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THE ROYAL BANK OF CANADA

INCORPORATED 1869

PROCEEDINGS AT THE SEVENTIETH ANNUAL MEETING

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MONTREAL, JANUARY 12th, 1939

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THE ROYAL BANK OF CANADA

CAPITAL AUTHORIZED	-	-	-	-	-	\$50,000,000
CAPITAL PAID UP	-	-	-	-	-	\$35,000,000
RESERVE AND UNDIVIDED PROFITS	-	-	-	-	-	\$22,721,409

YEAR ENDED NOVEMBER 30, 1938

DIRECTORS

SIR HERBERT S. HOLT, K.B.,
Chairman of the Board

MORRIS W. WILSON,
President and Managing Director

G. H. DUGGAN,
Vice-President

JULIAN C. SMITH,
Vice-President

A. E. DYMENT,
Vice-President

JOHN T. ROSS
W. H. McWILLIAMS
A. McTAVISH CAMPBELL
G. MacGREGOR MITCHELL
STEPHEN HAAS
W. H. MALKIN
G. HARRISON SMITH
W. F. ANGUS
P. F. SISE
J. McG. STEWART, K.C.
JOHN S. NORRIS

Quebec, Que.
Winnipeg, Man.
Winnipeg, Man.
Halifax, N.S.
Toronto, Ont.
Vancouver, B.C.
Toronto, Ont.
Montreal, Que.
Montreal, Que.
Halifax, N.S.
Montreal, Que.

G. W. MacDOUGALL, K.C.
ARTHUR B. WOOD
HOWARD P. ROBINSON
RAY LAWSON
N. L. LEACH
GRAY MILLER
CONRAD S. RILEY
JOHN BURNS
G. H. MONTGOMERY, K.C.
J. D. JOHNSON
W. C. WOODWARD

Montreal, Que.
Montreal, Que.
Saint John, N.B.
London, Ont.
Winnipeg, Man.
Montreal, Que.
Winnipeg, Man.
Calgary, Alta.
Montreal, Que.
Montreal, Que.
Vancouver, B.C.

Seventieth Annual General Meeting of Shareholders

JANUARY 12th, 1939

The Seventieth Annual General Meeting of the Shareholders was held at the Head Office of the bank, in Montreal, on Thursday, January 12th, at eleven o'clock a.m.

Among those present were: A. A. Aitken, A. D. Anderson, W. F. Angus, C. E. Amy, T. H. Atkinson, R. P. Bell, W. B. Blackader, C. E. Bourne, G. W. Bellevue, C. S. Band, H. H. Black, R. M. Boyd, A. G. Brooks, F. D. Chapman, A. McTavish Campbell, G. R. Caverhill, T. Clarke, H. R. Cockfield, S. L. Cork, R. E. Cox, I. Dibblee, S. G. Dobson, F. G. Donaldson, F. W. Doherty, A. R. Duffield, A. E. Dymont, G. H. Duggan, S. A. Duke, A. Dupuis, A. S. Fraser, H. L. Gagnon, H. P. Glencross, P. R. Gault, K. F. Gilmour, A. B. Gordon, C. A. Gray, D. D. Gray, N. G. Hart, M. O. Haskell, H. G. Hesler, A. W. Hodgson, E. C. Holahan, J. A. Hodgson, F. H. Hopkins, F. J. Horning, A. B. Jamieson, J. D. Johnson, C. R. Johnson, C. H. L. Jones, J. T. Keay, F. J. Knox, W. J. Lucas, J. A. Langdon, J. L. Lawson, Ray Lawson, N. L. Leach, A. T. Lowe, G. A. Macdonald, G. W. MacDougall, K.C., H. MacKay, Archie Macfarlane, C. E. Mackenzie, D. G. McKenzie, G. W. MacKimmie, G. F. MacLure, W. H. Malkin, John C. MacKeen, C. H. McFarlane, J. E. McLurg, Gray Miller, J. B. Miller, B. L. Mitchell, G. MacG. Mitchell, F. S. Moffitt, G. H. Montgomery, K.C., B. O. Moxon, J. Muir, D. J. Munn, A. J. Nesbitt, S. R. Noble, John S. Norris, A. T. O'Leary, H. T. O'Neill, R. Park, Alex Paterson, F. R. Phelan, R. I. C. Picard, C. C. Pineo, C. S. Riley, Howard P. Robinson, J. T. Ross, Hon. Gordon Scott, W. P. Scott, D. B. Seely, S. Shane, R. H. Sims, P. F. Sise, Julian C. Smith, W. L. Smith, C. W. Stairs, B. B. Stevenson, W. H. Stevens, W. E. Segsworth, J. R. Stewart, J. MacG. Stewart, K.C., Arthur Terroux, O. B. Thornton, H. S. Y. Thurstans, Garth Thompson, G. M. Todd, Guy Tombs, J. E. Trottier, J. W. Tyson, N. C. Urquhart, J. L. Vickerson, L. O. P. Walsh, M. M. Walter, Morris W. Wilson, Arthur B. Wood, W. G. Yule.

On the motion of Mr. Gordon W. MacDougall, K.C., seconded by Mr. John T. Ross, Mr. Morris W. Wilson took the chair.

The Chairman appointed Mr. H. G. Hesler to act as Secretary of the meeting and the Hon. Gordon W. Scott and Mr. A. A. Aitken to act as Scrutineers.

The minutes of the last Annual General Meeting were taken as read.

On the motion of Mr. Julian C. Smith, seconded by Mr. Howard P. Robinson, the Annual Statement, accompanied by the Auditors' Report and Statements of Controlled Companies were taken as read.

The Secretary then read the Directors' Report as follows:

DIRECTORS' REPORT

The Directors have pleasure in submitting to the shareholders the Sixty-ninth Annual Report for the year ended 30th November 1938, together with the Statement of Assets and Liabilities, and Statements of Controlled Companies.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1937.....	\$2,325,176.14	
Profits for the year ended 30th November, 1938, after providing for Dominion and Provincial Government taxes amounting to \$1,201,765.36 and after making appropriations to Contingency Reserves, out of which Reserves provision for all bad and doubtful debts has been made.....	3,696,233.68	<u>\$6,021,409.82</u>
Appropriated as follows:		
Dividend No. 202 at 8% per annum.....	\$700,000.00	
Dividend No. 203 at 8% per annum.....	700,000.00	
Dividend No. 204 at 8% per annum.....	700,000.00	
Dividend No. 205 at 8% per annum.....	700,000.00	
	\$2,800,000.00	
Contribution to the Pension Fund Society.....	300,000.00	
Appropriation for Bank Premises.....	200,000.00	
Balance of Profit and Loss carried forward.....	2,721,409.82	<u>\$6,021,409.82</u>

(Signed) M. W. WILSON,
President and Managing Director.

(Signed) S. G. DOBSON,
General Manager.

The assets of the bank have been, as usual, carefully revalued and provision made for all bad or doubtful debts.

During the year one new branch was opened in Canada and fourteen branches in Canada were closed, leaving in operation at November 30th a total of 624 in Canada and Newfoundland and 73 in other countries. The Head Office and branches of the bank were inspected as usual during the year.

With deep regret the Directors record the deaths during the year of their colleagues, the Honourable A. J. Brown, K.C., and Mr. C. S. Wilcox. Each had served since 1912 as a member of the Board, and Senator Brown had been a Vice-President of the bank since 1931. To fill the latter vacancy, Mr. Julian C. Smith was elected a Vice-President on December 30, 1938 and at the same time Mr. A. E. Dymont was also elected a Vice-President.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties.

All of which is respectfully submitted.

M. W. WILSON, President and Managing Director.

GENERAL STATEMENT

30th November, 1938

LIABILITIES	
Capital stock paid up	\$ 35,000,000.00
Reserve fund	20,000,000.00
Balance of profits carried forward as per Profit and Loss Account	2,721,409.82
Dividends unclaimed	16,831.66
Dividend No. 205 (at 8% per annum), payable 1st December, 1938	700,000.00
	\$ 58,438,241.48
Deposits by and balances due to Dominion Government	\$ 1,446,609.61
Deposits by and balances due to Provincial Governments	9,001,230.56
Deposits by the public not bearing interest	356,526,649.64
Deposits by the public bearing interest, including interest accrued to date of statement	422,500,481.66
Deposits by and balances due to other chartered banks in Canada	278,077.25
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries	14,355,708.25
	804,108,756.97
Notes of the bank in circulation	26,396,638.74
Bills payable	46,627.40
Acceptances and letters of credit outstanding	18,532,001.88
Liabilities to the public not included under the foregoing heads	542,445.14
	\$908,064,711.61

ASSETS	
Gold held in Canada	\$ 12,979.82
Subsidiary coin held in Canada	1,314,935.16
Gold held elsewhere	323,479.95
Subsidiary coin held elsewhere	3,035,810.57
Notes of Bank of Canada	12,093,077.75
Deposits with Bank of Canada	60,949,061.65
Notes of other chartered banks	1,273,185.81
Government and bank notes other than Canadian	22,994,508.22
	\$101,997,038.93
Cheques on other banks	26,394,958.81
Deposits with and balances due by other chartered banks in Canada	4,002.09
Due by banks and banking correspondents elsewhere than in Canada	71,891,264.92
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value	106,368,311.03
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value	153,333,715.19
Canadian municipal securities, not exceeding market value	7,687,405.60
Public securities other than Canadian, not exceeding market value	20,924,704.31
Other bonds, debentures and stocks, not exceeding market value	34,019,951.18
Call and short (not exceeding 30 days) loans in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover	12,964,423.50
Call and short (not exceeding 30 days) loans elsewhere than in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover	7,651,625.32
	\$543,237,400.88
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	198,202,903.27
Loans to Provincial Governments	1,159,796.12
Loans to cities, towns, municipalities and school districts	18,848,358.65
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	101,629,915.30
Non-current loans, estimated loss provided for	2,704,226.83
Bank premises, at not more than cost, less amounts written off	14,756,029.06
Real estate other than bank premises	2,473,530.44
Mortgages on real estate sold by the bank	751,206.68
Liabilities of customers under acceptances and letters of credit as per contra	18,532,001.88
Shares of and loans to controlled companies	3,787,881.34
Deposit with the Minister of Finance for the security of note circulation	1,475,000.00
Other assets not included under the foregoing heads	506,461.16
	\$908,064,711.61

NOTE:—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

M. W. WILSON,
President and Managing Director

S. G. DOBSON,
General Manager

AUDITORS' REPORT

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets as at 30th November, 1938, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have checked the cash and the securities representing the Bank's investments held at the Head Office at the close of the fiscal year, and at various dates during the year have also checked the cash and investment securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1938, and it is as shown by the books of the Bank.

MONTREAL, Canada.
December 20, 1938.

M. OGDEN HASKELL, C.A.
of Haskell, Elderkin & Co.
JAMES G. ROSS, C.A.,
of P. S. Ross & Sons. } *Auditors.*

GLOBE REALTY CORPORATION, LIMITED

and

ROYAL BUILDING CORPORATION

Consolidated Statement as at 30th November, 1938

LIABILITIES	ASSETS
Capital Stock..... \$ 4,032,000.00	Real Estate, at not more than cost..... \$24,960,550.14
Reserve..... \$ 1,843,543.26	Cash in Bank..... 160.74
Profit and Loss Account..... 322.19	Other Assets..... 5,221.35
First Mortgage Bonds..... 1,843,865.45	
Accrued Interest..... 9,120,000.00	
Due to The Royal Bank of Canada..... 39,000.00	
Depreciation Reserve..... 3,787,879.34	
Liabilities not included in above..... 6,139,575.78	
\$24,965,932.23	\$24,965,932.23

NOTE:—The Royal Bank of Canada owns the entire Capital Stock of Globe Realty Corporation, Limited. It is carried on the books of the bank at \$1.00 Royal Building Corporation is a wholly owned subsidiary of Globe Realty Corporation, Limited.

AUDITORS' REPORT

We have examined the accounts of the Globe Realty Corporation, Limited, and its subsidiary, the Royal Building Corporation, for the year ended 30th November, 1938, and have obtained all the information and explanations required. We certify that in our opinion the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporations' affairs as at 30th November, 1938, according to the best of our information and the explanations given to us and is as shown by the books of the Corporations.

MONTREAL,
December 20, 1938.

(Signed) M. OGDEN HASKELL, C.A.
JAS. G. ROSS, C.A.

CANADIAN REALTY CORPORATION, LIMITED

Statement as at 30th November, 1938

LIABILITIES	ASSETS
Capital Stock..... \$ 919,600.00	Real Estate, at not more than cost..... \$ 4,896,478.72
Reserve..... \$25,619.22	Cash in Bank..... 106,062.87
Profit and Loss Account..... 22.33	
First Mortgage Serial Bonds..... 25,641.55	
Accrued Interest..... 2,300,000.00	
Depreciation Reserve..... 41,625.00	
\$ 5,002,541.59	\$ 5,002,541.59

NOTE:—The Royal Bank of Canada owns the entire Capital Stock of the above Corporation. It is carried on the books of the bank at \$1.00.

AUDITORS' REPORT

We have examined the accounts of the Canadian Realty Corporation, Limited, for the year ended 30th November, 1938, and have obtained all the information and explanations required. We certify 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 Corporation's affairs as at 30th November, 1938, according to the best of our information and the explanations given to us and is as shown by the books of the Corporation.

MONTREAL,
December 20, 1938.

(Signed) M. OGDEN HASKELL, C.A.
JAS. G. ROSS, C.A.

Mr. S. G. Dobson, General Manager, referring to the Annual Statement, then spoke as follows:

The Sixty-Ninth Annual Report and Balance Sheet presented to-day will, I feel sure, be regarded by you as eminently satisfactory. The bank has continued to progress and totals under practically all headings have again increased. Total Assets are \$908,064,000 as compared with \$869,538,000 a year ago, and are now at the highest point since 1929. Quick Assets amount to \$543,237,000 or 65.37% of Liabilities to the Public. This liquid ratio, while commendable insofar as it is an indication of strength, emphasizes the absence of demand for commercial loans commensurate with the growth of deposits. Cash and cheques on hand or on deposit with the Bank of Canada or other banks, total \$200,287,000. Dominion and Provincial Government bonds aggregate \$259,702,000, up \$14,000,000 for the year. Of this amount \$106,368,000 mature within two years. Current Loans in Canada increased during the year \$12,000,000 to \$198,202,000, and loans to cities, towns, municipalities, etc., are up \$8,000,000. While the increase in loans is moderate, there is a gradual tendency to higher figures, and the growth during the past two years has been \$30,000,000.

Owing to decreased market activity, Call Loans have continued to decline, the total in Canada now being \$12,964,000, as compared with \$19,392,000 a year ago.

On the liability side of the Balance Sheet Deposits are shown at \$804,108,000, the largest figure reported in the bank's history. The increase during the year was \$48,000,000, practically all of which occurred in Canada. This does not by any means represent the business of large clients alone. It is made up of a tremendous number of accounts and the extent to which the bank acts as a depository for the small customer will be realized when it is considered that we have over 900,000 accounts with balances of \$1,000 or less. This large volume of accounts naturally entails a great deal of routine work, but the banking business of the small and affluent depositor alike receives the same care and attention in both rural and urban communities.

Profits at \$3,696,233 show very little change from the previous year. Adding to this sum \$2,325,176 carried forward we have a total of \$6,021,409 available for distribution. Dividends paid amounted to \$2,800,000, the usual contribution of \$300,000 was made to Officers' Pension Fund, and \$200,000 written off Bank Premises, leaving \$2,721,409 to be carried forward to Profit and Loss Account.

Normally, increased loans and investments resulting from substantially larger deposits would have realized higher profits than those reported. However, the low return on Government securities, together with additional taxation, offset any potential increase in net income.

Taxes are an ever increasing burden, and absorb a substantial portion of the bank's earnings. In addition to Dominion and Provincial Government levies totalling \$1,201,765, the amount paid Municipalities was \$206,885. Adding to these figures \$579,888 paid in the form of taxes on Real Estate and Premises owned by the bank and its holding companies, we have a grand total of \$1,988,538. In other words, for every dollar distributed to the shareholders by way of dividends, 71 cents is paid out in taxes in Canada. This, you will agree, is a very considerable contribution to the various Canadian Governmental bodies.

Statements of our controlled companies, Globe Realty Corporation and Canadian Realty Corporation, are before you. These companies, as you know, own properties which are leased to and occupied by the bank. During the year bonds of these companies totalling \$500,000 were retired from earnings. This sum, added to the \$200,000 reserved for Bank Premises

Account in the bank's Profit and Loss Statement, again makes a total appropriation of \$700,000 against Real Estate holdings.

Shareholders will receive through the mail with the proceedings of this meeting a full review of conditions in Canada and countries where we operate branches. Those who are interested in foreign business and wish to follow more closely conditions in the West Indies and Latin American countries where we have branches, may, upon request to Head Office, receive the special report which is published by the bank every two months.

