

STOCK QUOTATIONS

Montreal Stock Exchange New York Stock Exchange

Table with columns for Stock Name, Price, and Change. Includes entries like Bell Tel, Canadian Press, and various industrial stocks.

Finance

By Bernard S. O'Hara. Associated Press Financial Writer. NEW YORK, Dec. 2.—(AP)—Recovery showed down on the stock market today after a long dry spell...

Montreal Curb

Table with columns for Stock Name, Price, and Change. Includes entries like Abitibi Com, Abitibi Pfd, and various commodity stocks.

BANKS

Table with columns for Bank Name, Price, and Change. Includes entries like Canada, Commerce, and Montreal.

Markets At A Glance

Toronto and New York—Stocks closed higher. Montreal—Utilities lower; golds, papers and other industrials higher.

Professional Cards

Advertisement for various professionals including lawyers (McLeod & Bentley), accountants (Morrell and Company), and optometrists (J.S. Taylor).

Canada's War Effort Reviewed by Bank Heads

Through Taxation Bank Works Half Of Year For Governments Asserts Huntly R. Drummond

Bank of Montreal President Emphasizes Obligations Which Maintenance of Democracy Is Demanding—Sees Canadians Ready to Make Sacrifices Needed in Will to Victory

124th ANNUAL MEETING The financial and industrial affairs of a country engaged, in all-out war were reviewed at the 124th annual meeting of the Bank of Montreal yesterday by the president, Huntly R. Drummond, who told of the accomplishments of Canadian business—and of the need for still greater through years to one end, world domination, he declared, "and we have to meet that challenge."

WHEAT SURPLUS REDUCED In dealing with the agricultural situation, Mr. Drummond referred to the fact that a year ago Canada was faced with the largest stock of wheat in the country's history. By means of subsidies the Government had reduced the wheat and wheat and nature had reduced the crop so that today Canada had 80 million bushels less than last year; but it would all be needed in time to help to meet the needs of the conquered nations of the world...

INDIVIDUALS AND BUSINESS CONCERNS PAY FIVE TIMES AS MUCH IN DIRECT TAXES Pointing out that during the present fiscal year the Dominion Government is committed to expenditures which may exceed the enormous figure of \$2,800,000,000, Huntly Drummond, in addressing shareholders, called for a continuance of public support of the national financial effort.

EXPANSION OF FOREIGN TRADE With the country's foreign trade increasing to record levels, conditioned almost entirely by the war, Mr. Drummond emphasized that the pattern of the first war year had been further accentuated, to a large extent, by the Government's policy of expansion of trade with the United States. Ministers have been exchanged with Argentina, Brazil and Chile and new trade agreements have been concluded or arranged with Argentina, Brazil, Chile, Ecuador and Uruguay.

BRITAIN'S GREAT EFFORT Dealing with conditions in the United States and Great Britain, Mr. Drummond referred to the decline of business in Canada, this trend may be expected to continue. "The part the bank has played in financing war-time production which has brought Canadian business to its highest recorded level was referred to, assets having expanded to the highest average in the bank's history, with loans in Canada increased by over \$36,000,000, but with earnings practically unchanged compared with the previous year. The return of profits of \$4,377,000 on assets of \$1,031,000,000 was mentioned as showing how slender a margin of profit remains to a bank, considering the amount of funds employed."

Banks Have Done Everything Required To Speed War Effort

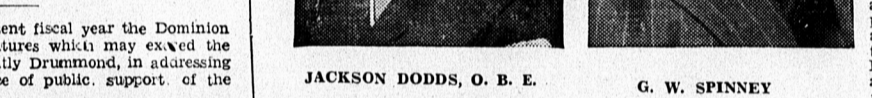
Jackson Dodds Tells of Co-operation With Government and Bank of Canada—Expansion of Credit and How It Was Met

WIDE GROWTH IN ALL ACCOUNTS Canadian banks have been able to render every service required of them in helping in the prosecution of the war, Jackson Dodds, O. B. E., reporting for himself and G. W. Spinney, Joint General Managers of the Bank of Montreal and Bank of Canada, said at the meeting. This has been achieved with complete co-operation between the banks, the government and the Bank of Canada has been made possible he said to a great extent by the manner in which the central bank has handled its responsibilities and by the stability which has distinguished its execution of monetary policy.

