

1916 Bank of Montreal.

ANNUAL GENERAL MEETING Held 4th December, 1916.

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, 1916.

Balance of Profit and Loss Account, 30th October, 1915 \$1,293,952.95
Profits for the year ended 31st October, 1916, after deducting charges of management, and making full provision for all bad and doubtful debts.. 2,200,471.04
\$3,494,423.99

Quarterly Dividend 2½ per ct. paid 1st March, 1916.. \$ 400,000.00
Quarterly Dividend 2½ per ct. paid 1st June, 1916.. 400,000.00
Bonus 1 per cent. paid 1st June, 1916.. 160,000.00
Quarterly Dividend 2½ per ct. paid 1st Sept., 1916.. 400,000.00
Quarterly Dividend 2½ per ct. payable 1st Dec., 1916 400,000.00
Bonus 1 per cent. payable 1st December, 1916 .. 160,000.00

War Tax on Bank Note Circulation to 31st Oct., 1916 2,080,000.00
Balance of Profit and Loss carried forward .. \$1,414,423.99

Since the last Annual Meeting, Branches were opened at West Toronto and Renfrew, Ont., and the Sub-Agency at East End, Calgary, was closed.

Also temporary offices were opened for the payment of the Troops while in Camp as follows:

In Ontario—Camp Borden, Exhibition Camp, Toronto; Petawawa Camp.

In Quebec—Valcartier Camp.

In Manitoba—Camp Hughes.

All of these, with the exception of the Branch at the Exhibition Camp in Toronto, have now been closed.

The name of Berlin (Ont.) Branch has been changed to Kitchener.

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

(Signed) H. V. MEREDITH, President.

Bank of Montreal, 4th December, 1916.

THE GENERAL STATEMENT.

The General Statement of the position of the Bank on October 31st, 1916, was read, as follows:

LIABILITIES.		
Capital-Stock ..	\$16,000,000.00	\$16,000,000.00
Reserve ..	1,414,423.99	
Balance of Profits carried forward ..	\$17,414,423.99	
Unclaimed Dividends ..	3,433.00	
Quarterly Dividend, payable 1st December, 1916 ..	\$400,000.00	
Bonus of 1 p.c. payable 1st Dec., 1916 ..	160,000.00	
	560,000.00	
	\$17,977,856.99	
Notes of the Bank in circulation ..	\$21,779,134.00	\$21,779,134.00
Deposits not bearing interest ..	88,767,013.22	
Deposits bearing interest, including interest accrued to date of statement ..	210,439,031.57	
Deposits made by and Balances due to other Banks in Canada ..	5,663,390.91	
Balances due to Banks and Banking Correspondents elsewhere than in Canada ..	545,282.46	
Bill Payable ..	1,225,935.75	
	\$28,419,792.91	
Acceptances under Letters of Credit ..	2,179,860.30	
Liabilities not included in the foregoing ..	638,531.65	
	\$365,215,541.85	

ASSETS.		
Gold and Silver coin current ..	\$21,040,803.21	
Dominion notes ..	20,273,216.00	
Deposit in the Central Gold Reserves ..	7,500,000.00	
Deposit with the Minister for the purposes of the Circulation Fund ..	790,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada ..	\$1,631,237.46	
Call and Short (not exceeding thirty days) Loans in Great Britain and United States ..	113,002,097.27	
	144,633,334.73	
Dominion and Provincial Government Securities not exceeding market value ..	419,736.71	
Railway and other Bonds, Debentures and Stocks not exceeding market value ..	13,947,120.84	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian ..	21,796,159.26	
Notes of other Banks ..	1,749,441.00	
Cheques on other Banks ..	14,832,868.53	
	\$246,982,680.28	
Current Loans and Discounts in Canada (less rebate of interest) ..	93,729,065.43	
Loans to Cities, Towns, Municipalities and School Districts ..	11,255,571.96	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) ..	6,478,263.23	
Overdue debts, estimated loss provided for ..	350,954.24	
	111,813,854.86	
Bank premises at not more than cost (less amounts written off) ..	4,000,000.00	
Liabilities of Customers under Letters of Credit (as per Contra) ..	2,179,360.30	
Other Assets not included in the foregoing ..	239,646.41	
	\$365,215,541.85	

H. V. MEREDITH, President. FREDERICK WILLIAMS-TAYLOR, General Manager.

TO THE SHAREHOLDERS OF THE BANK OF MONTREAL.

We have checked the Cash and verified the Securities of the Bank at the Chief Office and at several of the Principal Branches at various times during the year, as well as on 31st October, 1916, and we found them to be in accord with the books of the Bank. We have obtained all information and explanations required, and all transactions that have come under our notice have, in our opinion, been within the powers of the Bank. We have compared the above Balance Sheet with the Books and Accounts at the Chief Office of the Bank, and with the certified Returns received from its Branches, and we certify that in our opinion it exhibits a true and correct view of the state of the Bank's affairs according to the best of our information, the explanations given to us, and as shown by the Books of the Bank.