In October the Government of the Republic of Panama passed a law requiring banks to invest 20% of their deposits in a new issue of bonds of the Republic, and imposed other restrictions on the operations of the banks established there. Notwithstanding subsequent amending legislation giving a measure of relief from the conditions of the original legislation, it was considered advisable to withdraw from that country. Consequently, Panama and Colon offices have been closed. They were not important branches, neither having contributed to the earning power of the bank in recent years, and as we did not own any real estate in the country, withdrawal was a simple procedure.

We hear from time to time the criticism that banks are investing too large a portion of their funds in Government bonds and too little in assisting business enterprises. Thinking people will realize at once that such a charge is illogical and unjustified. Our primary business is commercial banking, but as has been pointed out on numerous occasions, we cannot compel unwilling borrowers to use our surplus funds, if, because of lack of confidence or for other reasons, they are not prepared to expand their business; and prudent bankers must of necessity guard against taking unwarranted risks. Consequently, the only way in which surplus funds can be put to work is to invest them in Government bonds, and in order that these funds may be made available for commercial purposes if the demand arises, only short-date securities are purchased.

It may interest you to know that this bank's portfolio of Dominion Government securities only nets approximately 2% per annum and this fact should in itself be an effective answer to the charge that we accumulate these securities from choice rather than increase commercial loans. It would be a strange type of banker who would prefer this small return to the more remunerative commercial rate.

The interest return on Government securities is low, largely because of the "easy" credit policy of the Bank of Canada and the resultant surplus of funds seeking profitable employment.

Many people become confused in their minds regarding the term "credit" and the statement has been loosely made that the right of issuing credit has been passed on by the Government to the banks. This is untrue. Control of credit is one of the prerogatives of the Bank of Canada. They alone can decide whether a policy of "easy" or "tight" money is to be pursued. Their facility for doing this is to purchase securities if they wish the banks to be supplied with additional funds, or to sell securities if they wish cash in the hands of the banks reduced. As far as the chartered banks are concerned, their supply of funds is regulated and they have available such surpluses as the Bank of Canada wishes them to have. Most people, when talking or thinking of the term "credit" look upon it in terms of the amount they individually can borrow from a bank, but in the broader sense—as applied to the country as a whole—whether credit is "easy" or otherwise is a matter within the control of the Bank of Canada. This volume of credit they

regulate according to the needs and requirements of the country as a whole.

The shareholders of this bank have no doubt followed with interest the educational publicity carried in the newspapers across Canada during the past year by the chartered banks. Because of the frequency with which unwarranted and often wholly inaccurate statements regarding banks and banking have been made, generally by uninformed persons, the banks decided to abandon their traditional policy of silence and to defend themselves in the press. The series consisted of eleven articles briefly explaining what banking is, how banks function, the powers conferred upon them and the limitations imposed by the Dominion Government through the Bank Act. It is hoped these articles will help to clarify in the public mind just what banks can do and what they are not permitted to do and at the same time emphasize how necessary a safe and sane banking policy is to the welfare of the country.

Perhaps it is not out of place for me to point out to the owners of the banks—the shareholders—how important it is in their own interests that they do what lies in their power to counteract misleading statements regarding the banks.

It is with pleasure that I remind the shareholders of the excellent service rendered the bank during the year by the

Mr. Morris W. Wilson, Chairman, in moving the adoption of the Directors' Report said:

Before proceeding with the ordinary business of the meeting, I must refer to the great loss we have sustained through the death of the Hon. A. J. Brown, K.C. and Mr. C. S. Wilcox. These gentlemen were members of our Board since 1912, and Senator Brown a Vice-President since 1931. In their death we have lost friends and colleagues of wide experience, whose wise counsel was always at the disposal of the bank. Last month we appointed two additional vice-presidents, namely, Mr. Julian C. Smith, Montreal, and Mr. Albert E. Dymont, Toronto. We felt that our important business in Ontario warranted the appointment of a vice-president resident in that province.

We shall ask you today to elect three new directors—Mr. George H. Montgomery, K.C., head of the legal firm of Montgomery, McMichael, Common & Howard; Mr. John D. Johnson, President of Canada Cement Company Limited; and Mr. William C. Woodward, President of Woodward Department Stores Limited, Vancouver.

The General Manager has just reviewed in detail the Annual Report and Balance Sheet. I am sure that you will regard with satisfaction the result of the year's operations, when you recall the unsatisfactory business conditions that prevailed in the early part of the year, and the unsettlement caused by the European crisis in September. The healthy growth that we are able to report in the various departments of our activities is very gratifying indeed.

Business activity in Canada has resumed its upward trend. Recovery from the recession which was general during the closing months of 1937 and the first half of 1938 has made noteworthy progress. In view of the serious aspects of the set-back in the United States, Canada must be considered indeed fortunate to have maintained relatively stable conditions. Improvement has been general since the middle of the year. Low prices for many commodities, however, have limited the benefits received from our larger farm crops, expansion in mining, and the recent increase in industrial operations, so that our national income for the year is expected to be somewhat smaller than in 1937 but to compare favourably with that of 1936, which you will recall was considered a good year.

staff. The number of employees is now 7,053, and they, one and all, have contributed their share to the bank's success. I should like particularly to record my appreciation of the fine support accorded me by the Assistant General Managers, Supervisors, and other senior officers. They are the men who handle the great bulk of the business of the bank, and the manner in which they perform their duties is beyond praise.

Fortunately we in Canada escaped the more serious effects of the recession in business which first appeared in the United States about eighteen months ago and continued for a year. During that period, conditions in Canada remained comparatively stable, so that results achieved in 1938 may be regarded as reasonably satisfactory. The present outlook includes a number of factors which are distinctly encouraging, notably, a substantial and more widely-distributed income from farm production, continued expansion in mining, the prospect of major developments in aircraft manufacturing, and the fact that the British public now realizes that Canada is one of the safest countries to which they can turn for investment. For these and other reasons, I look to the future with confidence as I believe few countries have as promising a future as has our own. Certainly, in no other is there greater opportunity for growth and advancement. As Canada progresses so will the affairs of the bank continue to prosper.

AGRICULTURE

Farm crops in Canada in 1938 were more bountiful than for some years. Prices for many farm products, however, have again fallen to low levels, and in spite of the increase in yields and some improvement in purchasing power, the situation as a whole cannot yet be regarded as satisfactory.

In our Prairie Provinces the series of droughts which, for several years past, had seriously reduced yields of wheat and other grains, has apparently come to an end, and production restored to a more normal basis. The wheat crop last year, while disappointing in many districts, was nearly twice as large as in 1937 and the best reported since 1932. This turn in the weather cycle was shared by other countries with the result that the total world crop is the largest on record. Improvement in international demand as compared with the increase in available supplies, however, is slight. In many countries, ordinarily substantial importers of wheat, efforts for self-sufficiency have made great progress, and tariffs, quotas and exchange regulations of various sorts discourage and impede imports. The current marketing season may again see Canada and other exporting countries facing the alternative of carrying over heavy stocks of wheat, or of ruinous competition in the disposal of existing supplies and drastic declines in prices. The United States is meeting the situation by Government efforts to reduce the acreage devoted to the production of wheat. Similar action may not be adapted to certain sections of Canada and other exporting countries, but satisfactory returns from wheat production cannot be expected so long as supplies exceed world requirements.

In the meantime, the Dominion Government has guaranteed a minimum price to the Western wheat grower for his 1938 crop in order to assure him a fair return. Other exporting countries have adopted corresponding measures, but how far and for how long can such action be maintained?

MINING

Since the inception of the depression in business in 1930, mining has consistently furnished the backlog and the most encouraging factor in Canada's industrial life. The year just

completed has proved no exception. The volume of production in many instances has exceeded the high figures of 1937, gains being reported for gold, copper, lead, zinc and metals of the platinum group. The output of gold again constituted a new record at approximately 4,680,000 fine ounces valued at \$164,500,000, an increase of 14 per cent over 1937. What the continued stability of mining operations means to other industries in Canada can be readily appreciated when it is recalled that gold mining companies alone distribute about \$100,000,000 annually in salaries and wages, the purchase of materials and equipment, and other expenses. The spectacular progress achieved in petroleum operations in the Turner Valley of Alberta is also noteworthy. By the end of November, sixty crude oil wells were in production and drilling was underway at twenty others. In spite of limitations imposed by the Alberta Conservation Board, output during 1938 was 175 per cent greater than in 1937.

MANUFACTURING

The manufacturing industries of Canada report employment as comparatively well maintained. Output, however, was materially curtailed early in the year although substantial improvement has since been reported. As in the United States, the heavy industries were among the first to be affected, but the reduction has been much less severe in Canada. The accumulation of surplus stocks of newsprint by publishers in the United States, as noted in my address to you last year, has had the effect of reducing output by approximately 30 per cent from the 1937 record. These stocks are being gradually absorbed and it is anticipated that in the coming year production and consumption will assume their normal relationship, and operations be restored to a more satisfactory level. The flour milling industry is benefiting from the larger wheat crop and the improved relationship between Canadian and world wheat prices. Sugar, boots and shoes, textiles and other consumers' goods were produced in satisfactory volume, indicating that purchasing power in Canada was generally well maintained throughout the year.

LUMBERING AND FISHING

Lumbering and fishing are industries of special significance to our coast provinces. Conditions in 1938 left much to be desired. Exports of lumber were substantially smaller in volume, domestic demand was disappointing, so that there has been considerable curtailment in logging operations this winter. The Maritime fishing industry reports fish generally plentiful with good catches landed. Important markets in Europe, however, have been partially closed owing to the unsettled conditions; other outlets have in consequence had overabundant supplies so that prices and returns to fishermen have declined. On the Pacific Coast the pack of sockeye salmon was one of the largest in years, but prices have been well maintained. Other fisheries report average conditions.

EMPLOYMENT AND RELIEF

Employment during 1938 was relatively satisfactory, particularly in the mining and manufacturing industries, and trading establishments. Unemployment and relief, however, are still serious although continued improvement is reported. Better conditions in Western Canada have produced a decided decrease in the number of recipients of agricultural aid, and some decline is also reported for the non-agricultural groups. The total of all classes on aid in October 1938 was 13 per cent less than in October 1937. The magnitude of our relief problem was exemplified in a recent study which showed that the total disbursements of our Dominion, Provincial and Municipal governments on welfare services in 1938, exclusive of the cost of pensions and veterans' welfare, amounted to

not less than \$225,000,000, whereas, the market value of our most profitable wheat crop in eight years was estimated at only \$205,000,000.

TOURIST TRADE

In view of the extent of the recession in the United States during the early months of the year, tourist trade returns are most encouraging. For Canada as a whole there has been but a slight decline in the number of visiting automobiles as compared with 1937—less than 4 per cent. While expenditures were less liberal, there is no doubt that in the aggregate they amounted to a formidable sum. During 1937, expenditures by tourists in Canada were officially estimated at \$300,000,000. The total for 1938 is placed at approximately \$275,000,000. A recent statement on the authority of the Canadian Travel Bureau to the effect that during the past five years, for every \$5 worth of Canadian products shipped to the United States in the ordinary course of commerce, Canada sold in addition \$4 worth of goods and services to United States tourists, is indicative of the importance of the tourist trade in the Canadian economy, and the necessity of fostering it in every possible way.

FOREIGN TRADE

Substantial declines are reported for both exports and imports—as compared with 1937. Exports during the twelve months ended November 30, 1938, had a total value of \$921,000,000 against \$1,131,000,000 in 1937, or a decrease of \$210,000,000. Of this decline, approximately \$135,000,000 is accounted for by reduced shipments to the United States. The fall in shipments within the British Empire was substantially less than in shipments to foreign countries, exports to Australia, for example, showing an increase. The decline in exports of agricultural products was pronounced, largely as a result of low prices.

Imports into Canada fell off less than exports, declining by only \$123,000,000 to \$686,000,000. Purchases from Empire countries were reduced to a much greater extent than those from foreign countries. All classes of imports were affected and declines were general.

THE TRADE AGREEMENTS

An outstanding event of the past year was the final conclusion of the trade agreement between Canada and the United States—whose joint trade is larger than that of any other two countries in the world—and concurrently, of a further agreement between the United States and Great Britain. The agreements mark the greatest departure from the policies of trade restriction and national self-sufficiency since the Great War. Moreover, the action taken cannot fail to further the common outlook and cordiality existing between the British and American peoples.

The trade involved is both large and complex, including a great number of separate items, of which many are the products of highly specialized manufacturing processes. Between them Canada, Great Britain and the United States share about 30 per cent of the total international trade of the world—40 per cent if the whole of the British Empire be included. It is striking that the agreements covering this enormous volume of trade, while embodying hundreds of reductions of duties and lessened restrictions, include not a single increase.

In order to ensure the full success of the negotiations, some advantages secured by Canada under the Ottawa agreements were sacrificed. In return for such action, freer entry into United States markets was granted for many Canadian primary products covering all the basic industries—agriculture, mining, fishing and forestry. Concessions by Canada to

the United States for the most part concerned fully manufactured products. Probably the most far-reaching concession made by Canada, from the standpoint of either revenue or protection, is the limitation of the special three per cent excise tax, which since 1930, has been levied against the duty-paid value of imports not covered by the British preference.

The effect of the agreements is greatly extended as a result of the inclusion of the favoured-nation principle by Canada and the United States in their trade policies. The Dominion has most-favoured-nation arrangements with some forty foreign countries, including Germany, Italy and Japan, and the United States with twenty countries. This first group of nations can, by conforming to certain conditions, claim the same concessions in the Canadian tariff as were granted to the United States, and the second group, the concessions in the United States tariff granted to Canada.

In the tariffs of both Canada and the United States, the number of items on which reductions have been made is large. At the present time, no detailed analysis of the effect of these changes on specific industries is feasible, but whatever criticism may be made by individual interests, there can be no doubt that it will bring about an important expansion in the trade of both countries.

INTEREST RATES

One factor in our economic system which receives a great deal of publicity from time to time is the question of interest. The adequacy or otherwise of interest rates is a natural subject for discussion, but frequently it does not centre on the adequacy but on the legitimacy of interest per se. Strange as it may seem, I believe it often true that if the relationship exists long enough, the debtor comes to hate his creditor. By the same token, I suppose he begins to question the morality of interest once the payment seems a burden. On this point I think the answer is simple. If you believe in the principle of private property, as most of us do, you must believe in the legitimacy of interest. If it is proper for a person, as a result of thrift, to acquire, say, a small property, there are few if any who would suggest that this property should be available for use by others without some compensation. Therefore, if compensation for the use of the property be legitimate, why should compensation for its equivalent, the cost expressed in terms of money, be less so?

The more frequent discussion regarding interest has to do with the rate. By and large, the rate is governed by the old law of supply and demand, remembering that the supply is most abundant where the risk is least.

You frequently hear it asserted that the burden of interest has become intolerable, and that relief can only be brought about by drastic measures. A forced conversion of public debt is sometimes urged, accompanied by reference to the action of Australia in 1931. It may be worth stating once again that interest reduction on public debt in Australia was 90 per cent voluntary, that it was accompanied by what was popularly termed "an equality of sacrifice", namely, reductions in wages, governmental salaries, pensions, mothers' allowances, and an increase in taxes. Furthermore, the power of all state governments to borrow was strictly regulated by a Federal "Loan Council". However, what actually was accomplished in the way of a reduction in interest? Nominally the reduction was 22½ per cent; actually it was 15 per cent, because a 7½ per cent tax on interest then in existence was abated at the time the reduction went into effect. Prior to the conversion, the average rate of interest on the outstanding Australian debt was 5.25 per cent. The present average rate is stated to be 3.93, a decrease of 25 per cent. In 1931 the average rate of interest on Canada's outstanding debt was 4.98 per cent. The present average is 3.3 per cent,—the Canadian decrease being

29 per cent compared with the Australian reduction of 25 per cent. As stated by the Minister of Finance, the Honourable C. A. Dunning, in his last Budget Speech: "By following a different and more normal policy, Canada has been able to secure a reduction in her average rate of interest by a larger percentage and to a lower relative figure."

With regard to the burden of debt, it is worthy of note that the Dominion Government is today carrying a debt of \$4,400,000,000, at an annual interest charge of about \$135,000,000, the same amount that was paid in 1921 when the debt was only \$2,500,000,000. This illustrates the fact that the best way to keep the burden of debt as light as possible is to maintain your credit at high standing, and thereby obtain the benefit of lowest current rates. The rate at which the Dominion borrows compares most favourably with that of other first-class nations.

FOREIGN AFFAIRS

Last year I expressed the hope that a return of the spirit of idealism and the forces of economic reconstruction already manifest might overcome various influences retarding international progress and world recovery. But the position abroad remains difficult—there is still war in Spain and war in the Far East. Moreover, the events of September last, when Europe for a few days hovered on the brink of what might eventually have developed into a world conflict, have left a profound impression. The fact that Germany, with the moral support of Italy, apparently obtained a great diplomatic victory has had the effect of spreading a belief that the totalitarian states have evolved some new formula which contains a grave threat to democracy. We are quite ready to admit that the future of civilization, as we know it, is at stake if, in an effort to restrain the unwarranted demands of dictators, a world war should break out. But if such a catastrophe can be avoided for a few years, it is evident that fate will overtake these countries in due course if, in their efforts to become strong, they concentrate on the military point of view and disregard the first principles of sound economics, as they are doing at present.

