C. A. Thomson, H. Percy Thornhill, L. W. Townsend, O.B.E., M.C., L. E. Tritschler, F. W. Troop, R. H. Turley, J. H. F. Turner, O.B.E., R. H. Vickers, C. Gordon Wallace, C.A., J. V. Walters, M. Window and B. H. Wright.

On the motion of Mr. H. R. Drummond, Mr. B. C. Gardner was requested to take the chair.

Mr. Norman J. Dawes moved, seconded by Mr. L. J. Belnap, that Mr. Mostyn Lewis and Lt.-Col. Gavin L. Ogilvie be appointed to act as scrutineers, and that Mr. C. W. Harris be Secretary of the Meeting. This was carried unanimously.

The Chairman then called upon Mr. Gordon R. Ball, 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, 1949.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 31st October, 1949, after making an appropriation to Contingency Reserve, out of which full provision for Bad and Doubtful Debts has been made....	\$10,193,675.18
Provision for Depreciation of Bank Premises, Furniture and Equipment.....	972,105.21
	<hr/>
	\$ 9,221,569.97
Provision for Dominion Income Tax and Provincial Taxes...	3,405,000.00
	<hr/>
	\$ 5,816,569.97
Quarterly Dividend 2 per cent. paid 1st March, 1949.....	\$720,000.00
Quarterly Dividend 2 per cent. paid 1st June, 1949.....	720,000.00
Quarterly Dividend 2 per cent. paid 1st September, 1949...	720,000.00
Quarterly Dividend 2 per cent. payable 1st December, 1949..	720,000.00
Extra Distribution 2 per cent. payable 3rd January, 1950..	720,000.00
	<hr/>
	3,600,000.00
Amount carried forward.....	\$ 2,216,569.97
Balance of Profit and Loss Account 30th October, 1948.....	2,939,240.64
	<hr/>
	\$ 5,155,810.61
Transferred to Rest Account.....	4,000,000.00
	<hr/>
Balance of Profit and Loss Account 31st October, 1949.....	\$ 1,155,810.61
	<hr/>

(Signed) B. C. GARDNER,
President.

(Signed) GORDON R. BALL,
General Manager.

During the financial year, sixteen offices were opened in Canada and two offices were closed. The Directors have to record with deep regret the death of their late valued colleague, Mr. W. Sanford Evans, who was elected a Director in 1934.

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

(Signed) B. C. GARDNER,
President.

Bank of Montreal, 5th December, 1949.

A S S E T S

Gold and subsidiary coin held in Canada.....	\$	2,313,964.60	
Gold and subsidiary coin held elsewhere.....		11,017.29	
Notes of Bank of Canada.....		42,545,766.25	
Deposits with Bank of Canada.....		182,594,728.92	
Notes of and cheques on other banks... \$117,878,643.26			
Government and bank notes other than Canadian.....		1,830,832.09	
Deposits with and balances due by other chartered banks in Canada.....		2,077.92	
Due by banks and banking correspondents elsewhere than in Canada.....		38,853,036.40	
Dominion government direct and guaranteed securities maturing within two years, not exceeding market value...		238,671,179.20	
Other Dominion government direct and guaranteed securities, not exceeding market value.....		566,702,308.63	
Provincial government direct and guaranteed securities maturing within two years, not exceeding market value...		38,253,634.42	
Other provincial government direct and guaranteed securities, not exceeding market value.....		95,351,967.70	
Canadian municipal securities, not exceeding market value.....		48,012,300.93	
Public securities other than Canadian, not exceeding market value.....		57,977,451.33	
Other bonds, debentures and stocks, not exceeding market value.....		122,917,348.16	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....		27,811,256.10	
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.....		20,363,396.81	
		<u>1,374,625,432.95</u>	
			\$1,602,090,910.01
Current loans and discounts in Canada, not otherwise included, estimated loss provided for.....		442,040,564.35	
Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for...		22,023,025.56	
Loans to provincial governments.....		5,438,489.48	
Loans to cities, towns, municipalities and school districts...		17,502,255.13	
Non-current loans, estimated loss provided for.....		348,318.89	
		<u>487,352,653.41</u>	
Liabilities of customers under acceptances and letters of credit as per contra.		28,820,653.02	
Real estate other than bank premises.....		201,935.73	
Mortgages on real estate sold by the bank.....		72,846.37	
Bank premises at not more than cost, less amounts written off.....		17,850,169.22	
Deposit with the Minister of Finance for the security of note circulation..		208,556.36	
Shares of and loans to controlled companies.....		1,489,552.54	
Other assets not included under the foregoing heads (but including refundable portion of Dominion government taxes \$657,897.02).....		1,600,986.78	
		<u>\$2,139,688,263.44</u>	

STATEMENT

on 31st October, 1949, was submitted as follows:

LIABILITIES

Capital paid up.....		\$ 36,000,000.00
Reserve fund.....	\$ 48,000,000.00	
Dividends declared and unpaid.....	739,210.39	
Extra distribution declared and unpaid.....	720,000.00	
Balance of profits, as per profit and loss account.....	1,155,810.61	
		50,615,021.00
		\$ 86,615,021.00
Notes in circulation.....	\$ 3,621,916.00	
Deposits by and balances due to Dominion Government.....	94,952,948.02	
Deposits by and balances due to provincial governments.....	44,308,971.86	
Deposits by the public not bearing interest.....	663,235,938.55	
Deposits by the public bearing interest, including interest accrued to date of statement.....	1,161,262,502.00	
Deposits by and balances due to other chartered banks in Canada.....	23,571,378.78	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada.....	31,810,938.44	
		2,022,764,613.65
Acceptances and letters of credit outstanding.....		28,820,653.02
Liabilities to the public not included under the foregoing heads.....		1,487,975.77

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.

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.
C. GORDON WALLACE, C.A.,
of the firm of Riddell, Stead, Graham & Hutchison.
MONTREAL, 17th November, 1949.

Auditors.

\$2,139,688,263.44

B. C. GARDNER, *President*

GORDON R. BALL, *General Manager*

BANK OF MONTREAL TRUST COMPANY

Balance Sheet as at 31st October, 1949

ASSETS		U.S. Currency
Due from Banks:		
Approved Reserve Depositories.....	\$ 134,119.49	
Other Banks and Bankers (Foreign).....	12,716.36	
		\$ 146,835.85
Investments:		
*United States Government Securities.....	\$1,706,348.04	
Accrued Interest.....	9,770.22	
		1,716,118.26
(Quoted Market Value, \$1,730,784.70)		
*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.		
Other Assets.....		15,793.26
		<u>\$1,878,747.37</u>
LIABILITIES		U.S. Currency
Deposits:		
Trust Funds.....	\$ 1,072.09	
Demand.....	80,687.56	
Time.....	27,561.73	
Due to Banks, Bankers and Trust Companies.....	1,392.20	
		\$ 110,713.58
Reserve for Taxes.....		4,469.05
Other Liabilities.....		797.09
Capital and Surplus:		
Capital Stock—		
Authorized, Issued and Fully Paid—10,000 Shares of \$100.00 each	\$1,000,000.00	
Surplus.....	650,000.00	
Undivided Profits.....	112,767.65	
		1,762,767.65
		<u>\$1,878,747.37</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, 1949, 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 affairs of the Trust Company as at 31st October, 1949, according to the best of our information and the explanations given to us and as shown by the books of the Trust Company.

GEORGE C. McDONALD, C.A.,
C. GORDON WALLACE, C.A.,

MONTREAL, 17th November, 1949.

Auditors.

HOCHELAGA REALTY AND DEVELOPMENT COMPANY

Balance Sheet as at 31st October, 1949

ASSETS		U.S. Currency
Real Estate, Buildings and Equipment (64-68 Wall Street, New York) less Reserves for Depreciation.....	\$1,083,464.03	
Prepaid Taxes, Insurance, etc.....	22,251.16	
Investments:		
United States Government Securities (at Quoted Market Value).....	124,860.98	
Cash.....	25,897.59	
		\$1,256,473.76
Deficit.....		15,495.28
		<u>\$1,271,969.04</u>

	LIABILITIES	U.S. Currency
Capital Stock:		
Authorized, Issued and Fully Paid—100 Shares of \$100.00 each.....		\$ 10,000.00
Twenty-year Four Per Cent. Gold Debentures—due 1st March, 1950....	\$1,000,000.00	
Twelve-year Four Per Cent. Debenture Bonds—due 1st March, 1950....	250,000.00	
		<u>1,250,000.00</u>
(Interest on the Debentures was temporarily reduced to three per cent. on 1st March, 1939, and payment of the interest due 1st September, 1945 to 1st September, 1948 inclusive, was waived entirely. Interest at two per cent. per annum was paid 1st March, 1949 and 1st September, 1949 and the balance waived.)		
Accrued Debenture Interest.....		4,166.66
Reserve for Taxes.....		3,803.77
Accounts Payable.....		3,998.61
		<u>\$1,271,969.04</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.

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, 1949, 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 affairs of the Company as at 31st October, 1949, according to the best of our information and the explanations given to us and as shown by the books of the Company.

GEORGE C. McDONALD, C.A.,
C. GORDON WALLACE, C.A.,
Auditors.

MONTREAL, 17th November, 1949.

THE ST. JAMES LAND COMPANY LIMITED
Balance Sheet as at 31st October, 1949

ASSETS

*The rights of the Company in an emplacement conveyed to Insurance Exchange Corporation Limited by a 99-year lease (emphyteutic lease) and in the building thereon constructed by Insurance Exchange Corporation Limited as at 23rd January, 1923.....	\$200,000.00	
Expended on the building to date.....	117,205.14	
	<u>\$317,205.14</u>	
Less Reserve for Depreciation.....	117,204.14	
		<u>\$200,001.00</u>
		<u>\$200,001.00</u>

LIABILITIES

Capital Stock:		
Authorized, Issued and Fully Paid—200 Shares of \$100.00 each.....	\$ 20,000.00	
Capital Surplus.....	180,001.00	
		<u>\$200,001.00</u>

***NOTE:—**

These rights have been hypothecated by The St. James Land Company Limited, Montreal, to the extent of \$268,681.81 to secure bonds and mortgage of Insurance Exchange Building Limited, successor to 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.

A. J. N. FOSS,
I. A. MCCARTHY,
Directors.

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, 1949, 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 affairs of the Company, as at 31st October, 1949, according to the best of our information and the explanations given to us and as shown by the books of the Company.

GEORGE C. McDONALD, C.A.,
C. GORDON WALLACE, C.A.,
Auditors.

MONTREAL 17th November, 1949.

