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THE ROYAL BANK
OF CANADA

INCORPORATED 1869



Proceedings at the Seventy-fourth
Annual Meeting

MONTREAL

JANUARY 14TH, 1943

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THE ROYAL BANK OF CANADA

| | | |
|-------------------------------|-----------|--------------|
| CAPITAL AUTHORIZED | - - - - - | \$50,000,000 |
| CAPITAL PAID UP | - - - - - | \$35,000,000 |
| RESERVE AND UNDIVIDED PROFITS | - - | \$23,259,198 |

YEAR ENDED NOVEMBER 30, 1942

DIRECTORS

MORRIS W. WILSON,
President and Managing Director

G. H. DUGGAN,
Vice-President

W. F. ANGUS,
Vice-President

S. G. DOBSON,
Vice-President

Rt. Hon. Viscount

| | | | |
|------------------------|-----------------|--------------------------|------------------|
| BENNETT, P.C. | Mickleham, Eng. | G. H. MONTGOMERY, K.C. | Montreal, Que. |
| JOHN BURNS | Calgary, Alta. | JOHN S. NORRIS | Montreal, Que. |
| HAROLD CRABTREE | Montreal, Que. | CONRAD S. RILEY | Winnipeg, Man. |
| ARTHUR CROSS | Montreal, Que. | HOWARD P. ROBINSON | Saint John, N.B. |
| GEORGE A. DOBBIE | Galt, Ont. | JOHN T. ROSS | Quebec, Que. |
| STEPHEN HAAS | Toronto, Ont. | PAUL F. SISE | Montreal, Que. |
| J. D. JOHNSON | Montreal, Que. | G. HARRISON SMITH | Toronto, Ont. |
| RAY LAWSON | London, Ont. | CYRIL W. STAIRS | Halifax, N.S. |
| N. L. LEACH | Winnipeg, Man. | J. McG. STEWART, K.C. | Halifax, N.S. |
| G. W. MacDOUGALL, K.C. | Montreal, Que. | NORMAN C. URQUHART | Toronto, Ont. |
| W. H. MALKIN | Vancouver, B.C. | ARTHUR B. WOOD | Montreal, Que. |
| G. MacGREGOR MITCHELL | Halifax, N.S. | Hon. WILLIAM C. WOODWARD | Victoria, B.C. |

74th Annual General Meeting of Shareholders

JANUARY 14TH, 1943

The Seventy-fourth Annual General Meeting of the Shareholders was held at the Head Office of the bank, in Montreal, on Thursday, January 14th, at eleven o'clock a.m.

Among those present were: P. H. Adams, A. A. Aitken, C. E. Amy, A. D. Anderson, W. F. Angus, W. A. Arbuckle, T. H. Atkinson, A. Ballantyne, W. B. Blackader, C. E. Bourne, John Burns, C. B. Clark, W. T. K. Collier, F. B. Common, R. E. Cox, Harold Crabtree, Arthur Cross, G. A. Dobbie, S. G. Dobson, F. W. Doherty, V. M. Drury, A. R. Duffield, G. H. Duggan, Albert Dupuis, G. B. Foster, K.C., A. S. Fraser, E. S. Frosst, H. P. Glencross, A. B. Gordon, J. H. Gundy, R. E. Haldenby, M. O. Haskell, J. R. Heron, H. G. Hesler, J. L. Hetherington, H. J. Hobbins, C. J. Hodgson, F. H. Hopkins, Guy Hoult, H. P. Hoult, Hon. Gordon Hyde, K.C., C. H. Ince, A. B. Jamieson, C. R. Johnson, J. D. Johnson, J. T. Keay, Vernon Knowles, J. N. Laing, John Langdon, J. L. Lawson, Ray Lawson, N. L. Leach, Harold Long, W. J. Lucas, G. W. MacDougall, K.C., C. H. Macfarlane, Hugh Mackay, C. Russel Mackenzie, K.C., G. W. MacKimmie, A. T. MacLellan, G. F. MacLure, J. P. MacRae, W. H. Malkin, J. F. McAlpine, C. T. Medlar, W. D. Melvin, B. L. Mitchell, G. MacGregor Mitchell, W. R. Mitchell, F. S. Moffitt, G. H. Montgomery, K.C., J. Muir, C. B. Neapole, E. L. Nelson, S. R. Noble, J. S. Norris, C. A. Odell, A. T. O'Leary, R. Park, C. C. Pineo, J. A. Raymond, A. D. Robertson, Howard P. Robinson, A. W. Rogers, Major-General J. G. Ross, John T. Ross, R. H. Sims, Paul F. Sise, R. S. Sneyd, C. L. Snyder, Cyril W. Stairs, R. W. Steele, W. H. Stevens, B. B. Stevenson, J. McG. Stewart, K.C., R. Terroux, H. P. Thornhill, H. W. Thorp, G. M. Todd, Guy Tombs, W. M. Tomkins, N. C. Tompkins, J. E. Trottier, J. W. Tyson, Norman C. Urquhart, L. O. P. Walsh, M. M. Walter, R. N. Watt, D. B. Weldon, H. G. Welsford, James Wilson, M. W. Wilson, D. L. Witter, Arthur B. Wood, C. F. Wood, R. M. Youngs.