Contrary to the impression current in many quarters, Germany has made very little progress in rehabilitating her foreign trade. Official figures indicate that in no year under the present regime have exports exceeded one-half of the values of the fiscal year 1930, and data available indicate that in 1938 total exports were actually less than in 1932 and 1933, the nadir of the world depression and the last two years prior to the Nazi regime.

The decline in German exports has become acute since the September crisis, and is in part attributable to the repugnance felt to more recent happenings. This decline has occurred notwithstanding that production of goods for export has been given priority even over military needs, and subsidized at the expense of the internal economy and of foreign creditors through liquidation at a very heavy discount of Standstill obligations. The favourable trade balance achieved in 1937 was undoubtedly turned into an unfavourable balance of an approximately equal amount. It must also be kept in mind that financial items in the balance of payments are heavily against Germany. As a result of this situation, great difficulty has arisen in securing the necessary foreign exchange for the purchase of raw materials most essential for armament and other programmes. Internally, business is exceedingly active and full employment has been achieved, but this situation does not seem to me to warrant the favourable interpretation usually given. The German Government is undoubtedly financing the production of capital goods and rearmament at the cost of colossal deficits in the Government budget. Indeed, an eminent German authority has recently stated publicly

that an amount equal to fifty per cent of the national income is absorbed by Government and party agencies. It is obvious that no country operating on even the attenuated capitalistic basis still followed by Germany can pursue such a policy without producing serious inflation. In a recent interview Dr. Schacht pointed out that with full employment, Government expenditure which cannot be financed from national savings must inevitably lead to steadily rising prices, and that in this respect 1938 marked a point where Germany must change this trend. This can be nothing more than a pious hope so long as present policies of rearmament and autarchy are continued. Only by reversing both policies can I see anything but a continued lowering of the standard of living in Germany. These remarks apply with equal force to the Italian situation.

The decline in business activity in Great Britain has been halted. For the sixth month in succession, practically no change has been shown in "The Economist" index of business activity. In view of the interruption to industrial operations and flow of new orders in September, an immediate expansion in activity after the conclusion of the Munich Agreement could scarcely have been expected, but the fact that no ground was lost is noteworthy. Exports of British manufactured products were relatively well maintained early in the year, declined during the summer months, but regained much of these losses during the autumn. With new orders reported in substantial volume, there are indications of further improvement in some of the leading export industries such as cotton and wool textiles.

Business in the United States has, since May last, shown the most rapid recovery ever reported in its statistical annals. Industrial production and building activity have both made pronounced gains. These, it is admitted, were in a large measure induced by governmental spending. As these expenditures will in all probability be continued during 1939, further advances in business activity may be anticipated. Any cessation of such support on the part of the authorities would immediately have an adverse effect, but the consensus of opinion seems to be that public spending will be maintained in undiminished volume.

That the spirit of democracy and idealism is still virile is evidenced by the closer co-operation and mutual understanding achieved in recent relations between the three great democracies, Great Britain, France, and the United States. Again, at the International Conference of American States at

Lima, Peru, under the leadership of the United States, all the Republics of the Americas expressed a determination for the preservation of peace and the pursuit of economic stability and progress through good-will and mutual co-operation.

ROYAL VISIT

We look forward in 1939 to an unusual honour. In May Canada is to be favoured with an extended visit from our King, George VI, and His Consort, Queen Elizabeth. This is the first time in history that the reigning monarch has visited this or any other of the British Dominions. That Their Majesties personally will have a loyal and enthusiastic reception is assured, and we join whole-heartedly in welcoming them to our shores. The ties of Empire will be renewed and strengthened, and, at a time when unrest is rife in so many other countries, the solidarity of the British Empire will be re-affirmed before the world. The inclusion of the United States in Their Majesties' itinerary is a further expression of the good-will and friendship that characterizes the relations between these great democracies.

PROSPECTS FOR 1939

The outlook for Canadian business is again favourable and the upward trend would seem to be definitely restored. The narrow limits to which the recent recession was restricted indicate that conditions in 1938 were more favourable than in most other years of the post-war period. The advances reported in many branches of industry during the closing months of the year were indeed gratifying. Greatly improved conditions were also general in the United States and to a lesser degree in Great Britain. The prosperity of Canada is definitely linked with that of these nations, the most important purchasers of her export products. With the impetus to international commerce which will undoubtedly follow the coming into effect of the new trade agreements, we may anticipate continued expansion during the coming year. I do not deny that many problems still await solution—mounting railway deficits, taxation and unemployment. Sympathy and understanding between the various sections of our population must be encouraged and the spirit of unity inculcated. But substantial progress has been achieved in the restoration of our economic structure. The international situation is still obscure, and further complexities may develop in foreign affairs. Barring such an eventuality, I am sure we may look forward to 1939 with courage and confidence.

Mr. G. H. Duggan seconded the motion and the Directors' Report was then unanimously adopted.

It was moved by Mr. G. MacGregor Mitchell, seconded by Mr. N. L. Leach:

That Mr. M. Ogden Haskell, C.A., and Mr. James G. Ross, C.A., be and they are hereby appointed Auditors for the ensuing year under Section 55 of the Bank Act, and that their remuneration be not more than \$30,000; also that one ballot be cast.

Upon receiving the Scrutineers' Report, the Chairman declared the motion carried unanimously.

It was moved by Mr. A. B. Wood, seconded by Mr. A. McTavish Campbell, and resolved:—

That Morris W. Wilson, President, and Sydney G. Dobson, General Manager, of The Royal Bank of Canada, be and they are and each of them is hereby appointed the true and lawful attorneys and attorney respectively of The Royal Bank of Canada for and in the name of the said The Royal Bank of Canada to attend and vote at any and all meetings of the shareholders of Globe Realty Corporation, Limited, and of Canadian Realty Corporation, Limited, and at any and all adjournments thereof, in respect of the shares of the said Globe Realty Corporation, Limited and Canadian Realty Corporation, Limited, respectively, held by the said bank, the foregoing powers to remain in full force and effect until the next Annual General Meeting of The Royal Bank of Canada.

It was moved by Mr. W. H. Malkin, seconded by Mr. W. F. Angus, and resolved:—

That Edward B. McInerney, Manager of the London, England, Branch of The Royal Bank of Canada and Edouard Groning, Manager of The Royal Bank of Canada (France), be and they are and each of them is hereby appointed the true and lawful attorneys and attorney respectively of The Royal Bank of Canada for and in the name of the said The Royal Bank of Canada to attend and vote at any and all meetings of the shareholders of The Royal Bank of Canada (France), and at any and all adjournments thereof, in respect of the shares of the said The Royal Bank of Canada (France), held by the said The Royal Bank of Canada, the foregoing power to remain in full force and effect until the next Annual General Meeting of The Royal Bank of Canada.

It was moved by Mr. Ralph P. Bell, seconded by Mr. H. R. Cockfield, and resolved:—

That the thanks of the shareholders are due and are hereby tendered to the Chairman of the Board, President, Vice-Presidents and Directors for their careful attention to the interests of the bank during the past year.

Mr. Morris W. Wilson replied.

It was moved by Mr. C. S. Riley, seconded by Mr. Paul F. Sise, and resolved:—

That the thanks of the shareholders be tendered to the General Manager and officers of the Bank for the efficient manner in which they have performed their respective duties.

Mr. S. G. Dobson, General Manager, in responding to this Resolution, expressed the appreciation of himself and the Assistant General Managers. Mr. A. T. Lowe, Supervisor of Alberta Branches, replied on behalf of the Supervisors, Managers and staff.

It was moved by Mr. A. E. Dymont, seconded by Mr. Ray Lawson:—

That the following By-Law be enacted by the shareholders, and that one ballot be cast.

Be it enacted as a By-Law of the shareholders of The Royal Bank of Canada:

That Shareholders' By-Law No. 4 be and the same is hereby amended by replacing the word "thirty" where it appears in said By-Law No. 4 by the word "twenty-seven," so that said By-Law No. 4 shall read as follows, namely:

"The Board of Directors of the Bank shall be twenty-seven in number, of whom three shall constitute a quorum for the transaction of business."

Upon receiving the Scrutineers' Report, the Chairman declared:—

That the Shareholders' By-Law, proposed by Mr. A. E. Dymont and seconded by Mr. Ray Lawson, has been enacted and that, accordingly, Shareholders' By-Law No. 4 has been amended by the substitution for the word "thirty" where it appears in said By-Law No. 4, of the word "twenty-seven."

It was moved by Mr. Gray Miller, seconded by Mr. J. S. Norris, and resolved:—

That a ballot be opened for the election of Directors.

It was moved by Mr. Guy M. Todd, seconded by Mr. A. B. Gordon:—

That the following be elected Directors for the ensuing year, and that one ballot be cast.

Sir Herbert S. Holt, K.B.
Morris W. Wilson
G. H. Duggan
Julian C. Smith
A. E. Dymont
John T. Ross
W. H. McWilliams
A. McTavish Campbell
G. MacGregor Mitchell

Stephen Haas
W. H. Malkin
G. Harrison Smith
W. F. Angus
Paul F. Sise
James McG. Stewart, K.C.
John S. Norris
Gordon W. MacDougall, K.C.
Arthur B. Wood

Howard P. Robinson
Ray Lawson
N. L. Leach
Gray Miller
Conrad S. Riley
John Burns
G. H. Montgomery, K.C.
J. D. Johnson
W. C. Woodward

Upon receiving the Scrutineers' Report, the Chairman declared those named elected unanimously.

On motion, the meeting adjourned.

At a subsequent meeting of the Board of Directors, Sir Herbert S. Holt was re-elected Chairman of the Board, Morris W. Wilson, President and Managing Director and G. H. Duggan, Julian C. Smith and A. E. Dymont, Vice-Presidents for the ensuing year.

The Executive Committee of the Board was appointed, consisting of Sir Herbert S. Holt, Morris W. Wilson, G. H. Duggan, Julian C. Smith, A. E. Dymont and W. F. Angus.

MARITIME PROVINCES

Business conditions in the Maritime Provinces were hardly as favourable in 1938 as in 1937. Farm crops, with the exception of potatoes, were satisfactory with returns to farmers slightly larger. The apple crop in the Annapolis Valley was abundant and of good quality with overseas markets receptive. Reports from other industries, however, were disappointing. Operations at the Sydney steel plant were curtailed with a corresponding reduction in the output of coal. The markets for lumber and fishery products were generally poor. Considerable improvement was reported late in the year and the outlook for 1939 is considered more promising.

Agricultural conditions during the early part of the season were favourable but heavy rains interfered with harvesting operations and caused considerable damage to the hay and potato crops. Grains, with the exception of wheat in Prince Edward Island, did better than in 1937, the yield of oats increasing from 10,755,000 to 13,756,000 bushels. The hay crop was smaller and of poor quality. Potatoes were seriously affected by blight. Yields in Prince Edward Island were satisfactory but these gains were offset by lower yields in Nova Scotia and New Brunswick. The total Maritime crop amounted to 9,440,000 cwt. as compared with 11,129,000 in 1937. The value of all field crops is estimated to have increased by 6 per cent in Prince Edward Island and by 5 per cent in New Brunswick, but a decline of 10 per cent is reported for Nova Scotia. For all three provinces, little change is shown, the total value to farmers being officially placed at \$32,747,000 for 1938 as compared with \$32,666,000 for 1937.

The apple crop in the Annapolis Valley yielded 2,400,000 barrels against 2,250,000 in 1937. The quality of the fruit is excellent, an exceptionally high proportion of the crop being of commercial grades. The demand in British markets has been good with prices satisfactory. Overseas shipments to December 7 amounted to 1,200,000 barrels, a substantial increase over the total of 880,000 barrels shipped at the same date in 1937. Total exports are expected to reach 1,800,000 barrels, 500,000 barrels more than in the previous season. The quantity of low-grade apples available for processing is small, with plants operating on a reduced basis.

Live stock holdings have shown little change during the past year and are generally in good condition. Dairy production has been well maintained, the output of creamery butter increasing from 11,100,000 to 13,126,000 pounds. The production of factory cheese declined somewhat during the year.

Prices for silver fox furs have fallen from 25 to 30 per cent with no compensating reduction in farm operating expenses. World production last season amounted to nearly 1,000,000 skins of which 70,000 valued at \$1,500,000 were produced in Prince Edward Island. Only the better foxes are being retained in order to concentrate on the production of high-quality skins as these continue to command good prices. As a result, total production during the next few years may show a sharp decline.

Manufacturing operations were generally reduced as compared with 1937 but conditions are considered reasonably satisfactory. The output of pig iron fell to 228,000 long tons in 1938 as compared with 294,000 in 1937. The steel plant at Sydney operated on average at less than half capacity during the year, with output curtailed in all departments. Operations were recently increased to 75 per cent of capacity and as the Sydney plant is an important source of supply for Great Britain further increases are anticipated as the armament programme is put into effect. Plants in New Glasgow also

report reduced output. Newsprint mills operated at reduced capacity during the greater part of the year, with prospects for 1939 favourable. Textile and other manufacturing plants report varied conditions with sales in 1938 somewhat smaller than in the previous year.

Coal mining in Nova Scotia reflected the reduction in activity in the steel industry. Competition from foreign coal has been keen and the increase in the use of oil as fuel has also had an adverse effect on the demand for coal. Output at the Cape Breton and the mainland collieries of the Dominion Steel and Coal Corporation, Limited, for the twelve months ended November 30, 1938 amounted to 5,685,918 tons as compared with 6,378,804 tons for the corresponding period ended November 30, 1937. The increase of 50c. per ton in the Dominion subvention on shipments of coal to Quebec and Ontario is expected to be of material benefit. The production of salt and gypsum was well maintained. Gold mining showed considerable expansion during the year, with an estimated output of 25,700 fine ounces valued at \$903,740 as compared with 19,918 ounces and \$696,931 in 1937.

The lumbering industry reports the past year somewhat unsatisfactory. The cut was considerably smaller than in the previous season but demand was poor and stocks moved slowly at prices hardly remunerative to operators. Early in the year the British market was congested with supplies, most of which have now been absorbed. Freight rates which were abnormally high last year, have been reduced to a more normal basis with the smaller demand for space. Demand for lumber has recently shown some improvement. The trade agreement with the United States is also expected to increase the outlets for lumber and reduce the pressure on British markets. Notwithstanding, it is anticipated that woods operations this winter will be restricted. Substantial shipments of pulpwood to Germany tended to offset the smaller requirements of the pulp and paper mills.

The demand for dried fish showed little improvement but fresh and frozen fish operations were more satisfactory. The total catch in the Maritimes for the eleven months ended November 30, 1938 was 424 million pounds as compared with 412 million in the corresponding period of 1937. In spite of the increased landings, values declined as prices were poor, the total for 1938 being \$7,315,832 against \$7,963,736 in 1937. Landings in Nova Scotia and Prince Edward Island were larger, a decrease being shown for New Brunswick. The Lunenburg fleet of 28 vessels secured a catch of 109,450 quintals valued at \$440,000; in the previous season the same number of vessels landed 102,925 quintals worth \$460,000. Competition from Newfoundland fishermen who had a large catch, has been keen and with demand in European markets poor, owing to the unsettled conditions prevailing, returns to fishermen have been disappointing. The lobster pack was increased by about 5 per cent. Demand and prices have been poor, leaving considerable supplies still awaiting disposition. The run of sardine herring was much below normal with the result that the pack will not be more than half as large as the record established in 1937. Prices have been higher with the shortage in supplies.

The value of construction contracts awarded in 1938 was somewhat less than in 1937, the total declining from \$21,557,200 to \$19,522,800. Satisfactory progress was made on the extensive road improvement projects undertaken in New Brunswick and Nova Scotia. Tourists visited the Maritimes in slightly larger numbers but expenditures were curtailed. In spite of this reduction and the restricted industrial operations, wholesale and retail sales are reported to have been comparatively well maintained. The Port of Saint John reports a fair season, with cargoes aggregating 1,933,525 tons against 2,018,412, the record established in 1937. The Port of Halifax reports a decline from 2,376,209 to 2,048,179 tons.

QUEBEC

Business activity throughout the Province was not so general in 1938 as in the previous year, reflecting the general recession in business and the poor export demand for many products. Farm crops, with the exception of potatoes, were satisfactory, returns to farmers showing a substantial increase. The mining industry was active with new records being achieved in several fields. Manufacturing and lumbering operations, however, were curtailed. Grain cargoes handled through the Port of Montreal were the largest in years; increases of less importance were also reported in other departments. The total tonnage handled through the Port in 1938—16,500,000 tons—established a new record slightly exceeding the 1937 high.

Agricultural conditions in Quebec were generally favourable although some crops were affected by drought early in the season. Rains relieved the drought but caused some delay in haying and harvesting operations. Grain yields were satisfactory, the oat crop being particularly good. Potatoes were damaged by rot and blight due to excessive moisture during the autumn, the average yield declining to 70 cwt. per acre as compared with 87 cwt. in 1937 and the total crop from 12,458,000 to 9,793,000 cwt. Hay and fodder crops were larger than in the previous year. Prices for grains were low but were well maintained for other products. The total value of all field crops was higher, the official estimate being \$87,091,000 for 1938 as compared with \$81,629,000 in 1937.