BANK OF

Comparison of Balance Sheet Figures —

(Condensed and rearranged from the Annual Report)

ASSETS

	<i>31st October 1949</i>	<i>30th October 1948</i>
CASH, CLEARINGS AND DUE FROM BANKS		
Notes of and Deposits with Bank of Canada.....	\$225,140,495	\$207,905,995
Gold and Subsidiary Coin.....	2,324,982	2,131,442
Notes of and Cheques on Other Banks.....	117,878,643	81,474,361
Government and Bank Notes other than Canadian.....	1,830,832	1,684,552
Deposits with and balances due by other Banks.....	38,855,114	33,412,990
	\$ 386,030,066	\$ 326,609,340
INVESTMENTS (not exceeding market value)		
Dominion Government Securities.....	\$805,373,488	\$762,615,038
Provincial Government Securities.....	133,605,602	150,199,155
Canadian Municipal Securities.....	48,012,301	32,889,998
Public Securities other than Canadian.....	57,977,451	57,809,748
Other Bonds, Debentures and Stocks.....	122,917,348	129,037,999
	1,167,886,190	1,132,551,938
CALL LOANS (against marketable securities)		
In Canada.....	\$ 27,811,256	\$ 13,028,554
Elsewhere.....	20,363,397	18,149,364
	48,174,653	31,177,918
CURRENT LOANS (estimated loss provided for)		
Current loans and discounts in Canada.....	\$442,040,564	\$402,938,703
Current loans and discounts elsewhere.....	22,023,026	32,616,505
Loans to Provincial Governments.....	5,438,490	6,114,445
Loans to cities, towns, municipalities and school districts.....	17,502,255	14,219,228
	487,004,335	455,888,881
NON-CURRENT LOANS (estimated loss provided for).....	348,319	377,364
LIABILITIES OF CUSTOMERS UNDER ACCEPTANCES AND LETTERS OF CREDIT as per contra.....	28,820,653	25,290,033
BANK PREMISES.....	17,850,169	15,391,605
OTHER ASSETS.....	3,573,878	4,093,569
	<u>\$2,139,688,263</u>	<u>\$1,991,380,648</u>

MONTREAL

1st October, 1949 and 30th October, 1948

(statements as certified by the Auditors)

LIABILITIES

	<u>31st October 1949</u>		<u>30th October 1948</u>	
NOTES IN CIRCULATION.....	\$	3,621,916	\$	4,244,517
DEPOSITS				
By Dominion and Provincial Governments.....	\$	139,261,920	\$	137,398,847
By Public payable on demand in Canada.....		628,527,908		581,357,882
By Public payable after notice in Canada.....		1,094,448,886		986,400,937
Deposits in Canada in currencies other than Canadian.....		13,277,802		10,560,306
Deposits elsewhere than in Canada.....		88,243,864		125,699,758
Deposits by and balances due to other Banks.....		55,382,317		35,593,497
		2,019,142,697		1,877,011,227
ACCEPTANCES AND LETTERS OF CREDIT OUTSTANDING.....		28,820,653		25,290,033
OTHER LIABILITIES TO THE PUBLIC..		1,487,976		435,119
DIVIDENDS DECLARED AND UNPAID including provision for Extra Distribution.....		1,459,210		1,460,511
CAPITAL PAID UP.....	\$	36,000,000	\$	36,000,000
REST OR RESERVE FUND.....		48,000,000		44,000,000
BALANCE OF PROFITS, as per Profit and Loss Account.....		1,155,811		2,939,241
		85,155,811		82,939,241
		<u>\$ 2,139,688,263</u>		<u>\$ 1,991,380,648</u>

THE PRESIDENT'S ADDRESS

GENTLEMEN:—

Since our last Annual Meeting we have to record with sincere regret the death of one of our Directors, Mr. W. Sanford Evans, who was first elected to the Board in 1934. During his term of office he took a lively interest in the affairs of the Bank and placed at the disposal of the Board his wide knowledge of the grain business and of Western conditions generally. We shall miss his wise counsel.

During the course of the year our new building in Toronto was brought to completion and our main business in Toronto has been transferred to the new banking offices. This building was started in 1939, but a few months later, World War II having broken out, for patriotic reasons we suspended operations, which were not resumed until March, 1946. Vexatious delays were caused by shortages of labour and materials and also in some measure by strikes in various trades. However, we are satisfied that we now have a fine building, well suited to the requirements of our large and growing business in the Province of Ontario.

The General Manager will comment on the results of our operations for the past year and I will therefore content myself by saying that I trust they will be considered satisfactory by shareholders. It has been a year of concentrated effort on the part of all concerned. I have recently returned from a trip to the Pacific Coast and I am glad to take this opportunity to testify to the loyalty and enthusiasm of the staff, not only in the West but at all our branches.

The Domestic Scene

The past year has seen some far-reaching changes in the Canadian business climate. For many, these changes have brought pressing problems especially with respect to conditions and prospects in export markets. Indeed the complexities of the international situation, climaxed by the currency devaluations of mid-September, have overshadowed the entire Canadian economic scene, heavily re-emphasizing our dependence on conditions beyond our own borders. Nevertheless, as far as domestic developments are concerned, the course of events has had a good many healthy and reassuring aspects.

For one thing the fires of inflation seem to have died down. Prices are of course moving, some upward and some downward, in response to specific influences, including the effect of the recent realignment of exchange rates. But for a year now the economy has been spared the stresses that were so

apparent in the preceding phase of a marked upsurge in the general price level. At the same time we have thus far fortunately avoided a reverse cycle of deflation. A rapid return to a substantially lower level of prices would hardly be possible without grave dislocations, including drastic downward readjustment of incomes and a considerable measure of unemployment. As far as domestic influences are concerned, however, there seems little basis for forced liquidation of a nature likely to induce a deflationary trend. Money is still easy with the relationship between the supply of money and goods still a powerful factor tending to support the existing price structure. Bank loans are not, in aggregate, excessive in relation to the value of gross national production. Business inventories, while requiring careful watching in some individual cases, do not in total appear to be in dangerously high figures. Agricultural indebtedness, both absolutely and in relation to farm income, is substantially lower than in the immediate pre-war years. There is no large volume of stock market speculation conducted on borrowed money.

In short, as far as price influences are concerned, we seem by now to have achieved something approaching a balance of forces. The balance, however, is precarious and could easily be tipped in either direction. A recurrence of the wage-price spiral could have grave consequences from the standpoint of both domestic and external trade. Further, the maintenance of price stability is heavily dependent on the nature of governmental policy. It is to be hoped that, in this respect, we are now entering a phase in which the requirements of the public treasury will no longer be of such a size that they can only be financed by methods involving inflationary pressure on the one hand or repressive taxation on the other.

Underlying the changes evident in the price picture are significant alterations in relationships between supply and demand. The accumulation of demand arising out of wartime shortages and, in some cases, the unfilled needs of the depression years, has pretty well spent its force. It follows that business men, in appraising the domestic market, must, to an increasing degree, set their sights on such targets as may reasonably be anticipated on a current basis. In this connection one might add that with high levels of employment and wide distribution of income, the day-to-day capacity of over thirteen million Canadians to absorb consumer goods and services is far larger than was thought possible a few years ago. Nevertheless, under existing conditions, factors of competition, efficiency, quality and salesmanship regain their normal place. The necessary readjustments may be painful for the inefficient operator or for those whose business experience has hitherto extended only throughout a sellers' market. But from what I

have seen it is my conviction that the great majority of Canadian business men realize the desirability of more reasonable and healthy competitive conditions as contrasted with the excesses of a boom.

A Significant Contrast

The most noteworthy feature of the Canadian business trend during the year has been its relative stability as compared with the course of developments in the United States. The divergence of trend thus far might be interpreted in terms of the traditional time lag. In my opinion, however, the explanation goes somewhat deeper. In Canada, as in the United States, there have been cyclical forces operating on the down side. But in Canada, in large part offsetting these recessive influences, we have a vigorous programme of industrial expansion based not so much on the outlook for business next year or the year after, as on an appraisal of this country's magnificent long-term potentialities. We have gained self-confidence and "know-how" as an industrial nation, and in the field of natural resources we are re-discovering our own frontier. It may not be too much to suggest that Canada is currently undergoing a phase of dynamic growth which, relatively speaking, is not unlike that experienced by the United States in the years following World War I.

Canada's Dollar Dilemma

Were I to end my remarks at this point it might perhaps be assumed that, in my opinion, this country could face the immediate future with equanimity if not complacency. Unfortunately, such is not the case. We are confronted with difficult problems of external trade—problems arising out of maladjustments which in one way or another come generally under the heading of "the dollar shortage".

The general nature of the dollar problem as it affects Canada is too well known to require elaboration here. Over all, we do not live beyond our means on international account; our exports, visible and invisible, are still somewhat more than sufficient to pay for our imports of goods and services. But without convertibility of sterling into U.S. dollars we have to cope with the dual problem of earning an adequate supply of U.S. currency while at the same time maintaining our exports to sterling area and other markets from which our imports are relatively small. Of this duality the U.S. dollar aspect may ultimately prove to be the more tractable. The broad trend of Canadian economic development seems logically to point to a closer balance in trade with our nearest neighbour. Both from an

immediate and longer-range standpoint our more pressing difficulties lie in the fact that in the United Kingdom and other of our traditional overseas markets the Canadian dollar, like the U.S. dollar, is both scarce and dear.

We have made great efforts by way of gifts and credits to remedy the underlying unbalance in our overseas trade—efforts which, while admittedly in our own long-run interests, have been, nevertheless, a not insignificant factor in European reconstruction. And while the exigencies of our U.S. dollar position now limit our capacity to extend further aid through extraordinary measures, our trading policies throughout have been consistent with the creditor aspect of our situation. In the recent realignment of exchange rates the Canadian dollar was devalued by only one-third the extent of sterling and its related currencies. In effect, therefore, we have allowed British and other overseas goods to become cheaper in our market and our own exports to become dearer outside the dollar area. Our exports have also been made the target of specific restrictions imposed by soft-currency countries. In short, our contribution to restoration of a balance in trade between North America and the outside world, already expensive to the Canadian taxpayer, is now moving into a second phase which will almost inevitably involve a contraction of our exports to important and traditional overseas markets.

The Dollar Crisis in Historical Perspective

It is by now apparent that the world dollar problem, of which Canada's is an integral part, is far more than a post-war dislocation. Although aggravated by two world wars, and one may add, by the tariff policies of the 1930's, its roots lie deep in forces at work even before the turn of the century.