Montreal, 17th November, 1916.

J. MAXTONE GRAHAM, Auditors.

JAMES HUTCHISON, Chartered Accountants.

The 99th Annual General Meeting of the Shareholders of the Bank of Montreal was held at noon yesterday in the Board Room at the Bank's Headquarters.

Amongst those present were: Sir Vincent Meredith, Bart., C. R. Hosmer, Hon. Robert Mackay, C. B. Gordon, D. Forbes Angus, E. B. Green, Wm. McMaster, R. B. Angus, Sir Frederick Williams-Taylor, LL.D., A. D. Braithwaite, Dr. Wm. Gardiner, Alfred Piddington, Chas. Chaput, Major G. R. Hooper, A. E. Ogilvie, C. J. Fleet, K.C., Dr. F. J. Shepherd, P. C. Elsie, George Caverhill, William Yule, John Patterson, Edward Pike, James Rodger, Percy R. Gault, Ed. Sawtell, L. Skaffe, C. R. Black, W. R. Miller, R. C. Steven, G. C. Hart, Capt. D. J. Barker, F. J. Cockburn, E. P. Winslow, D. R. Clarke, R. Campbell, Nelles, E. Archibald, and Hon. Rodolphe Lemieux, K.C.

On motion of Mr. R. B. Angus, Sir Vincent Meredith was requested to take the chair.

Mr. C. J. Fleet, K.C., moved, and Mr. Alfred Piddington seconded, that Messrs. George R. Hooper and A. E. Ogilvie be appointed to act as Secretaries, and that Mr. O. R. Sharp be the Secretary of the meeting. This was carried unanimously.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the annual report of the Directors to the Shareholders at their 99th Annual General Meeting, held Monday, December 4th, 1916.

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address, as follows:

Gentlemen:—In this the twentieth month of the war, it is my duty to present for your approval the nineteenth annual statement of the Bank of Montreal.

Also it is my combined duty and privilege to explain the chief changes in the balance sheet now before you. First, however, let me comment briefly upon the factors that bear most importantly upon the future course of our affairs and that have influenced our banking position in the year under review.

The outstanding business feature in Canada is an industrial condition more abnormal in character than ever before in the history of this Bank, or of this country.

The same statement applies in a greater or lesser degree to several belligerent and neutral countries, but in Canada economic conditions as well as in an unnatural state. This is partly due to the war, also a result of suspended immigration and of a lengthy period of an extravagance of which we are now feeling the cumulative effect.

Canada sold her record crop of last year at high prices, as in the years of the American Civil War, while this year we are disposing of a moderate crop at such steadily mounting prices that we again reap a golden harvest about equal in amount to that of 1915. The total value of last year's crops was \$798,000,000.

Our much criticised adverse trade balance has disappeared as though by magic, and our exports are now vastly in excess of our imports.

Exports for year ended 31st October, 1914—\$459,300,000; 1915—\$550,000,000; 1916—\$1,172,700,000. Imports for year ended 31st October, 1914—\$514,600,000; 1915—\$421,700,000; 1916—\$16,900,000.

Total trade for year ended 31st October, 1914—\$973,900,000; 1915—\$972,000,000; 1916—\$1,189,600,000.

Many of our great industries have converted big floating debts, a cause of anxiety, into cash surpluses. As a natural outcome, our stock markets are booming. Not only is unemployment unknown, but unskilled labour commands wages two and a half times greater than the pay of our volunteer citizen soldiers, who so splendidly risk their lives for their country, while men engaged in "factory piece work" can earn as much as a college professor. It is, therefore, not surprising that the unanalysed minded, or those preoccupied with their own affairs, or those who have not contributed in flesh and blood to the Cause, should complacently say "Times are good."

Among those who do not join in this refrain are the men and women of the salaried class and those with small fixed incomes. These have been hard hit by war prices and are indeed finding it difficult to make both ends meet.

The present buoyant industrial conditions are obviously the direct outcome of a steadily increasing demand by the Allies for food, clothing and other munitions of war, at rapidly rising prices, yielding large profits to the producers.

Payment for these war exports and for our surplus crops, coupled with loans of \$275,000,000 effected in New York since the outbreak of hostilities, have brought money into the country at a rate not only unprecedented, even in the days of our heavy borrowing in London, but so undreamed of that we can advantageously ponder on what might have been our condition had there been no war.

An American authority has said, "The war has saved the United States from a great industrial and financial calamity."

In many respects conditions in Canada are comparable with those in the United States. In two notable respects they differ. Our neighbors across the border are adding to their wealth at apace without precedent in history, but, unlike the Dominion, unpunished by increasing national debt and loss of human life.