Apple orchards gave poor returns owing to unfavourable weather conditions and losses from high winds in September. The outturn is placed at 127,400 barrels against 177,000 in 1937. Small fruits gave varying returns, a heavy decrease being shown for strawberries but an increase for raspberries.

Livestock are in good condition, pasturage being generally ample, the drought period being offset by the mild autumn which lengthened the grazing season. A recent survey of farm animals showed larger numbers of horses, cattle and sheep on farms than in the previous year but a decrease in swine holdings due to the poor marketing conditions which have prevailed. Dairy production has been well maintained on the whole, the output of creamery butter to November 30 showing an increase of 7 per cent from 71,946,000 pounds in 1937 to 77,000,000 in 1938. This gain was in part offset by a 9 per cent decline in cheese, output falling to 26,965,200 pounds in 1938 as compared with 29,625,000 pounds in the previous year.

Mining activity continued general throughout the year, the rate of expansion in Quebec exceeding that in most other sections of the Dominion. In the northwestern section of the province, a mining region practically unknown sixteen years ago, producing metal mines now number thirty, seven of which have come into production within the past twelve months. Older established mines have also increased their facilities. As a result, the mill capacity available in the Province has risen by 40 per cent in two years and is now capable of treating nearly 16,000 tons of ore each day. Gold is the most important metal produced; output up to October 31, 1938, amounted to 715,000 fine ounces, more than the total of 711,480 ounces produced in the whole of 1937. Production for the year is estimated at 895,615 ounces valued at \$31,494,300 as compared with \$24,894,685 in 1937. Copper, silver, and zinc as well as other metals, are produced in considerable quantities. The total value for metals alone in 1938 is tentatively placed at \$42,000,000 against \$38,655,129 in 1937. Asbestos operations were curtailed during 1938 with production below the 1937 level, but the output for the year compares favourably with 1936, with a value of \$12,262,000. The production of other non-metallic minerals and building products has been comparatively well maintained. From a

mere \$10,000,000 in 1911, the value of Quebec's mineral production increased to \$65,000,000 in 1937, but in spite of the progress achieved, large areas are still untouched and the future of the industry holds great promise.

Manufacturing operations were generally satisfactory but somewhat below the level which prevailed in 1937. Construction activity is still poor, restricting the demand for structural steel and other building products. Hosiery, silk and knitting mills have been relatively well employed but other divisions of the textile industry were not so active. Production of leather boots and shoes declined, with output during the first ten months of the year at 18,580,000 pairs against 21,100,000 for the same period in 1937. Flour mills have been more active with the larger wheat crop in Western Canada and the improved export demand resulting from the restoration of normal relationships between Canadian and world wheat prices. Newsprint mills substantially curtailed operations as large stocks had been accumulated by United States publishers. Production was reduced by approximately 28 per cent, the total to November 30 being 2,414,827 tons in 1938 against 3,354,405 tons at the same date in the previous year. Reserve supplies have now been practically all absorbed, greatly improving the outlook of the industry for the coming year. As Quebec accounts for a large proportion of the newsprint output, the prosperity of the industry is of special importance to the Province. The output of central electric stations reflected the decrease in newsprint operations, total energy generated during the first eleven months of 1938 falling to 9,752 million kilowatt hours as compared with 10,787 million in the same months of 1937. Other manufacturing plants report varied conditions but operations were relatively satisfactory.

Domestic and export demand for lumber during 1938 was disappointing. Building requirements were below expectations, the improvement in operations in 1937 not having been sustained. Pulpwood supplies were also heavier than required by the restricted newsprint output. Woods operations, in consequence are being considerably curtailed this winter, the total cut planned being less than half as large as last season.

ONTARIO

Industrial operations in Ontario were less active during 1938 than in the previous year owing to the adverse effect of the general recession in business. As in the United States, the heavy industries were among the first to be affected but the reduction in activity was much less severe in Canada. The output of pig iron during the first eleven months of the year was 424,000 long tons as compared with 522,000 in the same months of the previous year. Steel production was also materially reduced. The decline in automobile manufacturing was marked, the number of units produced to November 30 being 147,472 against 186,348 at the same date in 1937. Sales of agricultural implements have been more satisfactory with the increased crop in Western Canada, but the gain was not up to earlier expectations. The output of newsprint, electrical equipment and supplies was all reduced. Textile mills, leather manufacturers and boot and shoe factories generally report a considerable falling off in activity. Flour and other food industries report that domestic demand has been well sustained; the demand for flour for export showed considerable improvement in the autumn and mills have been more active. Conditions in the furniture industry have continued dull. During the latter part of the year, substantial improvement was reported in most branches of the manufacturing industry, the official index rising from 100.0 (1926—100) in August to 125.3 in November. This compares with 132.4, the index for November 1937.

The value of minerals produced in Ontario during 1938 is estimated at \$221,325,000, a decrease of 4 per cent from the

record established in 1937, but the second highest reported in the history of the industry. Volume of output was well maintained, the decline in value being largely accounted for by lower prices for copper and other base metals. Gold mining operations were expanded during the year, eleven new mills coming into production bringing the total number of active plants to 63, after allowance is made for a few inefficient units which were closed. The quantity of ore handled during the first eleven months of the year was 8,696,418 tons with values recovered \$90,004,916, as compared with 7,653,936 tons and \$80,023,463 for the corresponding period of 1937. Further expansion is planned for 1939 so that continued progress may be anticipated. The quantity of silver and nickel produced during the year were slightly smaller than in 1937 but increases were reported for copper and the platinum metals. The output and value of non-metallic minerals compare favourably with the totals reported in 1937. The demand for structural materials and clay products continued poor throughout the year, the quantity and value of production in these groups declining in consequence. Ontario is in the enviable position of having the highest per capita production of minerals of any state or country in the world, its average being \$55.20.

The yield of grains and other field crops generally showed considerable improvement, total production being the highest in eight years. The area sown to fall wheat was increased and yields were satisfactory, the outturn being 19,814,000 bushels as compared with 18,689,000 in 1937. Other grain crops were also larger, the total for oats increasing from 73,803,000 to 82,147,000 bushels. Hay and fodder crops were satisfactory. The potato yield alone was disappointing, the average per acre falling to 51 cwt. as compared with 67 cwt. in 1937. The total crop is placed at 7,456,000 cwt. against 10,090,000 cwt. in the previous season. Sugar beet production is estimated at 276,000 tons from 28,200 acres, an average yield of 9.80 tons, as compared with 185,000 tons from 26,500 acres in 1937, the average yield being 6.98 tons per acre. Prices received for grains were low, although well maintained for other products, with the result that the total value of all field crops fell off to \$125,988,000 as compared with \$149,100,000 in 1937, a decline of 16 per cent.

Orchards did well and fruit crops on the whole were larger than in 1937. The apple crop is estimated at 831,600 barrels against 745,300 in the previous season. Increased yields were also reported for peaches, pears, plums, cherries and raspberries. The strawberry crop was smaller while the yield of grapes fell off by 45 per cent, the total crop amounting to only 28,600,000 pounds as compared with 52,000,000 pounds in 1937.

Tobacco growers experienced an exceptional season with production constituting a new record. The total crop is estimated at 84,500,000 pounds, made up of 71,500,000 flue-cured, 10,000,000 burley and 3,000,000 dark tobacco. The total yield in 1937 was 62,400,000 pounds, establishing a new record up to that year, and in 1936, 36,883,000 pounds. Conditions have been generally satisfactory for the curing of the crop so that quality has been well maintained. Some concern has arisen regarding the disposal of the steadily increasing supplies. Prices have been falling but with the material increase in yield, returns to growers continue generally satisfactory.

Pasturage and feed supplies were ample for all requirements and farm animals are in good condition. The numbers of live stock on farms have been well maintained and showed little change during the past year. Marketings were somewhat larger in spite of the reduced demand for export to the United States, shipments of cattle to these markets declining from

190,253 head in 1937 to 92,345 head last year. Exports of calves and hogs declined in like proportions. The demand in British markets has been better, exports comprising 27,422 head against 9,762 in 1937. Overseas shipments of bacon and other meat products were smaller. Dairy production, on the whole shows little change, the decline in factory cheese being largely offset by an increase in creamery butter production.

Weather conditions were favourable for fall ploughing, the area sown to fall wheat, 799,000 acres, is slightly smaller than last year, the crop made rapid progress and was in better condition when winter set in than in 1937.

The demand for lumber, both for domestic and export purposes, was generally satisfactory early in the year. Sales fell off rapidly during the summer months but some improvement was reported during the autumn. Railway ties and mining timber were in good demand, operators in these branches of the industry report. Stocks of lumber are heavy so that woods operations are being restricted to actual requirements. The pulpwood cut is also being curtailed. Prices for all grades of lumber have been declining since the summer; some strengthening was evident at the turn of the year as increased demand is expected in both domestic and United States markets.

The improvement in building activity reported in 1937 was unfortunately not maintained and, compared with other major industries, construction operations continued to lag. The total value of contracts awarded in 1938 amounted to \$73,070,100 as compared with \$93,777,400 in 1937, a decline of 25 per cent. The 1937 total was only about 70 per cent of the value reported in 1926. The decline last year was largely in industrial and engineering contracts, activity in residential and other branches of construction showing little change.

The volume of wholesale and retail sales fell off materially during 1938, the decline being particularly pronounced in luxury and seasonable goods, as unusually fine weather during the autumn materially restricted sales during that period. The number of tourists visiting the province was smaller than in 1937 with expenditures less liberal than usual. Trade in the mining districts was well maintained throughout the year. The decrease in sales was due to reduced demand resulting from unusual weather conditions rather than decreased purchasing power so that prospects for the coming year are not considered unfavourable.

PRAIRIE PROVINCES

The Prairie Provinces, on the whole, had in 1938 the best growing season in six years and the volume of agricultural production was appreciably higher than the low levels reported for the years 1933 to 1937. Manitoba and Alberta obtained yields approximating the long term average for the various crops, but Saskatchewan, while showing marked improvement over the exceptionally low yields of 1937, did not attain a full recovery. Production in 1938 was distributed much more evenly over all three provinces. In contrast with the situation in 1936 and 1937, there were no large areas of complete crop failures on account of drought. What drought was reported had shifted to the North, with yields in Northern Alberta, the Peace River District and north-central Saskatchewan reduced because of very light rainfall. Rust, grasshoppers and hail, caused heavy damage. Prices for all farm products fell to comparatively low levels but this was offset so far as the wheat-grower is concerned by the guarantee by the Dominion Government through the Wheat Board of a fixed minimum price of 80c. per bushel on the basis of No. 1 Northern in store at the head of the lakes. In spite of this assistance, however, the total value of field crops in Manitoba and Alberta is lower than in 1937; in Saskatchewan a substantial increase over the small total due to the 1937 crop failure

is reported. The official estimate of these values for the Prairie Provinces is as follows:

	1936	1937	1938
Manitoba.....	\$ 50,401,000	\$ 93,070,000	\$ 53,669,000
Saskatchewan.....	141,793,400	52,791,000	98,224,000
Alberta.....	103,603,000	132,695,000	115,942,000
Total.....	\$295,797,400	\$278,556,000	\$267,835,000

Fall and winter precipitation had been more abundant in all three provinces, although subsoil moisture reserves were still deficient in many sections of Saskatchewan. Spring operations were delayed by rain and snow flurries but seeding was completed in good time with prospects more favourable than for some years. Seed was made available through various agencies to those farmers who had suffered losses from repeated droughts. The acreage sown showed little change from previous years, small increases in wheat and barley offsetting reductions in oats, rye and flaxseed. The area sown to Durum wheat in Manitoba was reduced, Thatcher, Renown and other rust-resistant varieties being substituted. Growing conditions varied and caused great uncertainty. The former drought areas in southern Saskatchewan and southeastern Alberta had abundant rainfall early in the season but precipitation generally was light and somewhat scattered during July and August. Stem rust appeared in southern Manitoba as early as June 22, and spread rapidly extending through central and western Manitoba and virtually the whole of Saskatchewan. Dry weather in July forestalled more serious damage, although yields and quality were reduced throughout Saskatchewan by the scourge. Heavy sowings of rust-resistant wheats in Manitoba and southeastern Saskatchewan substantially reduced losses in these sections. Grasshoppers caused considerable damage particularly to coarse grains. Wheat yields were also affected. Heavy losses from hail were reported, largely in Alberta. Grains matured rapidly, harvesting generally commenced earlier than usual, threshing being completed in Manitoba by September 15, establishing a record for many years. Yields, while higher than for some years, were disappointing in many areas in view of the promising prospects early in the season. The wheat crop was nearly double that of 1937 and the largest since 1932. The following table gives the latest official estimates of the production of the principal grains in the three provinces, with comparative figures showing the final estimate of the previous season:

	(thousands of bushels)					
	Wheat		Oats		Barley	
	1937	1938	1937	1938	1937	1938
Manitoba.....	45,100	51,000	43,075	41,000	34,800	31,000
Saskatchewan.....	36,000	132,000	22,338	90,000	5,518	20,000
Alberta.....	75,700	143,000	77,000	101,000	22,100	29,200
Total.....	156,800	326,000	142,413	232,000	62,418	80,200

In view of the fixed minimum price for wheat guaranteed by the Government, farmers have no incentive to hold their grain, with the result that delivery has been rapid and now comprises practically all the marketable surplus over seed and local requirements. Total receipts at country elevators from August 1 to December 30 were 251 million bushels as compared with only 96 million at the same date in 1937. The quality of the wheat this past season is high, returns indicating that 84 per cent of the grain inspected came within the contract grades against 74 per cent in the same period of 1937. Export demand has been poor. European crops were fairly large, yields were exceptionally high in the United States and Argentina so that the world total constitutes a record high. Overseas shipments from Canada from August 1 to December 30, 1938 amounted to 68 million bushels as compared with 43 million in 1937. Total exports for the season are placed at only 144 million bushels by the Broomhall estimate and if this amount is not surpassed, stocks on hand on July 31 next will again exceed 100 million bushels. Visible supplies of wheat were 169,086,599

bushels on December 30, 1938, a substantial increase over the total of 57,377,667 bushels reported for the corresponding date in 1937.

Root crops fared poorly in both Manitoba and Alberta with conditions more favourable in Saskatchewan. The total potato crop in the three provinces is placed at 7,290,000 cwt. as compared with 6,583,000 cwt. in 1937. Hay and fodder are more plentiful this season throughout the Prairie Provinces. The acreage planted to sugar beets in Alberta was slightly less than in 1937, the average yield was higher and the outturn increased from 233,000 to 251,000 tons. Lower prices reduced the value of the crop, however, from \$1,515,000 in 1937 to \$1,330,000 in 1938.

Fall precipitation was generally above normal in Saskatchewan and Alberta. Except over a small area, however, very little rain fell in Manitoba so that both surface and reserve moisture is deficient. Progress with ploughing was hampered by the unsatisfactory condition of the soil in all provinces as the land remained dry for a longer period than usual.

Heavy live-stock shipments in 1937 as a result of the shortage in feed supplies depleted herds to such an extent that sales this year are small in comparison. This is true of all classes of animals. Demand from the United States has also declined so that the decrease in supplies has not had any tendency to raise prices which are generally about the same as a year ago. The new trade agreement with the United States materially increases the quotas which may be shipped under the reduced duty. This concession is expected to have a stimulating effect on the whole western live stock industry. Dairying has been receiving increased attention, with a higher output of cheese reported in all provinces and of butter in Manitoba and Alberta. The decrease in butter production in Saskatchewan was small, only one per cent.

The value of minerals produced in Manitoba in 1938 is placed at approximately \$16,000,000—slightly above the record of \$15,751,645 established in 1937. The Hudson Bay Mining and Smelting Company continued to operate at capacity throughout the year. The Sherritt Gordon Mines, which resumed operations in August 1937, also worked steadily, increasing the rate of operations at the mill to full capacity during the second half of the year. The San Antonio, God's Lake, Gunnar and Gurney gold mines are all producing steadily. The mill at Sachigo River came into production in the spring with average recoveries per ton of ore said to constitute a record for Canada. This property, however, is not large. On other properties, considerable exploration and development work was completed but unfavourable conditions reduced the extent of prospecting undertaken last season.

Coal production in Saskatchewan up to September 30 amounted to 557,680 tons as compared with 650,000 tons at the same date in 1937. Output in Alberta was also reduced, the total for the first nine months of 1938 being 3,275,435 tons against 3,507,032 tons in the same period of the previous year.

Substantial progress has been made in petroleum operations in the Turner Valley of Alberta. Sixty crude oil wells were reported in production at the end of November, with total output 175 per cent greater than in 1937 in spite of the limitations on operations imposed by the Alberta Petroleum and Gas Conservation Board. The drilling of some twenty new wells is under way and with a recent strike extending considerably the proven limits of the crude oil area, enlarged programmes are being announced for the coming year. Some small crude producers have also been bought in near Lethbridge and this area is being subjected to further tests.