Let us look at the picture in perspective. The rapid development of industrialization in the 1800's placed England in a position of world economic supremacy. From her shores and from other countries of Western Europe there went forth an increasing flow of goods and capital to meet the needs and foster the growth of the new world. The reverse flow of food and raw materials to Europe was the complementary aspect of a vast and expanding network of world commerce. In an unchallenged position as an exporter of manufactured goods and a natural importer, England set the example of free trade. In this period also, the international gold standard came to its fullest flowering. In short, the nineteenth century saw the growth of something approaching a world economy in which enterprise was forever seeking new frontiers with little hindrance from artificial barriers

to trade. And it may be no accident that the period was one of relatively great social progress and, after 1815, was marked by no major war on a world-wide scale.

The intervening years have seen the progressive dislocation of the balance achieved in the previous century. The mass-production techniques of the new world have by and large outpaced their European prototypes. The wars that twice in our time temporarily crippled much of Europe's industrial capacity were concurrently giving added stimulus to the industrial and agricultural potential of the Western Hemisphere. And to aggravate the unbalance, the United States has been so blessed with a diversity of resources that her import needs have been relatively small. Well before World War II these influences were finding reflection in trade trends. Exports of merchandise from the old world were becoming less and less sufficient to pay for imports from overseas. To an increasing degree, Europe was becoming dependent on revenue from external investments, other invisible earnings and capital movements to finance her requirements from the outside world. Today, despite encouraging recovery in domestic production and export trade, Europe's dollar deficit is still huge. And with revenues from overseas investment and other invisible earnings drastically reduced, the greater part of the dollar gap is being bridged by gifts, loans, and the use of reserves. Thus, at the heart of the dollar crisis in its recurrent manifestations there lies the problem of re-adaptation of the economies of the United Kingdom and Europe so that their dense populations can once again earn imports necessary to living standards and social stability.

The Role of the United States

It may be argued from the foregoing that in the logic of events the United States must assume in the twentieth century the role occupied by the United Kingdom in the nineteenth as a massive importer of goods and a consistent and vigorous exporter of capital. As a statement of simple accounting the outside world's dollar deficits are, of course, the basic counterpart of the United States' heavy export surplus, now being financed in the main by the signal generosity of the European Recovery Program. Obviously, therefore, the greatest contribution that the United States can make to world recovery and to the restoration of conditions under which aid will no longer be necessary is a realistically liberal tariff policy, both as regards rates of duty and methods of administration, coupled as soon and as far as possible with a far-sighted and courageous programme of overseas investment.

Economic Nationalism versus World Order

But to state this does not justify the glib assumption that the entire dollar problem may be loaded upon the shoulders of Uncle Sam. Given the most enlightened action on the part of the United States, given the most widespread realization in that country that her own prosperity cannot long be maintained in the face of adversity abroad, a workable world order cannot be achieved without far-reaching adjustments on the part of debtor nations. And it is, I think, a fact that the working out of these adjustments has been rendered more difficult by widely-prevalent philosophies and attitudes.

These tendencies, while given impetus by the war, go back much further into history. For more than a generation the processes of industry, commerce and investment have in one way or another been brought into subservience to the State. The concept of an international economic order has lost reality and for many people it is not even an ideal. In its place we see a collection of national plans and policies each aimed at achieving, through governmental intervention, some objective of national well-being. In their international manifestations such plans frequently mean that stability at home is to be sought by methods creating instability elsewhere. And both within and between nations we see today in many directions the forces of corrective adjustment through the processes of the market-place rendered inoperative by a multiplicity of restrictions which often aggravate the situation they are intended to relieve.

Exchange Policy in the Modern Manner

The recent sudden and dramatic devaluation of world currencies offers some food for thought in this regard. That the pound sterling and many other currencies were overvalued in relation to the U.S. dollar was generally recognized long before the readjustments took place. For a time after the war these overvaluations could be justified by the argument that under conditions of acute shortage of goods, considerations of price had little to do with the movement of trade on either the export or import side. Indeed, as long as this argument was actually valid there was a positive advantage for dollar-short countries in retaining parities that enabled them to "buy cheap and sell dear". But with the edge off the sellers' market, overvalued exchange rates became to an increasing extent a barrier to the flow of goods from Europe to the dollar area. On the one hand, the merchandise of dollar-short countries became unattractively or prohibitively priced in North American markets. On the other hand, exporters in soft-currency countries were under a natural incentive to sell to other high-priced soft-

currency markets rather than to the relatively low-priced dollar area. Thus did a spurious stability of exchange rates tend to widen the dollar gap and to perpetuate the use of restrictions and the resort to bilateral trading.

The devaluations of mid-September must therefore be regarded as a long stride toward realism. But coming as they have, the more drastic for being overdue, and in one single step rather than gradually through market forces, their very size and impact complicate the readjustments to the sharp changes in costs and competitive conditions inevitably involved. Moreover, since the new rates, like their predecessors, have been established by governmental fiat, there can be no assurance now or in future that they reflect accurately the levels of comparative costs and prices in the countries concerned. Before many months have passed, some of the new rates may prove to be overvalued; some may be undervalued. And to the extent that such dislocations occur, the result will inevitably be to prolong reliance on restriction and bilateralism and to delay the return of convertibility. I suggest, therefore, that it may well be time to ask whether the ends of expansion of trade would not now be better served by permitting a range of variation in exchange rates, cushioned perhaps by a stabilization fund designed to prevent violent short-term fluctuations. Such a move would take some courage but it could pay handsome returns in terms of a rate structure working flexibly in the direction of equilibrium. I suggest also that against a background of reality thus provided, the all-important problem of convertibility of pound and dollar might not prove as formidable as it now appears to be.

In raising this point I am aware that the regulations of the International Monetary Fund as at present constituted do not permit its members, of which Canada is one, to establish free exchange rates. But the question in my mind is whether the Fund's original concept of fixed exchange rates altered only at infrequent intervals should not now be re-examined in the light of experience. Exchange stability is all to the good if it reflects a condition of underlying balance. But the history of the past few years has perhaps made it clear that the attempt to maintain the appearance of exchange stability through fixed rates out of line with reality has been positively harmful in contributing to fundamental unbalance in trade relationships.

Further, and in broader terms, experience to date suggests that the stability offered by any system of governmentally-determined economic relationships is a rather dubious product. What we are apt to get is not a dependable equilibrium but a recurrent sequence of rigidity and sudden shock.

More Basic Requisites

I would not leave the impression that variation of exchange rates can alone provide a solution of dollar difficulties. The devaluations that have occurred will be useless if their advantages are quickly dissipated by inflation. Moreover, in the nature of the present situation, revalued or even fully flexible currencies cannot be a substitute for major improvements in productive efficiency and vigorous, imaginative merchandising efforts backed by a thorough and continuing study of the requirements and tastes of the North American market. And in addition a pathway must be cleared through the wilderness of regulation, restriction and distrust to permit and encourage the resumption of large-scale international investment.

Enterprise—The Ultimate Resource

What is the ultimate goal of all these individual but related objectives? I suggest that it is the re-creation of an international economy capable of functioning "on its own", wherein goods and capital will move spontaneously in volume and directions necessary to enable nations now dependent on aid to become self-supporting. Such a goal cannot be reached overnight and progress toward it will require a high degree of international co-operation in an atmosphere of understanding and goodwill. But while the broad lines which readjustment must take may perhaps be foreseen, the processes of recovery themselves are infinitely too intricate and unpredictable to be planned in advance. If a new balance of forces is to be achieved it can come about only through the activities of countless individuals with the network of their transactions ever crossing and re-crossing international boundary lines. In short, there must re-emerge a complexity of relationships deriving vitality from mutual advantage and the play of human incentives and thus possessing, within themselves, powers of adaptability and growth.

Here again, however, the question arises whether such conditions can in fact be forthcoming without a re-thinking of the whole concept of the relationship of the State not only to business but to the individual. This is a matter which can be discussed on a philosophical plane. But in its present context it also confronts us with some very practical questions that press for reply. There is general agreement on the necessity of raising standards of productivity in countries now facing acute difficulty in balancing their accounts with the dollar area. That will require huge addition and improvements to capital equipment in the countries concerned. Is this investment likely to be forthcoming under conditions wherein the very

weight of public budgets devitalizes both the ability to provide and the incentive to employ the capital that is the life-blood of productive efficiency? What of the effects of an addiction to nationalization of industry? Is this likely to encourage the flow of either domestic or international investment? And, in broader terms, what of the consequences of an exaggerated State paternalism which blurs the vital connection between effort and reward?

There is a vast reservoir of energy releasable for recovery in the incentives which impel the individual to improve his position in life, which stimulate adaptability and inventive genius and which encourage the development of new processes, products and markets. The great task of the present is to provide an environment in which these fundamental and powerful forces may once more be put fruitfully to work.

THE GENERAL MANAGER'S ADDRESS

MR. CHAIRMAN AND GENTLEMEN:—

In presenting the balance sheet of your Bank for the 132nd fiscal year just closed, I am glad to report a year of satisfactory progress.

Earnings

As indicated in the Profit and Loss Statement just submitted, net profits for the year, after appropriation to Contingency Reserve and after provision for depreciation of premises and equipment and for Dominion and Provincial taxes, amount to \$5,816,570. After providing \$3,600,000 for dividends and extra distribution, equivalent to \$1.00 per share, a balance of \$2,216,570 is left to be carried forward to Profit and Loss Account.

In view of the continued growth in our deposit liabilities to the public, it has been deemed advisable by your Board of Directors to make a further transfer to Rest Account. Accordingly, the sum of \$4,000,000 has been transferred from Profit and Loss Account to Rest Account, which now stands at \$48,000,000 in relation to Paid-up Capital of \$36,000,000. After these adjustments the balance of Profit and Loss Account now is \$1,155,811.

You will observe that our earnings after appropriation to Contingency Reserve show an increase of \$1,015,174 over the corresponding figure a year ago. This reflects an increased volume of business in all departments of the Bank, and our general earning power has been well maintained, despite the fact that operating costs unavoidably continue in high figures.

General Statement

To facilitate comparison with the previous year-end figures, we have again placed before you in condensed form a two-year summary of balance sheet items.

Our total assets at the year-end amounted to \$2,140 millions, an increase of \$148 millions during the year. This is a record high level of resources at the end of any fiscal year of this Bank.

The balance sheet shows a highly liquid position. Cash in the form of deposits with and notes of the Bank of Canada aggregated \$225 millions,

equivalent to 11.82% of our deposit liabilities in Canadian dollars. Total cash assets of \$386 millions were equivalent to 18.8% of all liabilities to the public. Quick assets, including cash assets, investments and call loans totalled \$1,602 millions, equivalent to 78% of all public liabilities.

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

Deposits

Total deposits reached a figure of \$2,019 millions, which constitutes a new year-end record and is an increase of \$142 millions over the previous year.

Demand deposits in Canada at \$629 millions compare with \$581 millions at the end of the previous year. Notice deposits in Canadian currency, generally classified as savings deposits, stood at \$1,094 millions, an increase of \$108 millions during the year.