On the motion of Mr. Paul F. Sise, seconded by Mr. Howard P. Robinson, Mr. Morris W. Wilson took the chair.

The Chairman appointed Mr. H. G. Hesler to act as Secretary of the meeting and Mr. A. A. Aitken and Mr. G. M. Todd to act as Scrutineers.

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

On the motion of Mr. W. H. Malkin, seconded by Mr. J. D. Johnson, 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 Seventy-third Annual Report for the year ended 30th November, 1942, together with the Statements of Assets and Liabilities and Statements of Controlled Companies.

PROFIT AND LOSS ACCOUNT

| | | |
|--|----------------|----------------|
| Balance of Profit and Loss Account, 29th November, 1941..... | \$3,209,074.84 | |
| Profits for the year ended 30th November, 1942, after providing for Dominion Government taxes amounting to \$2,014,166.80 (of which \$34,751.73 is refundable under the provisions of the Excess Profits Tax Act) and after making appropriations to Contingency Reserves, out of which Reserves provision for all bad and doubtful debts has been made..... | 3,390,123.39 | \$6,599,198.23 |
| Appropriated as follows: | | |
| Dividend No. 218 at 8% per annum..... | \$700,000.00 | |
| Dividend No. 219 at 8% per annum..... | 700,000.00 | |
| Dividend No. 220 at 8% per annum..... | 700,000.00 | |
| Dividend No. 221 at 6% per annum..... | 525,000.00 | |
| | \$2,625,000.00 | |
| Contribution to the Pension Fund Society..... | 315,000.00 | |
| Appropriation for Bank Premises..... | 400,000.00 | |
| Balance of Profit and Loss carried forward..... | 3,259,198.23 | \$6,599,198.23 |

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

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

The assets of the bank have been, as usual, carefully re-valued and provision made for all bad or doubtful debts. The Head Office and substantially all of the branches of the bank were inspected as is customary within the fiscal year. Owing to the difficulty of arranging transportation, it was not possible to inspect four foreign branches.

During the year a temporary branch was opened at Shipshaw, Quebec, and another at Goose Bay, Labrador. In order to conserve manpower and under a reciprocal plan with other chartered banks, we closed in Canada 38 branches and converted 15 others to sub-branches. We also closed one branch in Cuba. The total number of branches in operation at November 30th stood at 625, of which 560 were in Canada and Newfoundland and 65 in other countries.

In the deaths of Mr. W. H. McWilliams and Mr. A. McTavish Campbell, which occurred on June 14th and July 7th respectively, we have lost the services of two Directors who have contributed to the advancement of the bank during a period of close to a quarter of a century. It is with extreme regret that we record the passing of these associates.

In our last previous Report we stated that your President and Managing Director, Mr. Morris W. Wilson, was devoting most of his time to duties away from the bank as Chairman of the British Supply Council in North America. In April Mr. Wilson relinquished that position and resumed full-time duties with the bank.

The staff of the bank has undergone marked changes due to enlistments but, despite the difficulties of war conditions, officers continue to perform their respective duties in an efficient manner, for which your Directors desire to express their appreciation.

All of which is respectfully submitted

M. W. WILSON,
President and Managing Director.

General Statement • 30TH NOVEMBER, 1942

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 | 3,259,198.23 | |
| Dividends unclaimed | 58,863.59 | |
| Dividend No. 221 (at 6% per annum), payable 1st December, 1942 | 525,000.00 | |
| | \$ 58,843,061.82 | |
| Deposits by and balances due to Dominion Government | \$144,192,823.59 | |
| Deposits by and balances due to Provincial Governments | 17,392,485.40 | |
| Deposits by the public not bearing interest | 576,594,382.44 | |
| Deposits by the public bearing interest, including interest accrued to date of statement | 425,973,022.55 | |
| Deposits by and balances due to other chartered banks in Canada | 16,944.55 | |
| Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries | 17,047,534.01 | |
| | 1,181,217,192.54 | |
| Notes of the bank in circulation | 18,271,281.53 | |
| Acceptances and letters of credit outstanding | 31,156,431.68 | |
| Liabilities to the public not included under the foregoing heads | 2,127,979.28 | |
| | \$1,291,615,946.85 | |