The improvement which has been reported in the manufacturing industry was well maintained throughout the year. The flour milling industry which has benefited from the larger

wheat crop and the improved relationship between Canadian and world wheat prices, has increased operations—at some mills to full capacity. Packing plants worked at only 50 per cent of capacity, as against 100 per cent in 1937, as bacon exports were retarded by exchange difficulties. Creameries have generally been busy. Oil refineries were active throughout the year, operating at or near full capacity. The requirements of the oil wells for pipe lines and other equipment has kept the iron and steel industry busy. Manufacturers of food and other necessities report business satisfactory. Construction activity continues low with demand for building supplies poor.

Wholesale and retail trade was more satisfactory during the past year and sales increased in volume. Where average or better crops were harvested buying power has naturally increased but the low returns general due to the reduction in price has resulted in this increase being much less than anticipated earlier in the season. Sales of automobiles and farm machinery have been good, farmers desiring to replace obsolete and worn-out equipment. Stocks in many lines are somewhat heavier and more varied than a year ago, merchants being more optimistic as to the general outlook.

BRITISH COLUMBIA

During the past year, business conditions in British Columbia were hardly as satisfactory as in 1937, largely as the result of declines in the prices of many basic commodities. Farm crops suffered from dry weather, low prices for grains further reducing returns to farmers. Mining operations were active, copper production showing a substantial increase. Prices for base metals declined, however, so that the total value of the minerals produced did not attain the record established in 1937. Again, the increase in the volume of lumber shipments was offset by lower prices. Employment conditions were reasonably satisfactory, although work was not as plentiful as in 1937 due to the reduction in industrial activity throughout the Province.

Agricultural conditions were adversely affected by the unusually dry season, particularly along the lower mainland and on Vancouver Island. Between May and August, the drought was broken by only occasional showers. Consequently the yields of practically all field crops were appreciably lower than in 1937. Increases in prices were reported for root and fodder crops but these gains were more than offset by declines in grain prices so that total returns to farmers were materially reduced. The total value of all field crops is officially estimated at \$13,858,000 as compared with \$16,436,000 in 1937 and \$16,261,000 in 1936.

Increased yields were reported for the principal fruits, the apple outturn being placed at 5,546,192 boxes against 5,412,447 in 1937. The quality generally was high with export demand good. Sales in domestic markets, on the other hand, were disappointing. Prices have been reasonably well maintained.

The grazing season was shortened by cold weather late in the spring. Dry weather during the summer was a further disadvantage but autumn conditions were more favourable for pasturage and live stock remained on the range until much later than usual. Although live stock prices were somewhat below the average in 1937, returns are reported to have been generally satisfactory. Sheep raisers had a satisfactory season, with prices and sales approximately unchanged from the previous year. Butter production increased slightly; the output of cheese was increased from 222,690 pounds in 1937 to 552,233 in 1938.

The value of minerals produced in the Province during 1938 is placed at \$64,250,000. This is a substantial decline from the total of \$74,475,900 reported in 1937 when prices for

base metals were abnormally high. The volume of output, however, was generally higher in 1938 than in 1937, with outstanding expansion being shown in copper production. Shipments of ore to the Trail Smelter of the Consolidated Mining and Smelting Company aggregated 633,641 tons in 1938, as compared with 599,784 tons in 1937. The total for the twelve months is expected to be the highest for some years. Coal production is estimated at 1,300,000 tons, a decline of approximately 140,000 tons from the 1937 total.

The lumber industry had an active year but returns were disappointing as prices were low. Logging operations were hampered by unfavourable weather and serious forest fires, with production materially reduced in consequence. Saw mills were active with waterborne shipments during the first eleven months of the year at 1075 million board feet against 1025 million during the same period in 1937. Overseas shipments showed only a small net increase, a gain of 70 million feet in exports to Great Britain and smaller increases for other European countries, New Zealand, the West Indies and South America, being offset by heavy reductions in Oriental purchases. Waterborne shipments to the United States and Eastern Canada were considerably larger than in 1937 but somewhat below expectations, the quota granted under the 1935 trade agreement with the United States not having been completed. Rail shipments were dull, the demand from the Prairie Provinces being particularly disappointing. Shingle mills filled the quota allotted by the United States. Demand in other markets was poor, with the result that the total produced was smaller than in 1937. Further concessions granted under the new agreement will, it is anticipated, considerably improve conditions in the industry.

The total pack of canned salmon, 1,696,000 cases, was the second largest in six years, and only 153,000 cases less than the record established in 1936. The run of sockeye was heavy, the decrease in the total being due to the smaller pack of pinks, the catch of this variety being the lowest in years. Demand has been good, the larger pack of sockeye moving satisfactorily, and stocks are not considered heavy. Prices were slightly higher but did not keep pace with costs; returns, however, were not unsatisfactory. Landings of halibut at Prince Rupert declined to 14,082,000 pounds as compared with 14,754,000 in 1937. The Canadian catch was 6,808,800 pounds against 7,743,000 in the previous season, prices were lower and values fell from \$505,250 to \$402,750. The pack of dry salt salmon was limited to Japanese requirements—14,200 boxes, a heavy decline from the 1937 pack of 26,000 boxes. The Chinese market for dry salt herring is closed so this pack was reduced to 5,000 tons as compared with 10,000 tons in 1937 and the record pack of 15,000 tons in 1936. Fish reduction plants report output and prices for fish meal satisfactory but heavy stocks of fish oil depressed the price of this commodity to extremely low levels.

The pulp and paper industry curtailed 1938 operations to approximately 55 per cent of capacity as against 100 per cent in 1937. Unsettled conditions in the Orient contributed materially to this result. Other branches of the manufacturing industry in British Columbia were also less active than in 1937.

The volume of wholesale and retail sales during 1938 declined with the general falling off in industrial activity in the Province and results were disappointing. Tourist visitors increased in spite of a small reduction in the number of cars entering the Province and sales are reported to have constituted a new record, exceeding the total for 1936 when Vancouver's Golden Jubilee was celebrated.

Grain shipments through British Columbia have been more satisfactory with the increase in the Prairie wheat crop, the total from August 1 to December 30, 1938 being 15,325,000 bushels against 5,170,000 for the same period in 1937. Port

returns for Vancouver show a decrease in both the number of vessels and tons of cargo handled, the loss being due to the reduction in Oriental traffic. Activity at New Westminster showed little change from 1937.

NEWFOUNDLAND

Conditions in the Newfoundland cod fisheries are still trying and the immediate outlook is not considered promising. Landings were larger but any advantage from this increase was offset by the lower prices prevailing. Total landings are placed at 1,200,000 quintals, the largest reported since 1935 and approximately 200,000 quintals greater than in either 1936 or 1937. The shore fishery was particularly good, especially on the southwest coast where almost complete failures had been experienced for nearly ten years. The Labrador division also showed some improvement and the Bank fishery was equal to the previous year.

Market conditions have continued so unsatisfactory that the Government has assumed rigid control of all export shipments. Shipments to Portugal, Greece and Italy continued in good volume sales to Italy being made under Government insurance against losses through exchange control or fluctuations. Puerto Rican purchases were satisfactory with demand in other parts of the West Indies only fair. Chief difficulties reported relate to the Spanish and Brazilian markets, which formerly absorbed no less than 400,000 quintals. Sales to Spain have practically ceased, and import duties and exchange restrictions in Brazil have greatly restricted shipments to that country. No doubt is felt as to the ultimate disposal of supplies but net returns to fishermen will be disappointing. The lobster pack declined sharply with returns from sales of fresh and live lobsters low, stocks carried over are quite heavy. More favourable conditions prevailed in the salmon fishery, the catch was larger, prices higher and exports materially increased. The 1938 seal fleet comprised eight vessels employing 1460 men. The most successful season in years was reported. The total catch of seals, 726,747, was just double the number taken in 1937, with a total value of \$490,664 as compared with \$205,022 in the previous year. Some competition was experienced for the first time from Norwegian vessels engaged in the industry.

The pulp and paper industry curtailed production as a result of the heavy supplies of newsprint carried over from 1937. Mills operated at from 50 to 60 per cent of capacity only as against full time in the previous year. Shipments of both paper and pulp were considerably smaller as a result. Exports of pulpwood and pitprops were also reduced. The cut for the coming year is substantially less than the record of 700,000 cords reported last winter, present estimates indicating a reduction of at least 50 per cent. Other branches of manufacturing, producing largely for the local market and mainly located in St. John's, operated at full time throughout the year at or near capacity.

The iron mines at Belle Island reported capacity operations during the first nine months of 1938, with no curtailment expected during the last quarter. Ore shipments for the year are estimated at 1,650,000 long tons valued at \$4,950,000 compared with actual shipments of 1,787,025 tons worth \$4,800,000 in 1937. Exports to Germany comprised 798,375 tons during the nine months ended September 30, 1938 against 601,287 tons in the previous year. The situation at Buchans mines was also satisfactory with the plant operating at full capacity. The output of copper concentrates has been increased substantially, with production of lead and zinc maintained at approximately the same levels. Other mining operations are on a much smaller scale but conditions were generally favourable. Prospecting in promising areas is continuing with some notable results, including a substantial iron ore deposit in Labrador.

Wholesale and retail sales have reflected the decreased purchasing power general as a result of the poor returns from the fisheries and curtailed logging and newsprint operations. Tourists are visiting the Island in larger numbers than in previous years, providing a much needed stimulus to trade. Employment in the woods during the past winter was of great assistance in relieving unemployment and the present restriction in the cut is keenly felt. The agreements with the United States cover the greater part of Newfoundland's present exports to that country and the concessions granted are expected to be of substantial advantage, particularly to the fisheries. As the prosperity of the Island depends so largely on this industry, any improvement in fish markets would be of general benefit.

WEST INDIES

The year 1938 saw a reversal of the upward trend reported in 1937 in most parts of the West Indies. Adverse weather conditions, reduced crop yields and low prices for export staples combined to restrict the volume of business in the British West Indies. Trinidad, however, enjoyed a year of unprecedented prosperity as a result of the activity in the oil fields. Labour unrest was general, with strikes in many of the islands. The British Government has appointed a Royal Commission to study the economic and social problems of the colonies. The financial position of the British West Indian Governments is reported to be satisfactory. Tourist trade is becoming increasingly important. The number of visitors to the Bahamas last season was reduced as a result of conditions in the United States; other colonies enjoyed a satisfactory season.

Weather conditions were variable during the year. Heavy rains in Trinidad and British Guiana interfered with sugar grinding operations and abnormally dry weather reduced sugar yields in Barbados, St. Kitts and Antigua. The following table shows production during the past two years and export quotas for 1937/38 and 1938/39:

	Output		Export Quota	
	1936/37	1937/38	1937/38	1938/39
Trinidad	154,285	133,627	138,000	132,200
Barbados	128,239	111,414	114,000	109,200
Jamaica	106,601	118,318	103,100	80,360
Antigua	33,025	22,225	53,500	51,250
St. Kitts	34,272	27,935	10,500	10,050
Other Islands	13,115	10,339	10,500	10,050
British Guiana	193,728	190,000	186,000	166,700

Estimates of the 1938/39 crops are not yet complete but reports indicate that yields will be above average except in Antigua and British Guiana; the reduced quotas may increase the difficulty of marketing the crops.

Cocoa shipments from Jamaica, Trinidad and Grenada were higher than in 1937 but prices have been among the lowest on record, offsetting the benefits from the larger output. Prospects for the 1939 crop in Trinidad are poor but yields in Grenada and Jamaica are expected to be normal. Jamaican coffee exports were above those of 1937 but demand for Trinidad varieties has been disappointing with shipments only one-third as large as in the preceding year.

The Jamaican banana industry continues to progress. Although shipments were three million stems less than the record total of 1937, high prices and good quality increased the value by approximately £250,000. Unfavourable weather conditions and shipping difficulties reduced exports from the eastern islands but those from British Honduras showed an increase.

Exports of oranges and grapefruit from Trinidad were substantially above those of 1937 and the canning factories operated on a satisfactory basis. Lime products, however, have been in poor demand, shipments from all the producing

islands declining. Prospects for the next crop in Dominica are fair; the prevalence of root disease in Montserrat has necessitated replanting with disease-resistant stock. Continued drought affected yields of tomatoes in the Bahamas and Montserrat and heavy competition in Canadian markets further reduced returns to growers. Weather conditions have not been favourable for the 1939 crop.

Adverse weather conditions during the entire season reduced the cotton crop in Montserrat, but the yield in other islands was substantially higher, output in Nevis establishing a new high record. Market conditions, however, continue very unsatisfactory with unprofitable prices, heavy stocks in England, and severe competition from Florida Sea Island cotton. Conditions in the coconut and copra market have been most unsatisfactory with world demand at a low ebb. Exports from Trinidad were less than half as large as in 1937. Jamaican exports increased slightly.

The petroleum industry in Trinidad showed continued expansion in exploration, development and production with exports well above the record established in 1937. Heavy rains in British Guiana during the first eight months of 1938 handicapped gold and diamond mining operations with the result that exports were only slightly above those of the preceding year. The bauxite industry, on the other hand, continued to expand, with shipments exceeding the 1937 record by 37 per cent.

The general level of business in the French West Indies was well maintained during the year and the value of exports increased, reflecting a strong demand for sugar and bananas and a controlled price for rum. The output of sugar in both islands was above their established quotas but the shortage in the French sugar beet crop enabled colonial producers to dispose of their surplus at profitable prices. The French market for bananas was good although exports did not show the anticipated increase. Banana plantations in Guadeloupe were adversely affected by high winds in June and the inroads of a banana disease which appeared during the year. Both islands have instituted governmental inspection of banana exports in order to control the quality and maturity of the fruit shipped. Minor crops in Guadeloupe—vanilla, coffee and cocoa—were smaller than in the previous year; canned pineapple shipments from Martinique were almost double those in 1937.

Cuban business during 1938 did not maintain the upward trend of the preceding four years and the decline was reflected in all business indexes. The principal factors were the downward trend in sugar prices on both the United States and world markets, and weather conditions not altogether favourable to growing crops. Total exports were approximately 20 per cent below those of 1937. Negotiations are under way for a trade agreement with the United States to supplement the present arrangement, particularly with regard to possible concessions on United States imports of Cuban sugar and tobacco. The 1938 sugar crop totalled 2,975,683 Spanish tons compared with 2,970,000 in the preceding year. Cuban quotas for both the United States and world markets were reduced so stocks in the island are considerably higher than they were a year ago. The United States quota for 1939 shows little change insofar as Cuba is concerned, and the new crop will be officially limited to about 2,700,000 Spanish tons. The 1938 tobacco crop was slightly larger than that in the preceding year but market conditions were not satisfactory, particularly in the later months. Buyers in the United States are reported to be delaying purchases in anticipation of further tariff reduction in the proposed supplementary trade agreement. Remunerative prices were received for the 70 per cent of the coffee crop allocated to the home market but low prices for the export quota of 30 per cent partially offset this advantage. The new crop is reported to be of average size and will be under the control of the Coffee Institute on the same

basis as in 1938. Demand and prices for cattle were steady although jerked beef factories did not operate at full capacity. Grazing conditions were affected by the long drought but at no time were supplies of suitable animals deficient.

Puerto Rican conditions continue to be dominated by the policies of the United States Government. Since March 4, 1933, Puerto Rico has received a total of \$119,500,000, mainly in the form of relief funds, and benefit payments under the Agricultural Adjustment Act. Two of the principal crops, sugar and tobacco, are controlled under the Sugar and Agricultural Adjustment Acts, and the Fair Labour Standards Act, which became effective on October 24th, has adversely affected employment in practically all industries. Modification and clarification of the Act, insofar as it affects Puerto Rico, is anticipated at the present session of the United States Congress. Construction during the year has been mainly on public works but an increase in private building is anticipated in 1939. The Puerto Rico Housing Authority has been established with an initial appropriation of \$10,000,000. Weather conditions were favourable for the 1938 sugar crop, the total output reaching 1,065,364 short tons; the final quota for shipments to the United States was 815,582 tons and stocks in the island increased. Production during the 1939 season is to be restricted to estimated requirements of 880,000 short tons. Tobacco output was larger than the short crop of 1937 and small stocks remained unsold at the end of the year. It is anticipated that acreage for the 1939 crop will be below the allotment under the A. A. A., and output only one-third as large as in 1938. The Insular Commissioner of Agriculture has been empowered to establish coffee quotas for local consumption and to fix minimum prices. A quota of 65 per cent of the crop has been set up for 1939 with a minimum price of 20c. to the grower, the remaining 35 per cent to be available for export at world prices.

Low prices for the principal agricultural products reduced the value of exports from the Dominican Republic in spite of the maintenance of the volume of shipments. At the election in May, Dr. Jacinto B. Peynado and Dr. Manuel de Jesus Francoso de la Concha were elected President and Vice-President respectively, without opposition. New subsidiary silver and copper coins were placed in circulation during the year. Drought adversely affected the sugar crop and exports were reduced; the coming crop, however, is expected to be equal to all requirements. Exports of cocoa were substantially higher but low prices reduced the value, while coffee exports fell off in both volume and value. The tobacco situation has shown some improvement. Rice production increased 25 per cent as compared with 1937. In order to assist the local industry, a system of import control has been established, quotas to be fixed monthly.