There is another side to this picture on which it is not well to dwell unduly, but which should be kept clearly before us. Post bellum conditions will surely weigh upon us more heavily or less heavily in proportion to our present indifference or our foresight, and in direct ratio to the steps we take to provide for inevitable problems and difficulties. Our agricultural production brings not only prosperity but stability; apart therefrom, though the cost of these alleged good times will not fall equally upon individuals, Canada as a whole will pay, and is paying already, in hard cash, reflected in a formidable national debt and in a great public debt per capita. We are also paying in that most priceless of all treasures, the blood of the manhood of our country. So far the cost to us of the war is 14,000 lives plus 45,000 casualties, and in money \$354,000,000.

The transient nature of our increased exports alone is a simple index to a situation that commands the attention of all thinking people.

These views may not be acceptable to all, but they are common sense and based upon arithmetical facts. To be forewarned is to be forearmed.

These are the main factors that have influenced and will influence the banking position—the movement in deposits and loans and the safety of both. Therefore, in my opinion, the business of this Bank should be conducted with such views plainly before us until the situation clears.

There are two obvious means of lightening Canada's coming burden, viz., thrift and immigration. The two are closely allied, for only by practicing national economy or thrift can we reduce our high cost of living—that most effective barrier to immigration. Upon immigration we mainly depend for the fuller development of our unsurpassed natural resources.

Thrift is overdue but can be started forthwith; immigration must wait, but should follow in natural sequence. I have no words at my command with which to adequately urge the necessity of an organized and individual effort to promote thrift.

The timely and eloquent "Call to Action" of our Minister of Trade and Commerce commands attention. I am not sure that it should not be preceded by a "Call to Reason," in order that the importance of the problem of the situation be impressed upon those who are living in, let us say, the paradise of the unwise.

Sane optimism and self-confidence are admirable national qualities and should be the order of the day. There is a point where optimism loses its value and the danger of over-confidence begins. That is the point for nations to avoid.

To sum up, we are going to win the just war we are waging, we are bound to win the war, but let us emerge from it unexhausted, in unexhausted, in order that the victory over our enemies may be perpetuated and recurrence of such insensate destruction rendered impracticable.

With the advent of peace will come relief to our Empire, but to financial and trade conditions peace will bring a necessity for sudden readjustment that in Canada, as elsewhere, must tax every resource to the utmost. I am satisfied that our Banks stand prepared to meet these new conditions with the adaptability and strength that have made them the bulwark of the Canadian financial situation.

Equipment of Ours

All That Could Be Desired.

The following is an extract from letter written by "One of Ours," dated the end of November, from "Somewhere in France," on returning to the rear after their turn in the trenches, and may relieve some anxious mothers whose sons do not write so fully: "Dear Mother—Just a few lines to let you know I am back to safety once more. To-day we are more than comfortable, and all hands are jolly. Parcells have been coming in and setting from those who are thinking about us across the sea, so all the boys are enjoying themselves.

As for myself, I am feeling grand. . . . N—has just lit a fire in the brazier, and the tent is getting nice and warm. We have plenty to eat and drink and I am not short of clothing. For the winter, I have greatcoat, leather jacket, rubber cape—long, and a pair of boots, all new, with the exception of greatcoat, which is still as good as ever. Have plenty of socks and shirts also. It is very nice to have all these things, but when we have to bring them, it is rather a different matter. Our equipment now is all that could be desired. We have even been issued soft insoles for our boots. . . . N— who is in our camp, is just roasting a bit of steak before we turn in. I guess you are feeling a bit scared at home just now—don't let anything worry you there. I would feel quite contented if I were as far away from the Huns as you are."

Lieut. Duley.

A message has been received by Mr. T. J. Duley, through Lieut. Hugh Anderson, informing him that his son, Lieut. Cyril C. Duley, who was wounded on the 11th inst., was doing well. Lieut. Duley's sister, Miss Gladys Duley, is being married to-day at East Orange, New Jersey, to Mr. Jeff B. Courtenay, late of the Imperial Tobacco Co., Seattle, Lieut. Duley is in Hospital in France.

Turkeys, Ducks and Chickens

at ELLIS.

Xmas BARGAINS

— in —

Ladies' Hand Bags,
worth up to 90c.
for
50c and 70c.

Photo Frames,
25c.

Red Cross Stationery,
Box of Paper and Envelopes
for 20c

DAINTY HANDKERCHIEFS,
PRETTILY BOXED,
25 cents per box.

WORK BOXES, **Writing Cases,**
25 and 50 cents. **25 and 50 cents.**

CURTAIN NETS.
Brighten up for Christmas. **13, 15 and 18 cents per yard.**
SEE WINDOWS.

S. MILLEY.

A CAPITAL IDEA.

Four Xmas Toys for \$1.00 or One for 25c.