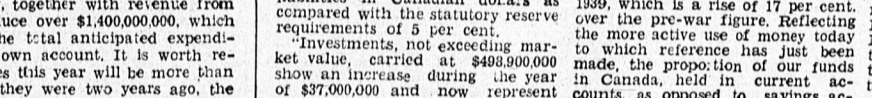
Reviewing operations for the past year and changes in the balance sheet of the Bank, Mr. Dodds referred to the increase of \$85,000,000 in total assets which, at the end of the year amounted to \$1,046,600,000. The increase in assets, he pointed out, occurred mainly in loans and discounts and in investments. Dealing with other important changes, he said: "Quick assets total \$706,000,000 or 72.73 per cent. of all liabilities to the public. "Notes of and deposits with the Bank of Canada are \$9,600,000 throughout the country. This money has been set to work—partly by the owners themselves in new industrial activity growing out of Canada's war efforts and partly by the government through the agency of its greatly increased expenditure based on taxation and borrowing. Secondly, the employment of money for non-essential and speculative purposes has declined. And in the third place, many pre-war borrowers have repaid their bank loans. The effect of these various factors is represented, as far as this bank is concerned by a growth of



HUNTLY R. DRUMMOND



JACKSON DODDS, O. B. E.



G. W. SPINNEY

higher and amount to \$90,700,000 representing 11.23 per cent. of all liabilities in Canadian dollars as compared with the statutory reserve requirements of 5 per cent. "Investments, not exceeding market value, carried at \$493,900,000 show an increase during the year of \$37,000,000 and now represent 53.74 per cent. of our deposits, as compared with 54.43 per cent. in October, 1939. The increase is partly explained by our participation in the purchase by the Chartered Banks of \$250,000,000 Dominion Government 1-1/2 per cent notes in December last. Our holdings of municipal bonds have shown some contraction during the year mainly as a result of retirements at maturity. Of our \$436,200,000 of Dominion and provincial government securities \$241,200,000 will mature within two years, and as the balance (\$185,000,000 par value) will fall due before 31st October, 1946. "Current loans and discounts in Canada at \$253,500,000 are \$36,000,000 higher than in October, 1940. "Current loans and discounts elsewhere than in Canada at \$21,300,000 are up \$6,500,000. "Loans to cities, towns and municipalities now stand at \$27,700,000 showing a reduction of \$6,000,000. "Bank premises at the same figure as last year, viz., \$13,900,000. "In valuing our assets, ample provision has been made for all bad and doubtful debts and for depreciation of securities. "CIRCULATION WELL BELOW LIMIT "Notes of the bank in circulation total \$1,900,000 as against \$19,800,000 a year ago. Our legal limit is now \$23,400,000, or 65 per cent. of paid-up capital, and will continue to decrease under the terms of the Bank Act to \$18,000,000 by the end of 1945. "Shareholders' double liability decreases pari passu with the reduction of the note issuing privilege. "Deposits by and balances due to the Dominion Government at \$76,200,000 are higher by \$19,000,000. "Deposits by the public at \$881,100,000 are \$61,000,000 higher than a year ago. It will be noted that only one-eighth of the increase is interest-bearing, which may suggest to some that it is very profitable business. But it must be borne in mind that ordinarily the cost of service rendered exceeds the amount paid out in interest and that under present conditions overhead charges are much higher than usual. "Acceptances and letters of credit outstanding total \$18,800,000 and show an increase of \$7,000,000, due to enlarged requirements of trade and commerce. "PROFOUND CHANGES BROUGHT BY WAR The net changes shown in the balance sheet of the bank since the outbreak of the war, Mr. Dodds pointed out, might appear relatively moderate by comparison with the profound changes which the war has brought about in many other fields of activity. "The rapid growth of production during the past two years," he said, "has required a fairly considerable expansion of bank credit. But the actual amount by which bank credit has increased during this period has been proportionally less than the increase of activity which it has served. This may be explained by a number of causes. In the first place, there was at the outbreak of war a large volume of idle money in the hands of corporations and individuals

year due to increased temporary facilities provided by the Government and continuation of the quota delivery system. Our war wheat reserves undoubtedly are regarded with satisfaction by the British Government as an important war contribution from Canada."