Haitian foreign trade in the fiscal year 1937/38 was the smallest reported in over twenty years. Export and import values have each been less in certain years but in no other year during the period have reduced values for both imports and exports coincided to bring total foreign trade to such a low level. The reduced volume affected all other activities and governmental revenues fell off seriously. In order to curtail expenditures, an agreement was concluded with the United States postponing the payment of amortization on the Republic's foreign debt. This agreement has been extended to cover the present fiscal year but since the Haitian government was well ahead of schedule in its payments, it does not involve any extension in the maturity of the loan beyond 1952. Coffee exports increased slightly in volume but declined by 26 per cent in value. The marketing outlook for the new crop was improved by the renewal of the commercial agreement with France which gives Haiti an annual quota of 12,000 metric tons. The record of other exports is generally similar to that of coffee, a slight increase in volume and a serious decline in

value. A contract was concluded last July for the construction of extensive public works to a value of approximately \$5,000,000; the necessary financing was arranged through the United States Export-Import Bank.

SOUTH AMERICA

The improvement in economic conditions in South America reported in 1937 was not maintained during 1938, the unfavourable trend being general. Wholesale and retail trade, collections, bank clearings, railway receipts and government finances were all affected. Export shipments declined as a result of the poor demand and low prices prevailing for the foodstuffs and raw materials produced in these countries. Imports did not fall off so rapidly and some difficulty in securing exchange in adequate amounts was reported. Agricultural crops were somewhat smaller in most countries as weather conditions were unfavourable. On the other hand, petroleum production and industrial operations were generally maintained on a comparatively satisfactory basis.

The decline in the value of South American exports was general. In Argentina the partial failure of the 1937/38 wheat and maize crops was largely responsible for a decline of 50 per cent in the volume of exports. Values declined by 41 per cent—from 2,165,741,915 pesos for the first eleven months of 1937 to 1,271,154,444 pesos for the corresponding period in 1938. Coffee shipments from Brazil and Colombia established new records for volume and did much to sustain the position of these countries, but low prices reduced values so that no corresponding advantage was secured. Practically no change was reported in the total value of Brazilian exports and the decline in Colombia was relatively small. The markets for cotton and wool were depressed throughout the year, adversely affecting the position of countries exporting these commodities, such as Peru and Uruguay. Venezuela benefited from the continued strong demand for petroleum. Imports did not decline nearly as drastically as exports with the result that the principle of bilateral or barter trade, imports from a given country being governed by that country's purchases, was extended through commercial and trade agreements concluded during the year.

The commercial treaty of 1866 between Colombia and Great Britain was denounced by the Colombian Government on March 1, 1938, the denunciation to become effective under the provisions of the treaty one year from that date. The trade balance has been preponderantly in favour of Great Britain for many years. This treaty also applied to Canada and most-favoured-nation treatment was accorded thereunder. So far as trade between Canada and Colombia is concerned, Canada has been a larger importer than exporter, being a heavy buyer of Colombian crude petroleum and the third largest importer of Colombian coffee, following the United States and Germany. Negotiations are under way for the conclusion of a new trade arrangement. Treaties with Italy and Peru were concluded by Colombia during the year and the agreement with Germany was renewed for two years from December 1, 1938, subject to modifications eliminating quotas, trade to be governed by strict compensation without limitation as to classes of merchandise.

The trade agreement between Argentina and Italy was renewed with fixed quotas for a wide range of Argentine products to a total value of approximately 460,000,000 lire. The treaty with Germany concluded in 1934 was extended to cover the years 1938 and 1939 with additional concessions regarding the duties applied by Germany on Argentine grapes and onions. The most-favoured-nation agreement of 1892 with France was supplemented by concessions by France covering maize, wheat, linseed, apples and pears, frozen and chilled beef, frozen mutton and canned meats. In return, Argentina granted import duty reductions averaging 13 per

cent on certain specified French alcoholic beverages. The transfer of funds is also to be facilitated. The agreement is to remain in force for two years from the date ratifications are exchanged and to continue thereafter for successive periods of one year, subject to termination by either country three months after denunciation.

A joint committee was appointed early in the year to study the operations of the reciprocal trade agreement between Brazil and the United States of America. A commercial treaty was also concluded by Brazil with Bolivia for the construction of a railway linking the two countries and the export of Bolivian petroleum through the Port of Santos. The new railway line is expected to open new markets for Brazilian manufactures. Trade arrangements of varying nature were concluded by Uruguay during the year with Peru, Bolivia, the Belgian-Luxemburg Union, Spain, Poland and Canada. The agreement with Germany which expired on December 1, was denounced by the Uruguayan Government and negotiations looking to a new arrangement are under way.

The exchange situation in many countries became more difficult as the year progressed and control was more strictly enforced. Some delay was reported in securing exchange in adequate amounts to meet all requirements and various changes in existing regulations were introduced. In Brazil, all transactions were transferred to the control of the Bank of Brazil. The Argentine Government recently appointed a committee to adjust and coordinate existing regulations with a view to greater simplicity and efficiency. In Uruguay, the Honorary Exchange and Import Control Commission was dissolved and the official control of international trade and exchange reorganized by merging the office controlling exports with that controlling imports, as at August 1, the new organization to function as a section of the Bank of the Republic under the supervision of an honorary commission composed of representatives of the government, the bank and chambers of commerce and industry. The new Board has control of the value and destination of all exports, arranges government purchases in accordance with available exchange and for a more satisfactory allocation of quotas. The requirement that all pending applications for import permits be renewed and ratified by the new Board caused some delay but the unified system of control should eventually simplify operations materially. The situation in Venezuela was much more satisfactory, a surplus being available with which the Government purchased gold, which was left in the United States earmarked for its account. It is reported that the total value of exchange transactions in Venezuela was \$95,000,000 in 1938 against \$59,000,000 in 1937.

As a result of the drastic change in the economic situation compared with the buoyant conditions prevailing in 1937, fiscal policies were subject to strict revision, budget expenditures being reduced as much as possible so that declining revenues should not be exceeded and the position of balanced budgets preserved. Public debt conversion operations which had been quite general in 1937 were largely suspended and few new proposals submitted. The Uruguayan Ministry of Finance, however, concluded an agreement with the British Council of Foreign Bondholders whereby the rate of interest on the Government 5 per cent loans of 1896, 1909 and 1914, and the Municipal 5 per cent loan of 1888, was officially reduced to 3½ per cent, the basis on which payments have actually been made since 1933. City of Montevideo 6 and 7 per cent external loans issued in New York in 1922 and 1926 were exchanged for bonds of the National External debt, the new bonds bearing interest at rates ranging from 3¾ to 4-5/16 per cent.

Public works operations were largely restricted to projects already under way or for which appropriations had been made. Considerable progress, however, was achieved, particularly in

connection with the highway programmes in Colombia and Peru. The Callao graving dock was completed and work commenced on the new Peruvian port of Matarini.

Lower world prices for many basic products and unfavourable weather conditions adversely affected the agricultural situation. Industrial and mining operations, however, continued on a relatively satisfactory basis. The output of crude petroleum in Venezuela during 1938 was 187,369,893 barrels, a moderate increase over the corresponding figure for 1937—184,319,226 barrels,—which had also constituted a new high. In Colombia, production to November 30, 1938 aggregated 19,425,000 barrels against 18,472,890 at the same date in 1937 and 20,297,846 barrels for the year. Production in Peru declined slightly, the total reported for the first eleven months being 14,571,750 barrels in 1938 as compared with 15,905,200 in 1937.

The final estimate of the 1937/38 Argentine wheat crop was 184,801,000 bushels, as compared with 249,193,000 in 1936/37 and an average production of 232,000,000 bushels for the five years ended with the 1936/37 crop. The maize crop was placed at 174,163,000 bushels, the smallest reported since 1917/18 when 170,660,000 bushels were harvested. This compares with 359,615,000 bushels in 1936/37 and a five-year average of 334,328,000 bushels. The areas sown to wheat and other grains for the 1938/39 crops were increased, the wheat acreage being the largest since 1930. A decline in linseed sowings was reported. Crops made good progress; the weather was favourable for harvesting but exceedingly dry for the maize crop which is seriously in need of rain. The first official estimate places the wheat crop at 316,000,000 bushels, the highest total reported since 1928. The production of other grains was also satisfactory. The linseed yield was somewhat below the five-year average of 68,000,000 bushels, the total outturn being estimated at 64,000,000 bushels. This compares with 61,000,000 bushels in 1937/38. The President was authorized by Congress to fix minimum prices for wheat, maize and linseed in order to protect domestic producers; on November 15th a decree was issued, setting the minimum price for wheat at seven pesos per 100 kilos (the equivalent of 59½c. U. S. per bushel) and for linseed at thirteen pesos per 100 kilos. The livestock and allied industries had a fair year. Cattle and swine slaughtering at the frigorificos were somewhat smaller than in 1937 but an increase was reported for sheep. Meat exports were well maintained; the total for the first ten months of 1938 comprised 583,538 tons valued at 290,131,459 pesos as compared with 583,988 tons and 280,220,192 pesos in the corresponding period of 1937. Wool exports showed some improvement in volume at 131,215 tons against 106,452 in 1937, but low prices prevailed, total values declining from 159,776,000 to

133,950,000 pesos. The new clip shows a wide variation in quality but markets are more active than during the 1937/38 season.

The 1938/39 coffee crop in Brazil was officially estimated at 21,873,000 bags, continued damage from pests reducing yields. The 1937/38 crop amounted to 25,614,000 bags. Stabilization quotas were set at 30 per cent for ordinary coffees and 15 per cent for high grade coffee. Exports of coffee from Brazil during 1938 constituted a new record at 17,638,000 bags, an increase of 5,173,000 bags or 41½ per cent over the total reported in 1937. The severe drop in world prices, which practically coincided with Brazil's reduction in export taxes, offset to some extent the advantages resulting from the new policy but the substantial gain in the value of exports was noteworthy. Destruction of surplus supplies continued throughout the year although latterly the amount was restricted in view of reports of crop damage and reduced supplies for the 1938/39 season. Mild coffees were also in good demand. Colombian exports during 1938 amounted to 4,263,049 bags, constituting a new record. The 1938 total was approximately 5 per cent greater than the previous high of 4,059,652 bags established in 1937. The new crop is expected to be satisfactory in both volume and quality although delayed by the heavy rains. The Venezuelan crop in 1938 was small, being estimated at 60 per cent of the previous year's output of 1,000,000 bags. Exports during the first eight months of 1938 were 598,576 bags, compared with 693,615 bags in the same months of 1937. The 1939 crop ripened early and suffered serious damage from the rains; it is estimated that the total available for export may not exceed 425,000 bags.

Political conditions in South America were generally stable during the greater part of 1938. In Uruguay, presidential and general elections were held in March, General Alfredo Baldomin being elected as President. Reform of the Uruguayan Constitution has been undertaken, the proposals providing that the Senate should be elected on the basis of proportional representation, that a new Electoral College should be created and that a Constituent Assembly of 150 members be elected to frame a new Constitution for the Republic. The Colombian poll in May resulted in the election of Dr. Eduardo Santos as President and his administration assumed office in August. The Peruvian Government has authorized the taking of a general census of the Republic, probably in 1939; the last enumeration on a national basis was made in 1876. The Eighth International Conference of American States was held at Lima in December, all twenty-one Republics being represented. The discussions reflected the determination of these nations for the preservation of peace and the pursuit of economic stability and progress through good-will and mutual co-operation.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

HEAD OFFICE: - - MONTREAL

PRESIDENT AND MANAGING DIRECTOR—MORRIS W. WILSON

GENERAL MANAGER—SYDNEY G. DOBSON

ASSISTANT GENERAL MANAGERS:

S. R. NOBLE, G. W. MACKIMMIE, C. C. PINEO, B. L. MITCHELL, J. MUIR, H. G. HESLER

SUPERVISOR OF BANKING ARRANGEMENTS—J. L. LAWSON

ONTARIO

Toronto, Ont. ASSISTANT GENERAL MANAGER AND SUPERVISOR: B. L. MITCHELL

NOVA SCOTIA & PR. ED. ISL.

Halifax, N.S. SUPERVISOR: C. E. MACKENZIE

MANITOBA

Winnipeg, Man. SUPERVISOR: S. L. CORK

SASKATCHEWAN

Regina, Sask. SUPERVISOR: W. G. YULE

ALBERTA

Calgary, Alta. SUPERVISOR: A. T. LOWE

BRITISH COLUMBIA

Vancouver, B.C. SUPERVISOR: B. O. MOXON

QUEBEC, N.B. & EASTERN ONT.

Montreal, Que. SUPERVISOR: T. H. ATKINSON

CUBA

Havana, Cuba. SUPERVISOR: J. R. STEWART

BRITISH AND FRENCH WEST INDIES

Port of Spain, Trinidad. SUPERVISOR: F. C. HARDING

COLOMBIA

Bogota, Colombia. SUPERVISOR: T. F. DEVER

BRANCHES IN ALBERTA

ALIX.....	W. D. Clarke.....	<i>Mgr.</i>	CONSORT.....	A. P. Henry.....	<i>Mgr.</i>	LACOMBE.....	C. D. Marble.....	<i>Mgr.</i>
BARONS.....	J. W. Doran.....	"	DIDSBURY.....	F. Dunlop.....	"	LETHBRIDGE.....	C. MacMillan.....	"
BASHAW.....	J. A. Hale.....	"	DRUMHELLER.....	D. E. R. Ewer.....	"	MEDICINE HAT.....	E. I. Vickers.....	"
BASSANO.....	H. W. Harper.....	"	EDMONTON.....	W. A. Allingham.....	"	MORINVILLE.....	B. L. Robinson.....	"
BEISEKER.....	A. Reid.....	"		J. L. Adam.....	<i>Asst.</i>	OKOTOKS.....	C. G. M. McBey.....	"
BELLEVUE.....	W. Innes.....	"	JASPER AVE. WEST.....	S. A. Maddocks.....	"	PINCHER CREEK.....	A. E. Ryan.....	"
BIG VALLEY.....	J. R. Clark.....	"	FAIRVIEW.....	D. Mackie.....	"	RED DEER.....	S. F. D. Roe.....	"
BLACKIE.....	F. E. Murray.....	"	FOREMOST.....	L. Crawshaw.....	"	SEXSMITH.....	S. W. Smith.....	"
BLAIRMORE.....	J. B. Wilson.....	"	FORT McMURRAY.....	C. A. Thorp.....	"	SOUTH EDMONTON.....	F. N. Lett.....	"
BROOKS.....	D. Macadam.....	"	FORT SASKATCHEWAN.....	A. B. King.....	"	SPIRIT RIVER.....	N. J. Morris.....	"
CALGARY.....	E. McLean.....	"	GRANDE PRAIRIE.....	J. H. Hunter.....	"	STANDARD.....	R. C. Hugh.....	"
	J. L. Shelton.....	<i>Asst.</i>	HALKIRK.....	P. C. Haymes.....	"	STETTLER.....	A. E. Morrison.....	"
3RD STREET WEST.....	A. B. McLellan.....	"	HANNA.....	G. C. Siddall.....	"	STRATHMORE.....	C. F. Nicholl.....	"
CAMROSE.....	R. Capstick.....	"	HIGH RIVER.....	C. H. Crooks.....	"	THREE HILLS.....	D. Hutcheson.....	"
CARDSTON.....	J. Dewar.....	"	HOLDEN.....	W. J. Fleming.....	"	TURNER VALLEY.....	L. F. Maggs.....	"
COCHRANE.....	A. H. O'Keefe.....	"	INNISFAIL.....	H. P. Filleul.....	"			

SUB-BRANCHES

Sub. to Open for business
HILLCREST..... Bellevue.... Tues. & Sat.