Earlier in the year for the first time in the history of any Canadian bank, the savings deposits of the Bank of Montreal passed the billion dollar mark. They are now well above that figure. The number of savings accounts continued to increase and now stands at over 1,500,000 individual accounts. We are deeply conscious of our responsibility as custodian of the savings of the vast number of Canadians in all walks of life who have chosen this Bank as their depository.

Loans

Current loans and discounts in Canada reached a record year-end figure of \$442 millions, compared with \$403 millions at the end of the previous year. While commercial loans throughout the year were at a somewhat higher average level than in 1948, borrowing requirements of customers in many lines of business are beginning to reflect an adjustment of inventories to more normal conditions of supply. Additional factors have been the retirement by public financing of loans for post-war expenditures, as well as the liquidation of wartime investment holdings on the part of borrowers.

In considering the financial requirements of our commercial customers we have been impressed with the number of concerns that have shown stationary or declining profits on a substantially increased volume of

business. It is, I think, appropriate to draw attention to the importance of a re-examination by business men of their "break-even" points. The conditions of the past few years have tended to obscure the need for efficiency and economy, and close attention to these features now may avoid costly losses later.

In examining the problems of our customers we have also been impressed by the desirability of a taxation policy which permits the building up of resources out of profits. This received some recognition in principle in the Budget of last March, in so far as small businesses are concerned, and now that the principle has been recognized, we feel it would be a forward step if reduced rates of taxation were applied to a higher level of profits than the present amount of \$10,000. Small and medium-sized business concerns are usually not in a position to raise equity capital by means of public flotations. Yet the health and renewal of our economy depend importantly on a constant growth of small successful undertakings and it is essential to the welfare of these ventures that the maximum amount of earnings be ploughed back into the business.

Loans to the grain trade were in higher figures than at the previous year-end. Our lending facilities continue to be widely used by farmers and primary producers. Loans under the Farm Improvement Loans Act again showed a substantial increase. There has been some levelling off in the demand for bank advances in the personal loan category, although the financing of automobile and other sales through instalment finance companies has been in increasing volume.

The large and growing volume of loan transactions handled at our branches from Newfoundland to British Columbia indicates the ready response of your Bank to the needs of business and the community in every province of Canada.

Investments

Investments (not exceeding market value) carried at \$1,168 millions rose \$35 millions during the year. This increase was mainly in our holdings of Government bonds. Our holdings of Canadian municipal securities are in higher figures while "Other Bonds, Debentures and Stocks" show a decline from \$129 millions to \$123 millions. To a considerable extent public offerings of securities by corporations have reduced the need for bank financing of capital projects and this, together with the scheduled retire-

ment of maturities, accounts for the declining trend in this section of our investment portfolio.

Bank Premises

After writing off \$972,105 to cover depreciation on buildings, furniture and equipment, our Bank Premises Account is carried at \$17,850,000, compared with \$15,392,000 at the previous year-end. The increase reflects the completion of a number of projects in our post-war programme, the principal of which is our new building in the City of Toronto, where our main Toronto branch and our executive offices for the supervision of business in the Province of Ontario are now housed.

While a substantial part of our post-war outlays on premises has been completed, the continuing high volume of business has necessitated some further increase in our programme of alterations, enlargement and replacement of bank premises. Every effort is being made to relieve the crowded conditions which still exist at a number of our branches.

Notes in Circulation

Under the provisions of The Bank Act, as amended in 1934 and 1944, the amount of chartered bank notes in the hands of the public was made subject to progressive reductions until January 1st, 1950 and within 30 days of that date an amount equivalent to the face value of the then outstanding notes is to be paid to the Bank of Canada and the liability to redeem such notes assumed by that bank. The balance of notes outstanding shown in our balance sheet at \$3,622,000 will, therefore, disappear from our statement after the end of the year. The notes of this Bank served as a well-known and acceptable medium of exchange for more than a century but in recent years the note-issuing privilege has not provided any important source of profit.

With the removal of this item from our balance sheet the double liability of shareholders, which was long a feature of Canadian banking, will become extinguished.

Wartime and Post-war Balance Sheet Changes

As ten years have elapsed since the outbreak of war, it is appropriate, I think, to draw attention to the important changes in our balance sheet

that have taken place over the decade and particularly since the end of the war. The principal items at the end of the fiscal years 1939, 1945 and 1949 respectively are as follows:—

	(Millions of dollars)		
	31st Oct. 1939	31st Oct. 1945	31st Oct. 1949
Deposits			
Demand deposits in Canada (including Government deposits) and deposits abroad.....	\$ 458	\$ 896	\$ 925
Notice deposits in Canada.....	457	717	1,094
	<hr/>	<hr/>	<hr/>
Total Deposits.....	<u>\$ 915</u>	<u>\$1,613</u>	<u>\$2,019</u>
Investments			
Dominion and Provincial Government Securities.....	\$ 436	\$ 994	\$ 939
Other Investments.....	82	124	229
	<hr/>	<hr/>	<hr/>
Total Investments.....	<u>\$ 518</u>	<u>\$1,118</u>	<u>\$1,168</u>
Current Loans and Discounts.....	\$ 256	\$ 220	\$ 487
Call Loans.....	24	60	48
Deposits with and Notes of the Bank of Canada.....	93	159	225
Total Assets.....	\$1,026	\$1,716	\$2,140

The figures illustrate, I think, the flexibility of our banking system in adapting itself to the constantly changing requirements of the community in peace as in war.

There has been a steady growth in our deposits throughout the ten-year period, but, while during the war years this was reflected in a sharp increase in our Government bond portfolio, the expansion in the post-war period has been in our current loans and in "Other Bonds, Debentures and Stocks" which in the main represents financial assistance to commerce and industry.

The great changes in the balance sheet over the past ten years have been accompanied by other changes not reflected in the dollar figures. In 1939 we had about a million current and savings accounts on our books. We now have over 1,750,000 accounts. The number of our loan accounts has more than doubled in this period and all types of banking transactions

have shown commensurate increase. To handle this greatly increased volume our personnel now totals 9,700, as compared with around 6,000 in 1939.

While not strictly related to the foregoing, I might add that during the ten-year period mentioned the number of our shareholders has doubled and we are naturally glad to see this wider share-ownership in our institution. Perhaps it would not be out of place at this point to remind our shareholders, now numbering over 11,000, of the valuable contribution they can make in recommending our facilities to their friends and in directing new business to the Bank.

Bank Services

The various services of the Bank continue to be used in growing volume, and the year has been a heavy one for branch and supervisory personnel. The number of accounts on our books increases day by day and the activity at our counters has been at record high levels. Changing conditions call for specialized knowledge and a high degree of adaptability in handling our customers' transactions and no efforts are spared in providing an up-to-date and informed service.

During the year we opened sixteen branches and sub-agencies. The business of our Bay Street, Toronto branch was consolidated with that of our new Toronto main office and one sub-agency was closed. We have followed a carefully considered programme of branch extension in line with increasing population and production in the territories which we serve.

Through our advertising we constantly make known the wide range of services which the Bank has to offer. Recently we have laid special emphasis upon the many ways in which we can be helpful to our friends abroad who are interested in the Canadian field and, in particular, in the new and striking developments in Canada's natural resources.

We try to keep constantly in mind that the Bank is not primarily an impressive row of figures or an imposing building. We think rather of the Bank as the local manager and his staff, on whom our customers can always call for friendly counsel and service. Our branch banking system is founded upon this relationship.

More than a million and a half people deal with the Bank of Montreal, and they know that it is not money alone they deal in when they come to us. It goes beyond that. These people have confidence in the Bank; they know that their money is safe with us, and that they will be fairly treated in their business dealings.

A man's relationship with his bank manager is, and should be, a highly personal one. Yet in each of our 547 branches, behind this confidential relationship, there stand the resources and stability of a nation-wide, century-old institution. Thus the strength of the institution is linked with human understanding in the service of the individual.

I believe sincerely that this is the spirit guiding our relations with the public today. Without such a spirit, the Bank could not maintain or justify its place in the economy of this country, nor would we be able to give our best to Canada in the years of great promise which lie ahead.

Foreign Business

The President has dealt with the vital importance of international trade to Canada. A wide range of services is provided for all engaged in the field of foreign trade and to our customers who are travelling abroad, and I am glad to say that our foreign business shows a steady and appreciable growth, in spite of the restrictions which hamper the flow of international commerce and the limited availability of travel funds.

Periodical visits abroad by officers of our Foreign and Business Development Departments have assisted in expanding and enlarging our banking correspondent relationships throughout the world, to meet in every possible way the requirements of our customers. Up-to-date information in respect of trade, tariffs and exchange regulations is made readily available and we welcome and invite full use of our facilities.

Our offices in the United Kingdom and the United States have been especially active in assisting business interests in those countries which are desirous either of establishing branch plants in Canada or of expanding existing relations with this country.

Business Conditions

In our day-to-day dealings with all sections of the business community in every province of Canada, we have a unique opportunity to see, both at close range and in broad perspective, the changing trends of business conditions as they affect individual undertakings and the wider fields of industry and production. Viewed from this vantage point the picture has been one of continued readjustment, made necessary by changing market conditions at home and abroad and accentuated by the recent shock of widespread currency devaluation, the full effect of which cannot yet be assessed in terms of inventories, prices, markets and profit margins.

On the whole, however, the past year has been one of undoubted prosperity and development for Canada. Our population now approximates thirteen and a half millions. The increase of over six hundred thousand within a year reflects, in addition to natural growth, the welcome inclusion of Newfoundland in the Canadian family and the arrival of a substantial number of new immigrants. More Canadians are at work than ever before and the income stream has been further augmented this year by reduced personal income tax rates, wartime savings tax refunds and increased retroactive payments to wheat growers. The cash income of the farming community has been well maintained and the harvesting season has yielded generally satisfactory crops that are commanding good prices.

Retail business as a whole has enjoyed generally higher sales than a year ago and nearly all trades and services have shared in the advance. The number of commercial failures, although continuing the upward trend evident since 1946, has lately been rising less rapidly and is still lower than before the war.

While the Canadian people have been earning more and buying more, available evidence suggests that they have also been saving more this year than last. This savings trend is altogether encouraging not only because it adds to the reservoir of personal purchasing power, but also because the new capital requirements of the country as a whole have continued to run at a very high rate. Outlays of a capital nature for new houses, utility services, public works and productive facilities have mounted to new record figures.