Note the choice assortment and see our window.

Dogs.	Jig Puzzles.	Paint Sets.	Rubber Balls.
Cats.	Roller Chimes.	Tool Sets.	Pencil Sets.
Rabbits.	Story Books.	Drums.	Mechanical Toys.
Goliwogs.	Sets of Blocks.	Dolls.	Box Xmas Cards

Special Value in Flag Sets at 30c.; Teddy's at 70c.; Baby Dolls that speak at \$1.00; etc., etc.

For the next few weeks at

A. & S. Rodger's

Is Tommy Afraid.

If you were asked the above question you would reply with an indignant "No!" and regard the questioner as one who ought to be interned.

There are, however, certain things of which Tommy is afraid. Not when he is in health—while the deadly shells are screaming around him his coolly bets with his companions as to where they will fall—but under the influence of shell-shock or trench fever.

He is often haunted then by strange hallucinations. He believes that the trench has been lost and cannot be got back, or that he will fall asleep on duty, or fall to carry out some important instruction. Such ideas as these form his nightmares. His fear is rarely a bodily one.

One of the strangest delusions is the delusion of blindness. Men declare they are totally blind, only to discover that, when the doctor raises their lids, they can see perfectly.

Illness of this kind is frequently hard to detect, and it is inevitable that in certain cases a good deal of hardship occurs. Recently a boy of nineteen was accused by his sergeant

Fads and Fashions.

Waist lines are both high and low. Even handbags are trimmed with fur.

Brown is a shade for shoes this fall.

Bread bags have come into fashion again.

The new sleeves end very wide at the wrist.

Many of the new toques are without brims.

Softly falling fulness marks the new skirts.

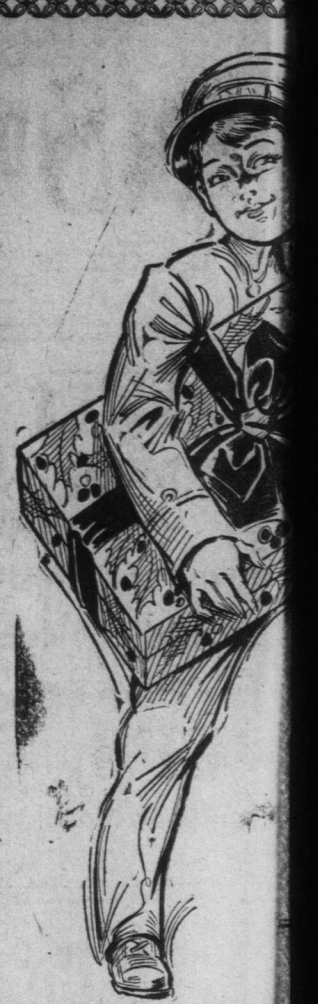
Apparently the picture hat goes on forever.

There are all varieties of the bishop sleeve.

KEEP DOWN HIGH PRICES

—We are endeavouring to keep the price of our First-Class Tailor-made Garments within the reach of everyone, and when we say that you can get a first-class Suit or Overcoat from \$25 to \$30, it is not necessary for you to pay more. You can't get any better, no matter what you pay.

SPURRELL BROS., 363 Water Street—dec1,edd,tf



CHRISTMAS

Special

Breakfast Table
Strong unbleached Table Cloth, size 50 x 60, son band border and a great save on your Regular 80c. Xmas Price ..

Duchess S
4 piece all over emess Sets that will Xmas gift for your designs. Reg. 85c. Sale Price ..

Damask Tray
Best quality English Cloth, size 18 x 27, cents. Xmas Sale Price ..

Japanese Straw

Serviceable plaited Straw bed room or lavatory, Straw and Green and Sale Price ..

A Few of the

Hand Bag
Roomy Hand Bags in with real leather linings, strong rigid trimmings, a bag for years. 80c. Xmas Sale Price ..

Satin Under

You're wondering why "Nell." Why not a Satin Underskirt from this Saxe, Grey, Navy, Sky, and Black, etc., wide "She" would be more with one. Reg. \$1.80 Xmas Sale Price ..

"Directoire" H

In Cream, Grey and know the comfort of weather; Jersey material, knee and waist, full Reg. 60c. Xmas Sale ..

A Blouse

Some very handsome in Crepe-de-Chine, Navy, Crepe, etc. They're all and pearl button trimmings. Flesh, Maize, Navy, Grey, White. Regular \$3.00 Xmas Sale Price ..

Ribbons.

Brilliant Silk Taffeta. Just when most Great demand for Xmas time and knowing present a line of unique value in 4 inch Silks, Navy, Saxe, Sky, Pink, Greens, Black and values for 25c. yard Xmas Sale Price ..

Child's & Mis

In nice bright Crimson front, showing "giddy-looking." Special—Children, 6 to 10. ..