BRANCHES IN BRITISH COLUMBIA

ABBOTSFORD.....	L. Caldecott.....	<i>Mgr.</i>	KELOWNA.....	F. J. Willis.....	<i>Mgr.</i>	NORTH VANCOUVER.....	H. L. Fraser.....	<i>Mgr.</i>
BURNS LAKE.....	R. Commons.....	"	LADNER.....	A. Flaten.....	"	PENTICTON.....	W. Heberton.....	"
CHILLIWACK.....	G. Curwen.....	"	LANGLEY PRAIRIE.....	W. R. Shanks.....	"	PORT ALBERNI.....	G. W. Bett.....	"
COURTENAY.....	H. R. Dove.....	"	MCKAY.....	D. P. Lockhart.....	"	PORT MOODY.....	G. L. Harrison.....	"
CRANBROOK.....	J. M. Windsor.....	"	NANAIMO.....	F. A. McCarthy.....	"	PRINCE GEORGE.....	F. C. Smith.....	"
CUMBERLAND.....	C. Reid.....	"	NELSON.....	A. Baird.....	"	PRINCE RUPERT.....	F. T. E. Robertson.....	"
GRAND FORKS.....	J. Grisdale.....	"	NEW WESTMINSTER.....	W. J. McFadyen.....	"	QUESNEL.....	D. B. Maclean.....	"
KAMLOOPS.....	C. R. McLeod.....	"				SMITHERS.....	A. N. Dando.....	"

BRANCHES IN BRITISH COLUMBIA—Continued

STEVESTON.....K. C. York..... <i>Mgr.</i> VANCOUVER.....{ F. T. Palfrey....." { F. A. R. James. <i>Asst.</i> " CAMBIE & BROADWAY...O. Moon....." CORDOVA ST.....A. F. S. Tatum....." DAVIE ST.....W. B. Boucher....." DUNBAR & 17TH AVE..H. A. Stace....." EAST END.....H. F. Montgomery....." FAIRVIEW.....H. C. Hopgood....."	VANCOUVER—Continued. GEORGIA & DENMAN...J. K. H. Currie... <i>Mgr.</i> GRANDVIEW.....J. W. Logan....." HASTINGS & HOMER...H. C. Samis....." HASTINGS ST. & NANAIMO RD.....G. F. Marsh....." KINGSWAY.....J. Howat....." MARPOLE.....A. D. McLeod....." MT. PLEASANT.....A. L. Putnam....."	VANCOUVER—Continued. ROBSON ST.....R. Egan..... <i>Mgr.</i> 25TH AVENUE.....P. E. Bradley....." VERNON.....W. S. Strachan....." VICTORIA.....G. H. Stevens....." DOUGLAS ST.....A. J. Ross....." FORT ST.....A. Watson....." VICTORIA WEST.....R. H. Mawhinney....." WELLS.....J. O. Lennie....." WEST VANCOUVER.....H. Ostrom....."
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SUB-BRANCHES

Sub. to	Open for business	Sub. to	Open for business
BRITANNIA BEACH.....	Vancouver, 9th, to 13th— 24th to 27th inclusive.	UNION BAY.....	Courtenay Tues. & Friday

BRANCHES IN MANITOBA

BALDUR.....F. H. Bridge..... <i>Mgr.</i> BEAUSEJOUR.....W. Craik....." BINSARTH.....G. Drew....." BIRTLE.....A. W. Seccombe....." BOISSEVAIN.....A. T. Kenward....." BRANDON.....A. J. Courtney....." CARMAN.....G. T. Sewell....." CLANWILLIAM.....T. B. Weekes....." CRYSTAL CITY.....A. P. Thomson....." DELORAINE.....H. A. Lawson....." FLIN FLON.....G. O. Bergman....." GLENBORO.....W. H. Nevill....." HAMIOTA.....C. G. Webb....." LAC DU BONNET.....A. Griffin....." LANGRUTH.....T. M. Willet....." MANITOU.....C. P. Old....." MCCREARY.....T. E. Squire....." MEIITA.....G. E. W. N. Branston....." MINIOTA.....J. C. Vradenburgh....."	MINNEDOSA.....G. A. Holtby..... <i>Mgr.</i> MINTO.....W. L. Leppert....." MORDEN.....M. W. Gordon....." NEWDALE.....W. M. Crosbie....." NINGA.....M. Andrew....." PIERSON.....F. Brown....." PINE FALLS.....E. Dixon....." RAPID CITY.....J. W. Fowlie....." ROBLIN.....R. Halliday....." ROLAND.....J. W. McLaughlin....." RUSSELL.....D. R. McDougald....." ST. BONIFACE.....W. English....." UNION STOCK YARDS...S. C. H. Pilling....." STE. ROSE DU LAC...D. Bourgeois....." SHOAL LAKE.....D. F. Rankine....." SOMERSET.....J. E. Besette....." SOURIS.....W. R. Bell....." STEINBACH.....M. Kissuk....." THE PAS.....C. C. King....." WASKADA.....E. Sinclair....." WAWANESA.....J. D. Harrower....."	WHITEMOUTH.....E. F. Shewfelt..... <i>Mgr.</i> WINNIPEG.....{ E. B. Durham....." { B. Strath..... <i>Asst.</i> " CARLTON & PORTAGE..G. K. Stone....." GRAIN EXCHANGE...S. E. Rae....." MAIN & LOGAN.....G. N. Walker....." MAIN & MOUNTAIN...L. P. P. E. Grondines MAIN & SELKIRK...A. E. Ivey....." OSBORNE & CORYDON..J. H. Stafford....." PORTAGE AVE.....M. A. O'Hara....." PORTAGE & ARLINGTON..F. K. Wilson....." PORTAGE & GOOD.....J. H. Fraser....." ST. JAMES.....R. E. Emmett....." SARGENT & SHERBROOK.....N. R. Nagle....." SELKIRK & SALTER...B. R. Kark....." SHERBROOK & PORTAGE.....A. J. Wilson....." WEST KILDONAN...S. B. O'Connell....." WILLIAM & SHERBROOK.....A. J. Wishart....."
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BRANCHES IN NEW BRUNSWICK

BATHURST.....F. H. Eaton..... <i>Mgr.</i> BUCTOUCHE.....P. Lelievre....." CAMPBELLTON.....A. J. Smith....." CANTERBURY.....A. H. Morell....." DALHOUSIE.....W. R. Fillmore....." DORCHESTER.....J. C. G. Cook....." EDMUNDSTON.....T. J. Scott....." FREDERICTON.....H. R. Delany....."	FREDERICTON JUNCTION..E. I. Snell..... <i>Mgr.</i> GRAND FALLS.....A. C. Hutchison....." HARVEY STATION.....L. J. Gay....." MONCTON.....S. J. Macleod....." NEWCASTLE.....C. S. Macdonald....." PLASTER ROCK.....O. V. Stevenson....." REXTON.....I. N. McLean....."	RICHBUCTO.....H. F. Henderson... <i>Mgr.</i> SACKVILLE.....K. Mackenzie....." SAINT JOHN.....G. W. Bellevue....." NORTH END.....H. E. Girvan....." ST. STEPHEN.....R. H. Frazee....." SUSSEX.....W. S. Hay....." WOODSTOCK.....C. M. V. Spence...
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BRANCHES IN NOVA SCOTIA

AMHERST.....W. R. Cruikshank.. <i>Mgr.</i> ANNAPOLIS ROYAL...W. C. Delany....." ANTIGONISH.....C. A. Lloyd....." ARCHAT.....R. J. O'Leary....." BADDECK.....H. L. Hall....." BARRINGTON PASSAGE..C. A. DeWolf....." BEAR RIVER.....C. V. Snow....." BERWICK.....K. A. Clarke....." BRIDGETOWN.....G. O. Long....." BRIDGEWATER.....J. W. Douglas....." CHETICAMP.....R. O. Boucher....."	CHURCH POINT.....E. F. LeBlanc..... <i>Mgr.</i> CLARKE'S HARBOUR...E. G. Longley....." DARTMOUTH.....D. S. Crosby....." DIGBY.....R. B. Murray....." GLACE BAY.....I. C. McLeod....." GREAT VILLAGE.....E. U. Hirtle....." GUYSBORO.....R. G. Hughes....." HALIFAX.....{ A. F. McAlpine....." { A. T. Hillary.. <i>Asst.</i> " ALMON & AGRICOLA..L. G. Fraser....." GOTTINGEN ST.....S. E. Kyte....."	HALIFAX—Continued. MORRIS & BARRINGTON..F. W. Schaefer... <i>Mgr.</i> QUINPOOL & OXFORD..G. V. Guy....." SPRING GARDEN ROAD..G. E. Mahon....." INVERNESS.....J. A. MacKenna....." KENTVILLE.....R. Fash....." LA HAVE.....G. J. G. Sinclair....." LAWRENCETOWN.....P. C. R. Harris....." LIVERPOOL.....R. H. Lockward....." LOCKEPORT.....G. L. Capstick....." LOUISBURG.....E. J. Reyno....."
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BRANCHES IN NOVA SCOTIA—Continued

LUNENBURG.....	R. St. C. Hopgood.. <i>Mgr.</i>	PARRSBORO.....	C. L. Godfrey..... <i>Mgr.</i>	SYDNEY—Continued.
MABOU.....	E. A. Cosman..... “	PICTOU.....	E. H. Page..... “	WHITNEY PIER.....
MAITLAND (Hants Co.)..	J. E. Palfrey..... “	PORT HAWKESBURY.....	G. K. Hammett..... “	SYDNEY MINES.....
METEGHAN RIVER.....	L. A. Pothier..... “	PORT HOOD.....	A. M. Roy..... “	TRURO.....
MIDDLE MUSQUODOBOIT..	R. A. Douglas..... “	ST. PETER'S.....	A. D. Pynn... <i>Rel.</i>	WATERVILLE.....
MIDDLETON.....	J. H. McDaniel..... “	SHERBROOKE.....	T. R. Hanington..... “	WESTVILLE.....
MULGRAVE.....	H. G. Macdonald.. “	SHUBENACADIE.....	G. D. MacMichael.. “	WEYMOUTH.....
NEW GERMANY.....	W. G. Kenney..... “	SPRINGHILL.....	R. W. Wright..... “	WHYCOOMAGH.....
NEW GLASGOW.....	R. H. Pethick..... “	STEWIACKE.....	L. W. Dickie..... “	WINDSOR.....
NEW WATERFORD.....	W. K. Bagley..... “	SYDNEY.....	E. G. MacMinn... “	WOLFVILLE.....
NORTH SYDNEY.....	G. F. MacNeill..... “	GEORGE & TOWNSEND..	L. J. McCarthy..... “	YARMOUTH.....

BRANCHES IN ONTARIO

ALEXANDRIA.....	J. P. Mullett..... <i>Mgr.</i>	GRAND VALLEY.....	G. H. Hardy..... <i>Mgr.</i>	NIAGARA FALLS.....	C. A. R. Warren... <i>Mgr.</i>
APPIN.....	A. N. McLean..... “	GRIMSBY.....	W. G. Dulmage..... “	VICTORIA & SIMCOE...	T. Smith..... “
ARNPRIOR.....	W. E. Moore..... “	GUELPH.....	A. S. Wilkinson..... “	NIAGARA FALLS CENTRE..	L. A. Murray..... “
ARTHUR.....	G. G. Connell..... “	HAGERSVILLE.....	M. C. Wigle..... “	NIPIGON.....	G. J. Bailey..... “
AYLMER.....	G. R. Martin..... “	HAILEYBURY.....	C. Ayearst..... “	NORTH BAY.....	D. H. Morison..... “
AYTON.....	L. G. Poole..... “	HAMILTON.....	{ H. S. Y. Thurstans. “	NORTH GOWER.....	H. O. Balkwill..... “
BALA.....	L. Porter..... “		{ L. W. Lyons... <i>Assf.</i> “	NORWOOD.....	D. B. Cutcliffe..... “
BARRIE.....	R. F. Grant..... “	BARTON & OTTAWA...	L. G. Irons..... “	ODESSA.....	W. S. Holmes..... “
BATH.....	G. W. Cuppage..... “	“ & WENTWORTH H. A.	Channell..... “	ORANGEVILLE.....	H. Lawrence..... “
BEETON.....	W. A. S. Murduff.. “	LOCKE & MAIN.....	I. D. Eastman..... “	ORILLIA.....	G. C. Temple..... “
BELLEVILLE.....	I. G. Hefkey..... “	MAIN & SHERMAN.....	G. M. Beley..... “	OSGOODE STATION.....	J. C. Morphy..... “
BLIND RIVER.....	D. B. Currie..... “	MARKET BRANCH.....	J. H. Perrin..... “	OSHAWA.....	A. A. Hutchison... “
BRACEBRIDGE.....	G. S. Robinson..... “	MOUNT HAMILTON.....	V. P. Hepler..... “	OTTAWA.....	{ D. T. Youngson <i>Assf.</i> “
BRAMPTON.....	C. E. Fairley..... “	TERMINAL BRANCH.....	J. R. Weekes..... “	BANK & SOMERSET.....	H. J. Wilson..... “
BRANTFORD.....	F. C. Kennedy..... “	HANOVER.....	H. L. Reinhardt... “	BANK & SPARKS.....	G. A. Campbell... “
BROCKVILLE.....	L. H. Leach..... “	HARRISTON.....	G. Murison..... “	GLEBE BRANCH.....	G. R. D. Watson... “
BRUCE MINES.....	C. S. Campbell..... “	HASTINGS.....	J. V. Findly..... “	HINTONBURGH.....	J. M. Jackson..... “
BURFORD.....	R. S. Patterson... “	HEPWORTH.....	R. E. Green..... “	MARKET BRANCH.....	J. B. Prendergast.. “
BURK'S FALLS.....	H. D. Hilton..... “	HILLSBURG.....	C. E. Hilton..... “	SOMERSET & BOOTH...	W. S. Seeber..... “
BURLINGTON.....	E. D. Lucas..... “	HUNTSVILLE.....	S. H. Gregg..... “	OTTERVILLE.....	V. D. Olliver..... “
CARGILL.....	E. A. Dreak..... “	INGERSOLL.....	R. W. Green..... “	OWEN SOUND.....	C. E. Brien..... “
CARLETON PLACE.....	W. S. McCauley... “	IROQUOIS FALLS.....	A. J. Kelly..... “	PAISLEY.....	T. R. McLennan... “
CHAPLEAU.....	A. A. Kinahan..... “	ISLINGTON.....	W. T. Hodgson... “	PAKENHAM.....	R. A. Sutcliffe..... “
CHATHAM.....	W. E. Hanley..... “	KEEWATIN.....	A. Black..... “	PEMBROKE.....	R. L. McCormick... “
CHIPPAWA.....	A. R. MacDonald... “	KEMPTVILLE.....	A. C. Thomson... “	PERTH.....	E. M. Doull..... “
CLIFFORD.....	J. O. Spence..... “	KENORA.....	H. H. Tate..... “	PETERBOROUGH.....	H. C. Sootheran... “
CLINTON.....	E. E. Paterson... “	KINBURN.....	H. L. Blanchard... “	PLANTAGENET.....	E. Desormeaux. <i>Rel.</i> “
COMBER.....	A. B. O'Connor... “	KINCARDINE.....	B. D. Henry..... “	PORT ARTHUR.....	A. J. Sheard..... “
COOKSTOWN.....	G. T. Gregory..... “	KINGSTON.....	H. R. Tyner..... “	PORT CREDIT.....	I. N. Tompkins... “
COOKSVILLE.....	W. M. Leonard... “	KINGSVILLE.....	J. V. Eagan..... “	PORT DOVER.....	T. McMillan..... “
CORNWALL.....	J. H. Hunt..... “	KIRKLAND LAKE.....	G. A. Goddard... “	PORT HOPE.....	C. P. Freeman... “
CRYSLER.....	J. A. E. Besner... “	KITCHENER.....	J. R. Dier..... “	PORTLAND.....	T. E. Waddell... “
DRAYTON.....	W. N. Spearin... “	LAKEFIELD.....	J. McKerchar... “	PRESCOTT.....	D. C. Davidson... “
DRYDEN.....	A. McIntyre..... “	LAMBETH.....	C. A. Putnam... “	RENFREW.....	N. E. Zimmerman. “
DUNDAS.....	S. H. Neale..... “	LEAMINGTON.....	W. L. Barker... “	RIDGETOWN.....	C. R. Davis..... “
DUNNVILLE.....	W. M. George..... “	LION'S HEAD.....	H. Youngs..... “	RIPLEY.....	J. Willocks..... “
DURHAM.....	C. W. Zilliax..... “	LONDON.....	{ C. W. Morris... “	ROCKWOOD.....	J. H. Gibb..... “
DUTTON.....	C. A. Wright..... “		{ M. O. Knudsen <i>Assf.</i> “	RODNEY.....	J. M. Graham..... “
ELMIRA.....	J. A. Rowland... “	LONDON EAST.....	W. J. Kelley... “	ROSENEATH.....	J. Hallett..... “
ELMWOOD.....	R. H. Buckingham. “	LYNDEN.....	I. C. McClean... “	ST. CATHARINES.....	A. G. Mackenzie... “
ELORA.....	R. H. Balfour... “	MALLORYTOWN.....	A. H. T. Votier... “	ST. MARY'S.....	D. B. C. Clarkson.. “
EMBRO.....	W. L. Simpson... “	MANOTICK.....	E. S. Theaker... “	ST. THOMAS.....	J. A. Elliott..... “
EMBRUN.....	J. A. Cloutier... “	MASSEY.....	W. L. Fleming... “	EAST END.....	J. D. Henderson... “
ENGLEHART.....	J. W. B. Brandreth. “	MELBOURNE.....	H. L. Loughleen.. “	SARNIA.....	H. T. Ross, <i>Jr.</i> “
ERIN.....	W. A. L. Burchill.. “	MERRICKVILLE.....	W. E. Soule..... “	SAULT STE. MARIE.....	C. B. Young..... “
ESPANOLA.....	J. F. Freure..... “	METCALFE.....	R. K. Runnels... “	QUEEN & BRUCE.....	R. J. Leach..... “
ESSEX.....	W. J. Blankstein.. “	MIDLAND.....	L. T. Brandon... “	STEELETON BRANCH...	C. A. Reid..... “
FENWICK.....	G. D. Hannah..... “	MOUNT BRYDGES.....	J. W. Flett..... “	SCHOMBERG.....	D. C. V. Morrison.. “
FERGUS.....	P. H. Fisher..... “	MOUNT FOREST.....	H. J. Small..... “	SCOTLAND.....	J. C. Moore..... “
FORT ERIE NORTH.....	S. A. McKenzie... “	NAPANEE.....	W. J. Wiggins... “	SHELBURNE.....	B. M. Butchart... “
FORT WILLIAM.....	H. H. Richards... “	NAVAN.....	F. H. Nelson..... “	SIMCOE.....	H. B. Sutherland.. “
GALT.....	A. S. McKay..... “	NEWBORO.....	W. C. Weaver... “	SMITHS FALLS.....	H. W. W. Allan... “
GERALDTON.....	J. S. Hill..... “	NEW LISKEARD.....	J. W. Kearns... “	SMITHVILLE.....	C. F. Bartle..... “
GODERICH.....	A. E. Hockley... “				