GOVERNMENT FINANCING

Dealing with government financing, the general managers' report pointed out that during the period under review, new and refunding issues of the Dominion government, exclusive of treasury bill financing, aggregated \$1,256,820,000. "This figure," he continued, "includes a new issue of \$250,000,000 1-1/2 per cent. notes sold to the chartered banks in December last and a refunding issue of \$200,000,000 1-1/2 per cent. notes in renewal of \$200,000,000 2 per cent. notes sold to the banks shortly after the outbreak of war. The most important operation of the year was the highly successful distribution of the 1941 Victory Loan, offered for public subscription early in June. The amount named in the prospectus was \$600,000,000, but the Minister of Finance reserved the right to accept subscriptions in excess of this amount and to subscribe to the loan aggregated \$837,000,000 from nearly a million subscribers. We have assisted many of our customers to subscribe by making advances for this purpose. "Gross receipts by the Dominion government from the sale of War Savings Certificates and Stamps from the inception of the plan in May, 1940, to October 31, 1941, aggregated \$1,000,000,000. All branches of the bank of Canada act as selling agents of War Savings Certificates and Stamps and operate the Bank Pledge Plan to facilitate regular purchases by applicants. "In view of the heavy financial requirements of the Dominion government, provincial, municipal and corporation financing was in lower volume than in the previous year and has been confined mainly to refunding operations. The effect of increased war expenditures upon the volume of business has resulted in increased revenues for provinces and municipal bodies and the rising trend of employment has resulted in reduced public expenditure for unemployment relief. The financial requirements of the Dominion government for war purposes make incumbent on other government units to limit expenditure which may involve new financing. "During the year the British government requisitioned from British Kingdom residents their holdings of Dominion of Canada 3-1/4 per cent and 4 per cent registered stock previously outstanding in an amount of \$5,000,000 and of certain other Canadian issues. This has resulted in the repatriation of additional Canadian issues payable abroad."

WAR BRINGS STAFF PROBLEM

After reviewing briefly developments in Newfoundland, the United Kingdom and the United States, Mr. Dodds referred to the staff problems with which the Bank was confronted during the past year. "The war," he said, "has increased our staff problems tremendously; they are scarcely a branch which has not had at least one of its members leave for active service. About 50 per cent. of our officers, 25 years of age and under, have applied for and been granted leave of absence to join the Navy, the Army or the Air Force. In replacement of men who have enlisted, we also to enable us to cope with an increasingly heavy volume of business, we have engaged women clerks so that we now have nearly 900 more women than we had at the outbreak of hostilities, some 500 of them being temporary employees who offered their services for the duration of the war. In the latter group are many former members of our staff who had left to be married and who have now come back to help us out in time of need. They are performing yeoman service. "It takes time to train new employees and this has imposed a heavy strain on our managers, accountants and senior officers and it is with a feeling of pride and deep appreciation that we recognize the way in which they have risen to the occasion. In the past we have always been conscious of their whole-hearted devotion to the bank's welfare and their desire to serve to the best of their ability the communities in which they live. These qualities of loyalty and service were never more in evidence than they are to-day. The spirit of our managers and staff in London, England is typical of the people over there; their faith, courage, endurance and determination to carry on are beyond all words of praise."

EXAMINATION

Advertisement for H. J. Mabon, Fitting and Supplying Glasses, etc. Includes contact information for office hours and location.

PERSONAL LOANS

Advertisement for The Canadian Bank of Commerce, One Year to Repay. Includes interest rate table and contact information.