ASSETS

| | | |
|---|--------------------|--|
| Gold held in Canada | \$ 706.86 | |
| Subsidiary coin held in Canada | 1,655,444.93 | |
| Gold held elsewhere | 31,771.73 | |
| Subsidiary coin held elsewhere | 1,705,785.63 | |
| Notes of Bank of Canada | 30,157,050.75 | |
| Deposits with Bank of Canada | 71,527,152.34 | |
| Notes of other chartered banks | 514,953.70 | |
| Government and bank notes other than Canadian | 31,661,337.17 | |
| | \$137,254,203.11 | |
| Cheques on other banks | \$ 58,908,754.34 | |
| Deposits with and balances due by other chartered banks in Canada | 2,123.87 | |
| Due by banks and banking correspondents elsewhere than in Canada | 65,719,393.96 | |
| Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value | 319,318,682.00 | |
| Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value | 200,482,663.08 | |
| Canadian municipal securities, not exceeding market value | 8,950,639.06 | |
| Public securities other than Canadian, not exceeding market value | 52,872,120.67 | |
| Other bonds, debentures and stocks, not exceeding market value | 33,140,596.97 | |
| Call and short (not exceeding 30 days) loans in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover | 6,267,499.68 | |
| 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 | 23,523,562.79 | |
| | \$906,440,239.53 | |
| Current loans and discounts in Canada, not otherwise included, estimated loss provided for | \$255,148,401.76 | |
| Loans to Provincial Governments | 1,770,548.28 | |
| Loans to cities, towns, municipalities and school districts | 15,961,150.64 | |
| Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for | 59,276,982.71 | |
| Non-current loans, estimated loss provided for | 1,187,236.83 | |
| Bank premises, at not more than cost, less amounts written off | 13,640,588.51 | |
| Real estate other than bank premises | 1,260,492.03 | |
| Mortgages on real estate sold by the bank | 832,006.19 | |
| Liabilities of customers under acceptances and letters of credit as per contra | 31,156,431.68 | |
| Shares of and loans to controlled companies | 3,169,842.94 | |
| Deposit with the Minister of Finance for the security of note circulation | 1,110,000.00 | |
| Other assets not included under the foregoing heads (but including refundable portion of Dominion Government Taxes) | 662,025.75 | |
| | \$1,291,615,946.85 | |

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, 1942, 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, 1942, and it is as shown by the books of the Bank.

MONTREAL, Canada,
December 24, 1942.

| | |
|---|------------|
| A. BALLANTYNE, C.A., of Peat, Marwick, Mitchell & Co. M. OGDEN HASKELL, C.A., of Haskell, Elderkin & Co. | } Auditors |
|---|------------|

GLOBE REALTY CORPORATION, LIMITED

AND

ROYAL BUILDING CORPORATION

Consolidated Statement as at 30th November, 1942

| LIABILITIES | | ASSETS | |
|---|-----------------|--|-----------------|
| Capital Stock | \$ 4,032,000.00 | Real Estate, at not more than cost | \$24,201,195.45 |
| Reserve | \$ 1,717,490.38 | Cash in Bank | 1,640.21 |
| Profit and Loss Account | 3,943.32 | Other Assets | 20,072.53 |
| | 1,721,433.70 | | |
| First Mortgage Bonds | 7,700,000.00 | | |
| Accrued Interest | 96,250.00 | | |
| Due to The Royal Bank of Canada | 3,169,840.94 | | |
| Depreciation Reserve | 7,495,405.00 | | |
| Liabilities not included in above | 7,978.55 | | |
| | \$24,222,908.19 | | \$24,222,908.19 |

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, 1942, and have obtained all the information and explanations required. We certify that in our opinion the above consolidated statement is properly drawn up so as to exhibit a true and correct view of the state of the Corporations' affairs as at 30th November, 1942, 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 24, 1942

(Signed) A. BALLANTYNE, C.A.
M. OGDEN HASKELL, C.A.

CANADIAN REALTY CORPORATION, LIMITED

Statement as at 30th November, 1942

| LIABILITIES | | ASSETS | |
|-----------------------------------|-----------------|--|-----------------|
| Capital Stock | \$ 919,600.00 | Real Estate, at not more than cost | \$ 4,729,631.95 |
| Reserve | \$4,243.21 | Cash in Bank | 85,725.78 |
| Profit and Loss Account | 11.34 | | |
| | 4,254.55 | | |
| First Mortgage Serial Bonds | 1,900,000.00 | | |
| Accrued Interest | 36,625.00 | | |
| Depreciation Reserve | 1,954,878.18 | | |
| | \$ 4,815,357.73 | | \$ 4,815,357.73 |

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, 1942, and have obtained all the information and explanations required. We certify that in our opinion the above statement is properly drawn up so to exhibit a true and correct view of the state of the Corporation's affairs as at 30th November, 1942, 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 24, 1942.

(Signed) A. BALLANTYNE, C.A.
M. OGDEN HASKELL, C.A.