The question which I am sure is uppermost in the minds of all business men is whether the present high level of activity will last. The President has already referred to the difficulties which surround the international situation. We can hardly expect that these will not affect our own economy. In particular, our ability to retain important export markets in the sterling area may depend to an increasing degree upon the extent to which we increase our imports from that source. The necessary readjustments in our trading position may be difficult and in some respects painful. But taking a longer view, when I consider the dimensions of Canada's growth in recent years, I suggest that perhaps our ideas of what constitutes a normal level of business activity may have to be revised. In the decade from 1938 to 1948, while our population was enlarged by 15%, increases of between 70% and 80% were recorded in industrial employment and in the actual physical quantity of goods produced, consumed, imported and exported. In the light of this achievement it may not be wise to judge present-day indices by pre-war standards.

The Canadian economy has attained a size and a momentum of its own that perhaps we fail wholly to realize and it may well be that we appreciate its potentialities less clearly than do our friends in other lands who see in our vigorous people, our stable institutions and our natural resources, the foundations for further impressive growth and development.

Staff

We now come to a most important part of these proceedings, for it is at this point that I refer to the men and women of our staff, now nearly 10,000 strong, many of whom are in daily contact across the counter with our customers from coast to coast.

As already mentioned the year has been a heavy one in all sections of our business and our staff have discharged their duties with untiring energy and efficiency. Arrangements for their welfare and progress are being kept under constant review with special consideration to changes in living costs and the personal problems involved in staff transfers under our widespread branch system. Substantial contributions are made by the Bank year by year to the Pension Fund Society and to group life, sickness and accident insurance.

A year ago, I referred to our staff training courses and our plans for extending them. Considerable progress has been made in that direction and we are abundantly satisfied with the results.

It gives me great pleasure to record that in the 1949 Annual Senior and Junior Essay Competitions, held under the auspices of The Canadian Bankers' Association and open to all Canadian banks, members of our staff were awarded first, second and third places in both competitions.

The mere facts and figures previously recited do not, and perhaps can not, convey to you the spirit and warmth of the services rendered day by day throughout the year, sometimes under most trying circumstances. I refer to the staff in many offices where alterations are under way, who carry on with a smile amidst the din of trip-hammers, and with carpenters, plasterers and others working at their trades. I refer to the men on the lonely outskirts of Labrador who have unfurled the banner of our institution in territories still undeveloped. I refer also to the young manager of one of our new branches in the West, who, when he received his appointment as manager in a district considered difficult, promised without hesitation that he and his staff of two would have a million dollars in deposits within a year. They did—and have since raised the objective. I could go on recounting other tales

of a spirit in your institution that cannot be measured in dollars and cents but which is nevertheless our greatest asset.

I am very proud of our staff and, in expressing appreciation of their unfailing loyalty and devotion, the simple words "Thank you" seem inadequate although they are none the less sincere.

In conclusion, I would like to thank my executive associates at Head Office for their loyalty and support over the past year, and to record once again my pride in the quality and spirit of our staff in every branch and agency of the Bank at home and abroad.

REPORT ADOPTED

The Chairman then moved, seconded by Mr. Charles F. Sise, that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders. The Report was unanimously adopted.

Mr. G. Blair Gordon moved, seconded by Mr. J. V. R. Porteous, that Messrs. George C. McDonald, C.A., and W. H. Campbell, C.A., be appointed Auditors for the Bank for the ensuing year, and that a ballot for the Auditors be taken at the same time as the ballot for the Directors is taken. This motion was carried.

On the motion of Mr. R. E. Stavert, seconded by Mr. George W. Bourke, the resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

The Chairman then said:

"During the year one vacancy occurred in our Board which we expect to fill so soon as the gentleman we have in mind shall have held the qualifying shares for the required period of thirty days. In the meantime it is, therefore, necessary to reduce the number of Directors from 28 to 27."

On the motion of Mr. Henry G. Birks, seconded by Mr. G. E. Barbour, By-law No. IV of the By-laws enacted by the shareholders was then amended as follows:—

"Resolved that clause (b) of By-law No. IV of the By-laws enacted by the Shareholders be amended by striking therefrom the figure 28 and substituting the figure 27."

Brigadier K. G. Blackader, C.B.E., moved, seconded by Lt.-Col. W. P. O'Brien:

"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, Brigadier Blackader said:

"I am sure that I am speaking for all the shareholders when I express our grateful appreciation of the attention which the President and Directors have given to the affairs of the Bank during the past year. The statements presented to us and the reports which we have just heard show the Bank to be in a stronger position than ever before. For the first time in its long and distinguished history, the Bank's assets have surpassed the two-billion-dollar mark, and its net profit has also reached a new high level.

"These facts are a clear indication that the Bank is expanding as Canada develops, and that in doing so it has been able not only to maintain earnings but to increase them, and we note these facts with keen satisfaction.

"In the strong position in which the Bank now finds itself, we can be fully confident that it will be ready to meet all future demands and that it will continue to play its part in the further development of this country as it has always done in the past. The Bank of Montreal is a national institution of which not only we the shareholders, but the people of Canada can be justly proud.

"For the state of its affairs and for the record of its earnings, we extend a hearty vote of thanks to you, Mr. Chairman, and to the members of the Board for your very careful attention to the interests of the Bank."

In seconding the motion, Lt.-Col. O'Brien said:

"It takes little imagination to realize and appreciate the heavy burden of responsibility that is the lot of the President and his Directors in the guidance of this great and highly-respected institution. Being confronted by and solving, as they must, all manner of financial problems, takes rare good judgment; and I don't think I am guilty of an over-statement when I say that this Board is capable of meeting any and all situations. It is our ardent hope that the 'Old Lady of St. James Street,' old in years, wise through experience, and young in energy, will continue to enjoy this same efficient management."

The motion was carried with applause.

The Chairman: "Judging from your applause I think it was hardly necessary for me to put this motion formally before you; but I do wish to thank Brigadier Blackader and Colonel O'Brien for the generous terms in which the resolution is framed, and to express on behalf of all the Directors our appreciation of the reception you have given it. Your Directors take a real interest in the affairs of the Bank, and they bring a broad experience and wide knowledge to the deliberations of the Board. I personally value their counsel very highly indeed."

The Hon. Charles J. Burchell, K.C., moved, seconded by Mr. C. G. Heward, K.C.:

"That the thanks of the Meeting are hereby tendered to the General Manager, the Deputy General Manager, the Assistant General Managers, the Superintendents, the Managers and other members of the staff, for their services during the past year."

In presenting the motion, Mr. Burchell said:

"I have always felt that the vote of thanks to the General Manager and staff is one of the most important, and certainly the most agreeable resolution, which is presented at the Annual Meeting of the shareholders of the Bank of Montreal.

"I am grateful for the opportunity of moving this vote of sincere thanks of the Directors and shareholders to the General Manager and the entire staff for their constant devotion to the Bank's business.

"The Balance Sheet and Profit and Loss Account before us are ample evidence that their work this year has been highly successful and I can only hope that every member of the staff, even those in the most distant branches, will read the resolution and accept it in the personal-to-all sense in which it is intended.

"I should like to express a special word of thanks to our General Manager, Mr. Ball. My friend, the late George Spinney, when he was President, gave me some idea of one aspect of the work of the General Manager of a bank. He said that a merchant or manager of a company considers it a laborious task at the end of his fiscal year to study his annual statements to determine where he is losing money or making money. But, Mr. Spinney explained, the General Manager of a bank, in conjunction with the President, has to examine each day a large number of financial statements of merchants and companies, usually very voluminous, together with lengthy reports from branch managers and superintendents, in order to advise whether new loans can safely be made or old loans renewed.

"Mr. Ball's appointment was a very happy one indeed and we are fortunate in having a man of his talents who carries in such a thoroughly capable manner the heavy responsibilities of General Manager. His energy, executive ability and quickness of thought and action have greatly facilitated the successful operation of the Bank throughout the year, and those of us who are directors also appreciate the quiet habit he has of obtaining new and valuable clients for the Bank. I am sure not only the shareholders and directors, but also all the members of the staff at Head Office and at the branches join me in congratulating him on the year's successful work.

"The shareholders of a Bank may own the finest building in the world, and in fact we have one of the finest in our new Toronto building, but in the last analysis the real value of any bank building will depend upon the efficiency and courtesy of the staff who man it. The high standing and reputation of the Bank of Montreal have been built up throughout the one hundred and thirty-two years of its existence by its employees, from the General Manager right down to the junior clerk, and I am sure that the President who has had long years of service with the Bank will agree that at no time in its history have we had a more loyal and active staff than we have at the present time.

"The financial statement presented to us this year has been most gratifying, and I know that I am expressing the approval of all shareholders in moving this resolution."

In seconding the motion, Mr. Heward said:

"The opportunity of seconding this resolution is one which any shareholder would be glad to accept. In looking back over the last three or four decades, one is impressed by the marked change which has taken place in the character of the services which are required from the banks in Canada. It is not only a question of the increased volume of transactions which are carried out each working day. By reason of the development of the science of banking, the impact of taxation and of Government regulations and controls, the nature of those transactions has become each year more intricate and, as your General Manager has pointed out, calls for specialized training and knowledge. It is a great credit to the members of our staff and to those responsible for their selection and training that they measure up so splendidly to their exacting duties. One cannot help but be inspired too by the tremendous loyalty displayed on all sides by all the members of the staff. It is quite evident that 'My Bank' to more than a million Canadians is also 'Our Bank' to nearly ten thousand men and women of the staff."

The motion was carried with applause.

Mr. Gordon R. Ball, responding said:

"On behalf of my colleagues and fellow-workers, as well as on my own behalf, I would like to express my sincere thanks to The Honourable Mr. Burchell and Mr. Heward, for the generous terms in which they have proposed and seconded this resolution; and to the shareholders here present, for the manner in which this resolution has been received. It is most encouraging to me, as I know it will be to the entire staff, to have this record of your appreciation and confidence."

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 and I will ask the Secretary to read the names of those proposed for election as Directors."

The Secretary then read to the Meeting the list of proposed Directors, as follows:

G. E. Barbour, L. J. Belnap, R. C. Berkinshaw, C.B.E., Henry G. Birks, George W. Bourke, The Hon. Charles J. Burchell, K.C., D'Alton C. Coleman, C.M.G., Norman J. Dawes, H. R. Drummond, The Hon. Charles A. Dunning, P.C., B. C. Gardner, M.C., 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, C.B.E., John 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, Charles F. Sise and R. E. Stavert.

Mr. H. Percy Thornhill: "I have pleasure in nominating the respective persons whose names have been read by the Secretary for election as Directors of the Bank for the ensuing year."

The ballot for the appointment of Auditors and the election of Directors was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. George C. McDonald, C.A., and W. H. Campbell, C.A., were duly appointed Auditors, and that the gentlemen named in the list read by the Secretary and nominated by Mr. H. Percy Thornhill had been elected Directors.