BRANCHES IN QUEBEC—Continued

<p>MONTREAL—Continued</p> <p>SHERBROOKE & MONTCLAIR.....W. V. G. Neish... <i>Mgr.</i></p> <p>SHERBROOKE & ST. DENIS.....J. V. B. Saint-Cyr... “</p> <p>STANLEY ST..... { C. T. Medlar..... “ G. F. Johnston. <i>Asst.</i> “</p> <p>TRAMWAYS TERMINAL...K. F. Gilmour..... “</p> <p>MONTREAL EAST.....J. M. Bernuy..... “</p> <p>MONTREAL WEST.....W. T. Turner..... “</p> <p>MOUNT ROYAL.....A. J. B. Clutsam... “</p> <p>NORANDA.....G. Hendry..... “</p>	<p>OUTREMONT, VAN HORNE & OUTREMONT AVES...J. M. Carleton... <i>Mgr.</i></p> <p>QUEBEC..... { H. L. Austin..... “ J. W. Laliberte <i>Asst.</i> “</p> <p>LIMOULO.....J. L. M. Furois... “</p> <p>ST. JOHN ST.....L. E. Vinet..... “</p> <p>ST ROCH.....A. U. Matte..... “</p> <p>ST. SAUVEUR.....J. Lavallee..... “</p> <p>UPPER TOWN.....W. A. Connery... “</p> <p>RAWDON.....J. A. Cantin..... “</p> <p>ROCK ISLAND.....D. L. Dashney... “</p> <p>ST. GEORGE EAST.....J. E. Forget..... “</p>	<p>ST. HYACINTHE.....R. H. Boucher... <i>Mgr.</i></p> <p>ST. JOHNS.....L. J. Robichaud... “</p> <p>SHAWINIGAN FALLS.....W. R. Brown... “</p> <p>SHERBROOKE.....A. M. Ramsay... “</p> <p> UPPER TOWN.....N. L. Amirault... “</p> <p>THETFORD MINES.....J. A. McKendy... “</p> <p>THREE RIVERS.....D. A. Bisson... “</p> <p>VAL D'OR.....F. W. Phillips... “</p> <p>VERDUN, WELLINGTON & GALT.....H. W. Ferguson... “</p> <p>WESTMOUNT, GREENE AVE.....H. B. Wilson... “</p> <p>VICTORIA AVE.....W. J. Oram... “</p>
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SUB-BRANCHES

Sub. to Open for business FITCH BAY.....Rock Island...Thursday Winter months, every second Thursday	Sub. to Open for business LEEDS VILLAGE....Inverness....Wednesday
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BRANCHES IN SASKATCHEWAN

<p>ABBEY.....D. F. Duke..... <i>Mgr.</i></p> <p>ALSASK.....S. C. Hall..... “</p> <p>ANEROID.....H. S. Richardson... “</p> <p>ARCOLA.....L. E. Guilbault... “</p> <p>BALCARRES.....A. E. Sharp..... “</p> <p>BLADWORTH.....W. J. Laurie..... “</p> <p>BRUNO.....H. W. Clarke..... “</p> <p>CABRI.....C. C. Carter..... “</p> <p>CADILLAC.....I. E. Austman... “</p> <p>CARLYLE.....J. A. MacDiarmid... “</p> <p>CLIMAX.....C. W. Ketcheson... “</p> <p>CONQUEST.....R. Jardine..... “</p> <p>CRAIK.....E. B. Tatchell... “</p> <p>CUPAR.....S. G. Renouf..... “</p> <p>CUT KNIFE.....F. G. Griffiths... “</p> <p>DELISLE.....L. J. Walley..... “</p> <p>EATONIA.....O. F. Springer... “</p> <p>ELROSE.....W. H. Walker..... “</p> <p>ESTERHAZY.....R. A. Roberts... “</p> <p>EYEBROW.....S. S. Shaw..... “</p> <p>FILMORE.....J. Jack..... “</p> <p>FOAM LAKE.....A. Cumming..... “</p> <p>GOVAN.....A. W. Gunn..... “</p> <p>GULL LAKE.....J. Macdonald... “</p> <p>HANLEY.....J. A. Wilton..... “</p> <p>HARRIS.....E. H. Pringle... “</p>	<p>HUMBOLDT.....P. J. Thompson... <i>Mgr.</i></p> <p>IMPERIAL.....E. F. Dyer..... “</p> <p>INDIAN HEAD.....J. M. Milroy... “</p> <p>INVERMAY.....J. D. M. Street... “</p> <p>KERROBERT.....A. G. Baxter... “</p> <p>LANG.....E. E. Thompson... “</p> <p>LANIGAN.....R. E. Mundell... “</p> <p>LEASK.....W. Thompson... “</p> <p>LEMBERG.....F. Kennett... “</p> <p>LIBERTY.....G. B. Hooker... “</p> <p>LIPTON.....J. H. Allen..... “</p> <p>LLOYDMINSTER.....J. D. Hamilton... “</p> <p>LUMSDEN.....L. W. Lyons..... “</p> <p>LUSELAND.....P. J. LeMasurier... “</p> <p>MACKLIN.....R. L. Jones..... “</p> <p>MARYFIELD.....T. D. Holloway... “</p> <p>MELFORT.....A. F. Fairman... “</p> <p>MELVILLE.....W. G. Hart..... “</p> <p>MILDEN.....W. Michie..... “</p> <p>MOOSE JAW.....J. L. Vickerson... “</p> <p>MOOSOMIN.....H. C. Allison... “</p> <p>MORSE.....T. H. Van Wyck... “</p> <p>NEUDORF.....H. B. Fairbairn... “</p> <p>NORTH BATTLEFORD.....E. Bradish... “</p> <p>OGEMA.....P. G. Wood..... “</p> <p>OSBOW.....A. Kennett... “</p>	<p>PENSE.....J. Cavers..... <i>Mgr.</i></p> <p>PERDUE.....A. A. May..... “</p> <p>PLENTY.....N. Calvert..... “</p> <p>PRINCE ALBERT.....C. H. McIntosh... “</p> <p>QU'APPELLE.....C. H. Duncan... “</p> <p>REGINA.....A. W. Cameron... “</p> <p>ROSETOWN.....W. J. Garland... “</p> <p>SASKATOON.....W. Dunn..... “</p> <p> NUTANA.....E. J. Leicester... “</p> <p>SCOTT.....K. V. Bethel... “</p> <p>SHAUNAVON.....R. J. Cuthbertson... “</p> <p>SOUTHEY.....G. A. McArter... “</p> <p>STRASBOURG.....D. Campbell... “</p> <p>SWIFT CURRENT.....O. M. Lancaster... “</p> <p>TOMPKINS.....I. Richardson... “</p> <p>VANGUARD.....J. Dingwall... “</p> <p>VICEROY.....E. Arscott... “</p> <p>VISCOUNT.....W. E. Bowen... “</p> <p>WAPPELLA.....W. B. McIntosh... “</p> <p>WATROUS.....F. B. Morfitt... “</p> <p>WAWOTA.....R. Callard... “</p> <p>WEYBURN.....A. E. F. MacLean... “</p> <p>WILKIE.....A. E. Whitehouse... “</p> <p>WINDTHORST.....F. N. Mundell... “</p> <p>WOLSELEY.....K. S. Macleod... “</p> <p>YORKTON.....N. Tamblyn... “</p> <p>YOUNG.....R. B. Irons... “</p>
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SUB-BRANCH

Sub. to Open for business ABERNETHY.....Balcarres....Mon., Wed. & Fri.	Sub. to Open for business SUTHERLAND...Saskatoon, Nutana. Tues. & Fri. 15th, 16th and last day of month.
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BRANCHES IN NEWFOUNDLAND

<p>HEART'S CONTENT.....C. E. Dawe..... <i>Mgr.</i></p> <p>PLACENTIA.....M. F. Channing... “</p>	<p>ST. JOHN'S.....J. Baxter..... <i>Mgr.</i></p> <p> WEST END.....H. B. Hadley... “</p>	<p>TRINITY.....E. B. Rankin... <i>Mgr.</i></p>
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BRANCHES IN WEST INDIES

CUBA

BANES.....	R. Shaw.....	<i>Mgr.</i>
BAYAMO.....	A. H. Suarez.....	"
CAIBARIEN.....	C. M. Garcia.....	"
CAMAGUEY.....	{ A. M. Connolly.....	"
	{ P. Rodriguez.....	<i>Asst.</i>
CIEGO DE AVILA.....	C. E. W. Ward.....	"
CIENFUEGOS.....	L. G. Hairs.....	"
GUANTANAMO.....	J. Baro.....	"
HAVANA.....	{ A. V. Burn.....	"
	{ J. A. Ariosa.....	<i>Joint</i>
	{ R. T. W. Hill.....	<i>Asst.</i>
AVENIDA DE ITALIA 407.....	{ J. A. Fernandez.....	"
	{ G. A. Griffin.....	<i>Asst.</i>
LONJA DEL COMERCIO.....	{ A. Rangel.....	"
	{ H. Berry.....	<i>Asst.</i>
MAXIMO GOMEZ 816.....	L. Simo.....	"
MURALLA 374.....	J. A. Yznaga.....	"

PADRE VARELA 360.....	L. I. Duthil.....	<i>Mgr.</i>
PASEO DE MARTI 307.....	E. Juncadella.....	"
VEDADO.....	G. H. Gordon.....	"
HOLGUIN.....	F. J. Tobin.....	"
MARIANAO.....	N. Gonzalez.....	"
MORON.....	P. Godinez.....	"
PINAR DEL RIO.....	M. Garcia.....	"
SAGUA LA GRANDE.....	G. Robau.....	"
SANCTI SPIRITUS.....	M. A. Espinosa.....	"
SANTA CLARA.....	J. A. Garcia.....	"
SANTIAGO DE CUBA.....	{ R. M. A. Ros.....	"
	{ R. D. Hatch.....	<i>Asst.</i>

PUERTO RICO

MAYAGUEZ.....	F. R. Colon.....	<i>Mgr.</i>
	{ H. M. Grindell.....	"
SAN JUAN.....	{ G. R. Conrad.....	<i>Asst.</i>
	{ E. P. Soler.....	<i>Asst.</i>

DOMINICAN REPUBLIC

CIUDAD TRUJILLO.....	{ T. B. O'Connell.....	<i>Mgr.</i>
	{ W. C. Reid.....	<i>Joint</i>
LA ROMANA.....	J. M. Johnson.....	"
PUERTO PLATA.....	W. R. Horncastle.....	"
SAN PEDRO DE MACORIS.....	L. Rodriguez.....	"
SANTIAGO DE LOS CABALLEROS.....	L. C. Arzeno.....	"

HAITI

PORT-AU-PRINCE.....	J. W. Thomsen.....	<i>Mgr.</i>
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MARTINIQUE

FORT DE FRANCE.....	J. J. Andrieux.....	<i>Mgr.</i>
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GUADELOUPE

BASSE TERRE.....	L. J. G. Devaux.....	<i>Mgr.</i>
POINTE-A-PITRE.....	H. Thomasset.....	"

BRITISH WEST INDIES

ANTIGUA

ST. JOHN'S.....	E. F. Birkett.....	<i>Mgr.</i>
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BAHAMAS

NASSAU.....	{ H. C. McLean.....	<i>Mgr.</i>
	{ C. E. Robertson.....	<i>Asst.</i>

BARBADOS

BRIDGETOWN.....	C. A. Gilliatt.....	<i>Mgr.</i>
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DOMINICA

ROSEAU.....	J. L. McCarthy.....	<i>Mgr.</i>
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GRENADA

ST. GEORGE'S.....	H. W. Whittles.....	<i>Mgr.</i>
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JAMAICA

KINGSTON.....	{ H. J. Evennett.....	<i>Mgr.</i>
	{ G. V. S. Sharpe.....	<i>Asst.</i>
MONTEGO BAY.....	D. McIntosh.....	"

MONTserrat

PLYMOUTH.....	R. White.....	<i>Mgr.</i>
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ST. KITTS

BASSETERRE.....	L. M. Evelyn.....	<i>Mgr.</i>
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TRINIDAD

PORT OF SPAIN.....	{ H. P. Ulrich.....	<i>Mgr.</i>
	{ E. H. O. Thorne.....	<i>Asst.</i>
SAN FERNANDO.....	H. H. Hart.....	"

BRANCHES IN CENTRAL AND SOUTH AMERICA

ARGENTINA

BUENOS AIRES.....	{ C. W. B. FitzGerald.....	<i>Mgr.</i>
	{ W. A. Mosher.....	<i>Asst.</i>
CALLE CALLAO.....	G. S. Pinsent.....	"
CALLE SANTA FE.....	J. Darre.....	"

BRAZIL

PERNAMBUCO (Recife).....	A. R. Wright.....	<i>Mgr.</i>
RIO DE JANEIRO.....	{ S. McAlister.....	"
	{ R. J. Rogers.....	<i>Asst.</i>
SANTOS.....	A. W. H. Cameron.....	"
SAO PAULO.....	{ C. G. Hayes.....	"
	{ W. N. Frank.....	<i>Asst.</i>

BRITISH GUIANA

GEORGETOWN.....	A. D. Macgillivray.....	<i>Mgr.</i>
NEW AMSTERDAM.....	R. H. Johnson.....	"

BRITISH HONDURAS

BELIZE.....	C. R. Beattie.....	<i>Mgr.</i>
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COLOMBIA

BARRANQUILLA.....	B. T. O. Bradbury.....	<i>Mgr.</i>
BOGOTA.....	{ R. S. Scott.....	"
	{ R. Glahome.....	<i>Asst.</i>
CALI.....	J. Riley.....	"
CARTAGENA.....	E. A. Lough.....	"
MANIZALES.....	A. S. Hamilton.....	"
MEDELLIN.....	R. J. McDonald.....	"

PERU

LIMA.....	{ W. H. Duff.....	<i>Mgr.</i>
	{ J. Paterson.....	<i>Asst.</i>

URUGUAY

MONTEVIDEO.....	J. R. Peet.....	<i>Mgr.</i>
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VENEZUELA

CARACAS.....	{ D. M. Coburn.....	<i>Mgr.</i>
	{ H. L. Mann.....	<i>Asst.</i>
CIUDAD BOLIVAR.....	A. L. Escoffery.....	"
MARACAIBO.....	M. W. Newell.....	"

BRANCH IN SPAIN

BARCELONA.....	{ H. L. Gagnon.....	<i>Mgr.</i>
PLAZA DE CATALUNA.....	{ A. M. Christie.....	<i>Rel. Asst.</i>
	{ A. Mut.....	"

BRANCHES IN GREAT BRITAIN

LONDON
 6 LOTHBURY, E.C. 2. { E. B. McInerney... *Mgr.*
 { G. B. Irvine... *Asst.* "
 { F. E. Watson... *Asst.* "
 WEST END..... { J. A. Noonan..... "
 2 COCKSPUR ST., S.W.1. { J. A. McKillop *Asst.* "

AGENCY IN UNITED STATES

NEW YORK, 68 WILLIAM ST..... { N. G. Hart..... *Agent*
 { E. C. Holahan..... "
 { N.C.Allingham *Asst.* "
 { T.A.B.Anderson. *Asst.* "

AUXILIARY IN FRANCE

THE ROYAL BANK OF CANADA (FRANCE) { Ed. Groning..... *Mgr.*
 PARIS, 3, Rue Scribe { C. H. Hunt..... *Asst.* "

RECAPITULATION

BRANCHES IN CANADA AND NFLD:—

Alberta	45
British Columbia	47
Manitoba	57
New Brunswick	22
Nova Scotia	63
Ontario	223
Prince Edward Island.....	6
Quebec.....	77
Saskatchewan.....	79
Newfoundland.....	5
Branches in Canada and Newfoundland.....	<u>624</u>

OTHER COUNTRIES:—

West Indies	
Cuba	23
Puerto Rico, Dom. Republic and Haiti.....	8
British West Indies.....	11
French West Indies.....	3
Central and South America	
Argentina, Brazil, Uruguay.....	8
Venezuela and British Guiana.....	5
British Honduras.....	1
Colombia and Peru.....	7
Europe	
London, Paris and Barcelona.....	4
United States	
New York.....	1
Branches in other countries.....	71
Branches in Canada and Newfoundland.....	624
TOTAL BRANCHES (Feb. 1, 1939).....	<u>695</u>