The meeting then terminated.

At a subsequent meeting of the Board of Directors, B. C. Gardner, M.C., was re-elected President, Maj.-Gen. The Hon. S. C. Mewburn, C.M.G., and Charles F. Sise were re-elected Vice-Presidents and Huntly R. Drummond was re-elected Honorary President.

BANK OF MONTREAL

FOUNDED IN 1817

EXECUTIVE OFFICERS

PRESIDENT

B. C. GARDNER, M.C.

GENERAL MANAGER

GORDON R. BALL

DEPUTY GENERAL MANAGER

A. J. L. HASKELL

ASSISTANT GENERAL MANAGERS

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

L. W. TOWNSEND, O.B.E., M.C.

J. S. BOLTON

A. C. JENSEN

E. E. RUTHERFORD

T. C. BOWEN

SUPERINTENDENTS

ALBERTA DISTRICT.....	L. L. SINCLAIR, <i>Calgary</i>
BRITISH COLUMBIA DISTRICT.....	J. MACRAE, <i>Vancouver</i>
MANITOBA AND SASKATCHEWAN DISTRICTS.....	A. MACPHERSON, <i>Winnipeg</i>
MARITIME PROVINCES DISTRICT.....	W. STEWART, <i>Halifax</i>
MONTREAL DISTRICT.....	A. J. N. FOSS, <i>Montreal</i>
ONTARIO DIVISION.....	P. H. HOWARTH, <i>Toronto</i>
QUEBEC AND NEWFOUNDLAND DISTRICT.....	F. W. QUANE, <i>Montreal</i>
FOREIGN DEPARTMENT.....	J. H. F. TURNER, O.B.E., <i>Montreal</i>
HEAD OFFICE—WESTERN DIVISION.....	N. G. RUNIANS, <i>Montreal</i>
BUSINESS DEVELOPMENT DEPARTMENT.....	H. P. O'SHEA, <i>Montreal</i>

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Secretary

J. R. GRAHAM

Chief Accountant

I. A. MCCARTHY

Chief Inspector

R. H. TURLEY

Economic

Adviser

W. T. G. HACKETT

Manager

Staff Department

V. R. PURSER

Manager

Securities Department

A. C. L. HARSHAW

Manager

Bank Premises Department

H. S. OLIVER, M.C.

Manager

Public Relations Department

MUNRO BROWN

Manager

Foreign Exchange Department

S. A. SHEPHERD

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LONDON, ENG.—47 THREADNEEDLE STREET.....	A. D. HARPER, M.C., <i>Manager</i>
“ “ —WATERLOO PLACE BRANCH.....	T. E. ROBERTS, <i>Manager</i>
NEW YORK AGENCY—64 WALL STREET.....	C. T. AULPH, <i>First Agent</i>
CHICAGO—27 SOUTH LA SALLE STREET.....	L. E. TRITSCHLER, <i>Manager</i>
BANK OF MONTREAL (SAN FRANCISCO)—333 CALIFORNIA STREET.....	G. T. EATON, <i>President</i>

BRANCHES

The Bank has 547 offices in Canada, 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

BRANCH	MANAGER	BRANCH	MANAGER
ACME	A. S. Ferguson	FORESTBURG	H. L. M. Leitch
ALLIANCE	S. E. P. Morris	GRANDE PRAIRIE	H. B. George
BANFF (Tourist season only)		HUGHENDEN	C. H. Smith
BAWLIF: Sub to Daysland		IRMA: Sub to Wainwright	
BENTLEY	F. J. E. Downey	KILLAM	G. O. Vandervoort
BOW ISLAND	J. S. Holmes, Accountant-in-charge	LACOMBE	D. McDonald
CALGARY (Main Office, 140 Eighth Avenue West)	R. L. Bailey A. M. Tracey, Assistant H. S. Deighton, Assistant	LAKE LOUISE (Chateau Lake Louise Branch—Tourist season only)	
Elbow Park	R. T. Baxter	LEDUC	M. W. Bond
" North Hill	G. K. Hislop	LETHBRIDGE	W. Fairbairn
" Stock Yards	A. E. Gardiner	LOUGHEED: Sub to Sedgewick	
CALMAR: Sub to Leduc		MAGRATH	J. F. Grant
CAMROSE	D. V. Gilmour	MEDICINE HAT	J. Cuthbertson
CARBON	J. A. Barr	MORRIN	H. Skjeie
CARSTAIRS	D. E. Rusler	MYRNAM	R. H. Faulkner
CASTOR	T. W. H. Thompson	OLDS	R. G. Fullarton
CHAUVIN: Sub to Edgerton		PARADISE VALLEY: Sub to Edgerton	
COALDALE	H. G. Seller	RAYMOND	A. C. King
DAYSLAND	D. R. Mackay	RED DEER	W. D. C. deBalinhard
DELBURNE	V. J. Harney	RIMBEY	R. G. Coupland
DRUMHELLER	T. H. J. Grierson	SEDGEWICK	W. G. Townsend
EAST COULEE: Sub to Drumheller		STROME: Sub to Daysland	
EDGERTON	F. Roberts	SUNDRE: Sub to Olds	
EDMONTON (Main Office, 10089 Jasper Avenue)	G. A. R. Hart M. S. Adam, Assistant G. R. Barnhill, Assistant	TABER	F. Pamentier
" 97th Street	A. G. Clandfield	THORSBY	E. A. Bowering
" 118th Avenue	C. C. Waller	TOFIELD	E. O. Pedersen
" South Side	A. Bennie	TROCHU	J. D. Wallbridge
FALHER	H. B. Mercereau	TWO HILLS: Sub to Myrnam	
		VEGREVILLE	W. H. Beacom
		VIKING	C. R. Smith
		WAINWRIGHT	L. W. Smith
		WESTLOCK	R. S. Boddy
		WETASKIWIN	A. Paterson

British Columbia

AGASSIZ	C. T. Onions	GIBSONS	J. A. Theed
ALBERNI	F. E. Scott	HANAY	G. H. Molyneux
ASHCROFT	H. V. Littler	HOPE: Sub to Chilliwack	
BRALORNE	J. R. N. Purser	KAMLOOPS	G. W. Beveridge
CASTLEGAR	J. R. Elliott	KASLO: Sub to Nelson	
CHILLIWACK	E. L. Hodson	KELOWNA	W. A. Hotson R. J. Allen, Assistant
CLINTON: Sub to Ashcroft		KIMBERLEY	A. B. Robertson
CLOVERDALE	O. J. Simons	MERRITT	D. H. I. Shildrick
DUNCAN	A. W. Jack	NANAIMO	W. A. Hutchings
ENDERBY	I. H. Solly	NELSON	J. B. M. Barnum
ESQUIMALT	R. D. Salmon		
GANGES	C. W. Dawson		

BRANCHES IN CANADA

British Columbia

(Continued)

BRANCH	MANAGER	BRANCH	MANAGER
NEW DENVER: Sub to Nelson		VANCOUVER (Continued)	
NEW WESTMINSTER		" Broadway & Main Street	H. J. Oldaker
(Main Office,	R. C. McDowell	" Carrall & Hastings Streets	C. G. Pritchard
511 Columbia Street)	A. E. Exham,		A. Walton,
" Market	Assistant	" Denman Street	Assistant
" West Burnaby	W. H. G. Lambert	" Fourth Avenue & Alma	J. B. McCallum
" West End	C. R. Allum	" Road	R. E. Haack
NORTH VANCOUVER	A. O. Mustart	" Granville & Davie Streets	G. Cumming
" Lower Capilano: Sub to West Vancouver	N. T. Brown	" Homer & Hastings Streets	N. J. H. Brown
OAK BAY	C. D. H. Moore	" Hotel Vancouver	A. B. Moore
OSOYOOS	E. Paulding	" Kerrisdale	C. P. W. Ryan
PEACHLAND: Sub to Westbank		" Main & Hastings Streets	F. Hendricks
PENTICTON	W. Wright		Assistant
PORT ALBERNI	G. W. A. Willett	" Marine Building	O. G. Bibba
PORT HAMMOND	W. L. Marrs		C. R. Jackson,
POWELL RIVER	R. L. W. Spinks		Assistant
PREMIER: Sub to Stewart		" Pender & Columbia	
PRINCE GEORGE	A. T. Cross	" Streets	C. W. Hadfield
PRINCE RUPERT	G. R. S. Blackaby	" Prior & Main Streets	G. F. Coombe
ROSSLAND	E. F. Barnes	" University Campus	M. C. Kirby
RUTLAND: Sub to Kelowna		" West Point Grey	
SECHLT: Sub to Gibsons		(University District)	R. F. Raikes
SIDNEY	G. T. German	VERNON	H. Whitmore
STEWART	G. J. S. Anderson	VICTORIA (Main Office,	R. D. Mulholland
SUMMERLAND: Sub to West Summerland		1225 Douglas Street)	J. E. P. Henniker,
TRAIL	G. C. Campbell		Assistant
VANCOUVER (Main Office,	D. A. Stewart,	" Government Street	O. Matson
500-520 Granville	Assistant	WEST SUMMERLAND	J. Muirhead
Street)	F. S. Harrison,	WEST VANCOUVER	R. W. Taylor
	Assistant	" Dundarave:	
	E. A. Royce,	Sub to West Vancouver	
	Assistant	WESTBANK	W. J. D. Walker
	H. B. Twiss,	WHITE ROCK	J. Murray
	Assistant	WILLIAMS LAKE	A. R. W. Wilson
" Broadway &			
Granville Street	F. R. Wilgress		

Manitoba

BELMONT	K. B. Mills	WINNIPEG (Main Office,	C. D. Hart
BISSETT	A. Taylor	Cor. Portage Avenue	T. W. Morris,
BRANDON	C. K. Bell	& Main Street)	Assistant
	T. R. Francis,		P. G. Vokins,
	Assistant		Assistant
CARBERRY	E. D. McPhail	Bannerman Avenue &	R. E. H. Armstrong,
DAUPHIN	J. Clarke	Main Street	Assistant
GLADSTONE	F. J. L. Battle	" Fort Rouge	L. H. Livesley
HARTNEY	N. F. Ready	" Higgins Avenue & Main	S. N. Hogg
MACGREGOR	S. T. McCulloch	Street	J. Scott
MORRIS	P. H. Armstrong	" Logan Avenue	P. R. Stickney
NEEPAWA	F. W. Warren	" McGregor Street &	H. L. McKay
OAK RIVER	S. H. Barlow	Selkirk Avenue	
PORTAGE LA PRAIRIE	F. A. Pain	" Morley Avenue &	E. R. Pelly
RESTON	R. W. Thorne	Osborne Street	G. E. Haeblerle
SELKIRK	R. M. Mills	" Mountain Avenue &	G. R. Holland
SOURIS	W. C. Anderson	McGregor Street	
		" Portage Avenue	G. R. Holland
		" Portage Avenue &	W. F. W. VanBuskirk
		Goulding Street	
		Portage Avenue &	L. F. Hawitt
		Vaughan Street	

BRANCHES IN CANADA

New Brunswick

BRANCH	MANAGER	BRANCH	MANAGER
BATHURST	H. P. Emerson	SAINT JOHN (Main Office, 2 King Street)	T. R. Gilbert F. J. Capen, Assistant
CHATHAM	F. G. McLean		
EDMUNDSTON	O. O. A. Jarry	" Haymarket Square	R. F. Sterns
FREDERICTON	J. E. Riggs	" Union Street	R. R. W. Lilly
GRAND FALLS	S. L. Shannon	ST. STEPHEN	F. J. Cosman
HARTLAND	C. Kemp	SHEDIAC	H. R. Thayer
MONCTON	D. D. Trotter	WOODSTOCK	R. G. Boyne
PERTH	C. A. Snell		

Newfoundland

BISHOP'S FALLS: Sub to Grand Falls		DEER LAKE	W. W. Wagg
BOTWOOD	C. H. Droppo	GRAND FALLS	W. T. Provan
BUCHAN'S: Sub to Grand Falls		ST. GEORGE'S	G. W. A. Pincombe
CORNER BROOK	C. R. McKay	ST. JOHN'S	D. MacGregor D. O. Atkinson, Assistant
CURLING	W. Venters	STEPHENVILLE CROSSING: Sub to St. George's	

Nova Scotia

BRIDGEWATER	C. W. Cook	LUNenburg	W. W. Baker
CANSO	R. H. MacLeod	MAHONE BAY	K. D. McDonald
GLACE BAY	E. G. Wornell	NEW GLASGOW	F. M. Stevens
HALIFAX (Main Office, Cor. Hollis & George Streets)	J. A. Hobson J. A. Edwards, Assistant	RIVERPORT	J. W. L. Creaser
" North End	C. Smith	SYDNEY	I. R. Mavor
" Quinpool Road & Kline Street	J. L. McGerrigle	TRURO	B. E. Rogers
KENTVILLE	C. W. McMartin	WOLFVILLE	L. A. L. Dyson
		YARMOUTH	R. G. Eldridge

Ontario

ACTON	W. H. Clayton	CORNWALL (Main Office, 159 Pitt Street)	J. C. Wood
ALLISTON	G. W. Thompson	" McConnell Avenue & Montreal Road	J. E. N. Rioux
ALMONTE	E. C. Gourlay	CREDITON	C. W. Parkinson
ALVINSTON	H. F. Goring	DASHWOOD: Sub to Crediton	
AMHERSTBURG	H. L. E. Aldrich	DEEP RIVER	E. D. Moore
ATHENS	H. G. W. Paice	DELHI	C. M. Watters
AULTSVILLE: Sub to Wales		DOUGLAS	C. W. Scott
AURORA	A. C. Welk	DRUMBO	H. A. Lawrence
AYLMER	G. L. Johnstone	EGANVILLE	F. J. Buhlman
BARRY'S BAY	B. M. Macfarlane	ELGIN: Sub to Westport	
BEACHVILLE: Sub to Ingersoll		ELORA	W. J. H. Blair
BELLEVEILLE	H. N. Becker	EXETER	C. E. Shaw
BLENHEIM	W. H. Moise	FENELON FALLS	W. B. M. Armstrong
BOBCAYGEON	G. C. Stephens	FINCH	W. R. Wells
BOTHWELL	J. F. Fink	FORMOSA: Sub to Tecumseh	
BOWMANVILLE	G. E. Moody	FORT ERIE	G. G. Sewell
BRAMPTON	C. E. Clarke	FORT ERIE NORTH	J. C. Wiseman
BRANTFORD	D. L. Willson S. P. Ashdown, Assistant	FORT WILLIAM	T. W. Tod
BROCKVILLE	H. R. Allan	FRANKFORD	R. D. McDonald
BRUCEFIELD: Sub to Hensall		GALT	W. Newbigging
CAMPBELLFORD	J. D. Mills	GANANOQUE	M. H. Hay
CHATHAM	C. A. Norsworthy	GLENCOE	S. L. Lucas
CHATSWORTH	J. E. Leonard	GODERICH	H. D. Helstrop
CLINTON	W. H. Robinson	GORE BAY	G. L. Krauter
COLLINGWOOD	A. D. L. Jaffrey	GUELPH	K. A. McNeil
		HALIBURTON	N. R. Grose

BRANCHES IN CANADA

Ontario

(Continued)

BRANCH	MANAGER	BRANCH	MANAGER
HAMILTON (Main Office, Cor. Main & James Streets)	G. B. Howard G. C. Hibbert, Assistant	OTTAWA (Main Office, Cor. Sparks & O'Connor Streets)	C. O. McGirr N. Kjeldsen, Assistant
" Barton Street & Victoria Avenue	I. B. Allen	" Bank Street	T. G. Morrissey
" Central Market	W. M. Nisbet	" Rideau Street	B. J. Currie
" Gage Avenue & Barton Street	C. S. Grenache	" Wellington Street & Holland Avenue	B. G. Foreman
" Holton Avenue	J. R. Harford	OWEN SOUND	J. L. Hendry
" James & Barton Streets	T. G. Tilly	PARIS	J. F. Horne
" Westinghouse Avenue	D. T. McGuire	PELEE ISLAND: Sub to Leamington	A. F. Watson
HANOVER	E. T. Wilson	PEMBROKE	J. McDonald
HENSALL	J. K. Irvin	PERTH	C. S. Cummer
HESPELER	J. Bell	PETERBOROUGH	J. H. Willey, Assistant
HIGHGATE	G. A. Miller	PICTON	J. de B. Arnaud
HOLSTEIN: Sub to Mount Forest		PORT ARTHUR	W. C. Morley
INGERSOLL	F. H. Woolley	PRESCOTT	G. M. Lyons
IROQUOIS	W. H. Fowler	PRESTON	F. R. G. Farrell
KINGCARINE	J. G. Davis	RENFREW	J. A. Fisher
KINGSTON (Main Office, 297 King Street East)	F. Brownlee J. B. Jones, Assistant	ROLPHTON: Sub to Deep River	
" Princess & Barrie Streets	F. J. X. Crofton	ST. CATHARINES	H. P. McCabe
KINGSVILLE	R. E. Holland	ST. EUGENE	J. A. Lambert
KITCHENER	W. J. Smithers	ST. GEORGE: Sub to Brantford	
KOMOKA: Sub to Market Square, London	W. C. Millar	ST. MARYS	C. S. Hall
LANCASTER	S. I. Puttenham	ST. THOMAS (Main Office, 408 Talbot Street)	E. D. C. Cooke
LANDSOWNE	R. H. Magwood	" East End	H. L. Kerr
LANSING	M. M. Smith	SARNIA (Main Office, 200-204 Front Street North)	J. H. Matson
LITTLE CURRENT	A. C. Royce	" Mitton & Wellington Streets	K. S. McKellar
LONDESBOROUGH: Sub to Clinton		SAULT STE. MARIE	H. M. Monteith
LONDON (Main Office, Cor. Richmond Street & Queens Avenue)	W. J. Floyd G. H. Pink, Assistant	SCHREIBER	N. G. Douglas
" City Hall	A. H. Briden	SIMCOE	I. Kersell M. Currie, Assistant
" East	W. Dow		W. A. Skoog, Assistant
" Market Square	W. C. Mitchell H. C. Ludlow, Assistant	SMITHS FALLS	L. R. Coles
LUCAN	J. H. Cantelon	STIRLING	A. V. Greenley
LUCKNOW	C. L. Smith	STRATFORD	H. B. Macpherson
MANITOWANING	L. F. Cordick	SUDBURY	J. M. Sanders
MARKDALE	W. E. Cramp	TARA	C. E. Abbott
MEAFORD	W. J. Buffam	TEESWATER	E. M. Dagg
MERLIN	J. M. R. Strange	THAMESVILLE	C. W. Kemp
MIDLAND	A. P. Rey	THORNDALE: Sub to Market Square, London	
MILDMAY	C. D. McAlpine	TILBURY	L. J. C. Langs
MIMICO	G. H. Owen	TILLSONBURG	H. I. G. Fraser
MINDEMOYA	J. H. Burt	TIMMINS	G. J. T. Hickey
MONKLAND: Sub to Finch		TORONTO (Main Office, King & Bay Streets)	G. F. Pearson C. O. Moon, Assistant
MORRISBURG	K. G. MacLukie		J. McCansh, Assistant
MOUNT FOREST	R. J. Gilroy		R. B. Macfarlane, Assistant
NAPANEE	E. A. Powell	" Armour Heights	G. F. Elwood
NEW TORONTO	W. A. Herriot	" Bathurst & King Streets	E. R. Taylor
NEWINGTON: Sub to Finch		" Bloor & Bay Streets	S. G. Hazell
NEWMARKET	R. D. Brown	" Bloor Street & Lansdowne Avenue	A. M. Doty
NIAGARA FALLS	J. D. Hickey		
NORWICH	W. M. Colchester		
OAKVILLE	S. B. Otton		
ORILLIA	J. W. A. Jorden		
OSHAWA	R. Argo		

BRANCHES IN CANADA

Ontario (Continued)

BRANCH	MANAGER	BRANCH	MANAGER
TORONTO (Continued)		TORONTO (Continued)	
" Bloor Street & Windermere Avenue	W. D. S. Thomas	" St. Lawrence Market	N. J. Peddell
" College Street	H. P. Ferrier	" Spadina Avenue & Adelaide Street	W. J. Healy
" Danforth & Logan Avenues	G. S. Tracy	" West Toronto	C. C. Welford
" Dundas Street & Roncesvalles Avenue	O. W. Graybiel	" Yonge & Queen Streets	G. D. Little R. J. Mitton, Assistant
" Dupont & Christie Streets	B. G. Johnston	" Yonge Street & St. Clair Avenue	N. L. Ford
" Dupont Street & Symington Avenue	R. D. L. Ross	TRENTON	A. S. Oliver
" Earls Court	R. M. Allan	TWEED	J. A. Thompson
" East York	H. H. McLelland	VERONA: Sub to Tarker	
" Eglinton Avenue & Hilltop Road	J. G. Lewie	WALES	R. S. V. Davison
" Fairbank	V. R. Stammers	WALKERTON	J. H. Moore
" Front & Yonge Streets	C. Henderson	WALKERVILLE (Main Office, 1799 Wyandotte Street East)	C. W. Rotchell
" Hounslow Heath Road & St. Clair Avenue	R. S. Tolmie	" Walker Road	J. F. Gilmour
" King & Dufferin Streets	D. A. Evans	WALLACEBURG	H. E. Bucknam
" King & Yonge Streets	W. E. Stewart J. C. Brown, Assistant J. Henderson, Assistant	WATERFORD	A. W. Murat
" Kingsway	R. A. Purton	WATERLOO	E. B. Lavelle
" Leaside	C. F. O. Percy	WATFORD	W. E. E. Chamberlain
" Queen Street East & Beech Avenue	C. Ferriman	WELLAND	J. R. Smith
" Queen Street & Broadview Avenue	C. M. Pennington	WEST LORNE	W. H. Bell
" Queen Street & O'Hara Avenue	E. Partington	WESTON	W. T. Douglas
" Queen & Portland Streets	W. H. Kalbfleisch	WESTPORT	W. W. L. Morlok
" Queen's Park	J. Burdock	WILLIAMSBURG: Sub to Morrisburg	
" Roselawn Avenue & Yonge Street	T. A. Rainie	WILLIAMSTOWN: Sub to Lancaster	
" Royal York Hotel	C. R. M. Allan	WINDSOR (Main Office, 200 Ouellette Avenue)	D. M. Carmichael L. E. Baldwin, Assistant
" St. George & Bloor Streets	E. J. MacKell	" London Street	H. M. Paton
		" Ouellette Avenue & Tuscarora Street	J. A. Thomson
		WOODSTOCK	W. G. Grothier
		YARKER	H. Hilliard
		ZURICH	C. C. McEachern

Prince Edward Island

CHARLOTTETOWN F. W. Troop, Manager

Quebec

AMQUI	A. Gibeault	DRUMMONDVILLE	J. E. Jacques
ARTHABASKA	J. N. R. Desmarais	GATINEAU	E. A. Bedard
ARUNDEL	A. W. Heron	GRANBY	J. R. Gervais
ARVIDA	J. G. R. Lavoie	GRAND MERE	J. E. Lalonde
BEDFORD	M. E. Parsons	HULL	J. R. L. Villeneuve
BREAKEYVILLE	P. Y. Pelletier	HUNTINGDON	W. K. Pope
BUCKINGHAM	C. E. Nash	KNOWLTON	S. C. Robson
BURY	E. T. Noall	LACHINE	D. M. McGoun
CAP DE LA MADELEINE	J. J. R. C. Brien	LACHUTE	D. M. Hay
CHICOUTIMI	J. W. Michel	LEVIS	J. A. Dandurand
COOKSHIRE	H. C. Barter	LONGUEUIL	C. E. Thessereault
COWANSVILLE	C. F. T. Basham	MAGOG	O. T. Webster

BRANCHES IN CANADA

Quebec

(Continued)

BRANCH	MANAGER
MATANE	R. Audet
MEGANTIC	J. P. Belley
MONT JOLI	J. A. E. Drouin
MONT LAURIER	J. L. O. Picard
MONTREAL (Main Office, 119 St. James Street West)	A. T. Corner M. Window, Assistant F. M. Warren, Assistant G. A. Rheume, Assistant
" Beaver Hall	R. E. Townsend
" Bleury & St. Catherine Streets	E. W. Alexander
" Bordeaux Street & Mount Royal Avenue	A. J. Hamel
" Cartier & Belanger Streets	J. R. Collin
" Charlevoix & Centre Streets	J. S. Hughes
" Christopher Columbus Street & Mount Royal Avenue	J. R. Cousineau
" City Hall Avenue & St. Catherine Street	G. F. Boe
" Darling & Ontario Streets	A. E. Bleau
" Darlington & Soissons Avenues	C. H. Nadeau
" De Lorimier Avenue & Rosemount Boulevard	J. L. M. Laliberte
" Drummond & St. Catherine Streets	J. L. Cains A. N. Dexter, Assistant
" Girouard & Monkland Avenues	P. K. Mowat
" Guy & Sherbrooke Streets	W. S. Beattie
" International Aviation Building	J. L. Walker
" Jean Talon Street & Querbes Avenue	A. D. Ferguson
" La Salle Avenue & Ontario Street	N. A. Pepin
" Laurier Avenue & St. Lawrence Boulevard	A. W. Ling
" Maril Avenue & Sherbrooke Street	C. A. Young
" Masson Street & Fifth Avenue	J. C. Daveluy
" McGill & St. Paul Streets	A. E. Netten G. Fowle, Assistant
" Ontario Street & St. Lawrence Boulevard	F. W. McTear D. J. Neville, Assistant

BRANCH	MANAGER
MONTREAL (Continued)	
" Papineau Avenue & St. Catherine Street	C. A. Hibbard
" Park & Bernard Avenues	J. S. England
" Peel Street	A. D. Horne
" St. Antoine & Windsor Streets	J. E. McLellan
" St. Clement & St. Catherine Streets	G. L. Gregoire
" St. Henri	D. A. McClure
" St. Jean Baptiste Market & Jean Talon Street	McK. Young J. J. A. St. Pierre
" St. Peter & St. James Streets	W. H. Raikes D. B. MacKenzie, Assistant
" St. Zotique & St. Denis Streets	A. D. de Grandpre
" Seigneurs & Notre Dame Streets	H. M. Morrison
" Sherbrooke & Drummond Streets	G. Henshaw
" Snowdon-Hampstead	R. L. Murdoch
" Sun Life Building	W. H. Collicie
" University & St. Catherine Streets	W. H. S. Burritt M. J. Brady, Assistant
" West End	A. D. McQueen
MONTREAL WEST	E. P. Pilon
NAPIERVILLE	J. P. E. Viens
NAUDVILLE	J. V. W. Lalonde
OUTREMONT	L. R. Valois
QUEBEC (Main Office, 116 St. Peter Street)	J. H. Ottmann J. C. D. Rochette, Assistant D. B. Peters, Assistant
" Chateau Frontenac	T. A. S. DeWolf
" St. Roch	J. O. R. Methot G. H. Belanger, Assistant
" St. Sauveur	P. A. R. Chartier
" Upper Town	J. N. Rousseau
QUYON	A. C. Shennett
RICHMOND	H. H. Nowlan
RIVIERE DU LOUP	J. L. D. H. Roy
STE. AGATHE DES MONTS	M. I. Walsh
STE. ANNE DE BELLEVUE	J. D. R. Morissette
ST. CESAIRE	J. A. Lemieux
ST. GEORGES DE BEAUCE	G. A. Fleury
ST. HYACINTHE	J. J. G. Richard
ST. JEAN	C. J. O. Picard

BRANCHES IN CANADA

Quebec

(Continued)

BRANCH	MANAGER	BRANCH	MANAGER
ST. JEROME (Main Office, 273 Labelle Street)	J. W. O. Lefebvre	SOREL	X. A. A. Leblanc
" North End	R. E. Cadieux, Accountant-in-charge	TEMISKAMING	J. M. Shannette
ST. JOSEPH D'ALMA	J. D. S. Daigle	TOWN OF MOUNT ROYAL	K. A. McL. Corran
ST. JOVITE	J. E. L. Fournier	TROIS-RIVIERES	J. A. Beaulieu
ST. LAMBERT	F. L. Steeves	VALLEYFIELD	J. F. P. E. Barbeau
ST. LAURENT	J. M. W. Daneau	VERDUN (Main Office, 4026 Wellington Street)	A. Dupre
STE. THERESE	J. G. Mongeau	" Beatty & Verdun Avenues	H. D. Buchanan
SAWYERVILLE	K. K. Christian	" Fourth Avenue & Wellington Street	J. P. Drake
SEVEN ISLANDS (Sept Iles)	C. M. McKenna	VICTORIAVILLE	J. G. Fortier
SHAWVILLE	G. A. McDougall	WATERLOO	F. M. Allan
SHERBROOKE (Main Office, 59 Wellington Street)	R. L. Curphey	WESTMOUNT (Main Office, 1299 Greene Avenue)	W. M. Jackson
" Belvidere & King Streets	L. A. Laberge	" Claremont Avenue & Sherbrooke Street	E. L. Hollyer

Saskatchewan

ARBORFIELD	N. A. Underwood	PUNNICHY	V. T. Olsen
BATTLEFORD	J. Houston	REGINA (Main Office, 1800 Scarth Street)	R. V. Campbell
BIENFAIT	N. W. Martin		J. Hamilton, Assistant
CARNDUFF	R. J. Cock		J. S. Wood, Assistant
DAVIDSON	G. W. Dallin	" Victoria Avenue & Albert Street	C. G. A. Kirshaw
DOMREMY	E. C. Pourbaix	ROSE VALLEY	R. Farrell
DUCK LAKE	W. L. Lythgoe	SALTCOATS	P. I. Korman
EASTEND	R. Wells	SASKATOON	A. Smith
ESTEVAN	J. L. King		G. L. M. Tippet, Assistant
HERBERT	J. Douglas	SEMANA	C. L. MacGregor
KAMSACK	R. R. Wright	SWIFT CURRENT	J. L. Dick
KELIHIER	T. W. Pound	TISDALE	E. A. Leifer
LAKE LENORE	G. N. Andreassen	UNITY	J. Gillanders
LAMPMAN: Sub to Estevan		WAKAW	E. A. Hay
LIMERICK	J. M. Parr	WHITE FOX: Sub to Nipawin	
MAPLE CREEK	L. P. Roach	WHITEWOOD	I. B. Jurgens
MELVILLE	J. G. Simpson	WYNYARD	P. A. S. Irwin
MOOSE JAW	M. S. Feist	YORKTON	C. W. McBride
NIPAWIN	R. J. R. Bonnelland	ZENON PARK: Sub to Arborfield	
NORTH BATTLEFORD	E. G. Elliott		
OUTLOOK	A. MacKenzie		
PORCUPINE PLAIN	W. A. Palmer		
PRINCE ALBERT	E. Aquilon		

Yukon

DAWSON D. E. Gilliland, Manager

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D. H. Mansfield, *Assistant*
W. Forsyth, *Assistant*
" 9 Waterloo Place, London, S.W.1. T. E. Roberts, *Manager*
F. B. Clarke, *Assistant*

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A. St. C. Nichol, *Second Agent*
F. W. Hunter, *Third Agent*
J. E. McCully, *Assistant Agent*
CHICAGO, ILL.—Bank of Montreal,
27 South La Salle Street, Chicago 3 L. E. Tritschler, *Manager*
G. Goodbody, *Assistant*
SAN FRANCISCO, CALIF.—Bank of Montreal (San Francisco),
333 California Street, San Francisco 4 G. T. Eaton, *President*
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