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

The Annual Report and Balance Sheet before you to-day give evidence of substantial growth during the year under review. The totals shown under a number of headings have reached record levels as a result of Government wartime financial policy and the present high tempo of business activity arising out of Government spending for war purposes. However, this expansion in our figures has not resulted in higher earnings for shareholders; in fact, relatively low yields on our heavy investments, principally in Government bonds, combined with increased taxes, have resulted in somewhat lower profits than in the previous year.

After providing for \$2,014,166 taxes to the Dominion Government, an increase of \$121,941 over the previous year, profits were \$3,390,123, a decrease of \$145,805 as compared with a year ago. This amount added to \$3,209,074 brought forward, makes available for distribution \$6,599,198. Dividends paid amounted to \$2,625,000, a contribution of \$315,000 was made to the Pension Fund Society, and \$400,000 was written off Bank Premises, leaving \$3,259,198 to be carried forward in Profit and Loss Account.

The decrease in our net income made it impossible to maintain our former dividend rate of 8% out of current earnings, and your Directors decided to reduce the rate, beginning with the last quarter of the year, to an annual rate of 6%. Bank shareholders during the past 12 years have had their dividends reduced more drastically than those in most other lines of business. In 1930 this bank paid a dividend of 12% and a bonus of 2%—14% in all. Since then our shareholders' income has been cut on four different occasions, until the present rate of distribution is less than half of what it was in the year mentioned. The experience of shareholders of other banks has been very similar.

When increasing the capital of this bank over the period of many years since it was started, shares for the most part were issued to the public at a premium. In one case a substantial block was sold as high as \$250 per share. Striking an average, we find that \$183. was realized for all the shares issued to the public. This means that on the basis of to-day's dividend, the return is only \$3.27% on the money paid into the bank, which, it must be agreed, is very modest indeed.

Total Assets are now \$1,291,615,946, an all-time high in the history of the bank, and an increase during the year of \$216,496,185. Our liquid position is naturally very strong. Cash on Hand and Balances Due by Banks aggregate \$202,975,720, and Dominion and Provincial Securities are held to the value of \$519,801,345. Adding to these Other Securities, Cheques on Banks, and Call Loans, we have Total Liquid Assets of \$906,440,239, representing 75.44% of our Total Liabilities to the Public.

Our holdings of Dominion Government Securities increased during the year \$135,810,130, and now total \$427,780,076. To assist the Government in its war financing, the banks agreed last August to purchase from the Government, six-month Deposit Certificates to the amount of \$645,000,000 at the very low rate of $\frac{3}{4}$ of 1% per annum. Our share of this total was \$159,030,000. Shortly before November 30th the Government retired a portion of these certificates. Our share of the amount repaid was \$51,660,000, leaving \$107,370,000 outstanding at the date of our Balance Sheet. These transactions account for a considerable portion of the increase in our Government portfolio.

Commercial Loans in Canada expanded during the year \$13,365,555, and are now \$255,148,401. Included in this amount are temporary loans of \$42,971,183. to assist purchasers of Victory Bonds. As there was but a small total of such loans current at the end of the previous year, it will be seen that ordinary commercial loans are considerably lower as compared with a year ago. Considering the tremendous

expansion in business activity throughout Canada, the situation is anomalous, but the explanation is that the expansion is largely in connection with war work. This is either financed directly by the Government, or, because of prompt settlement of monthly or fortnightly accounts, the manufacturer is able to finance without any, or at any rate very moderate, assistance. There has never been a period in the history of this bank—and I may say a similar situation applies to the other banks—when the ratio of commercial loans to deposits has been so low. The outlook in this respect is not encouraging, as unfortunately the tendency seems to be for the Government to extend its policy of directly financing industry engaged in war work.

Commercial Loans Outside Canada declined \$16,277,672 to \$59,276,982.

On the Liability side of the Balance Sheet, Total Deposits now stand at \$1,181,217,192, an increase during the year of \$225,112,996. Of our Deposits, \$929,039,940 are in Canada, and \$252,177,252 at foreign branches.

The usual appropriations totalling \$800,000 were made against real estate holdings, \$400,000 being applied to reduce Bank Premises Account, and \$400,000 to reduce the indebtedness of our property holding companies. No important expenditures were made on our premises and some properties formerly occupied by branches were sold. As a consequence, our Bank Premises Account shows a reduction of \$587,653. Sales of non-banking properties enabled us to reduce "Real Estate Other Than Bank Premises" by \$540,766.

In the printed report of the proceedings of this meeting being mailed to shareholders will be found a review of conditions in Canada and other countries in which we have branches. Statistics with regard to some of the foreign countries will not be as complete as usual for the reason that under existing conditions their publication and circulation has been somewhat curtailed. I am pleased to say that our foreign branches have had another successful year. This is particularly true of those in South America. While the overseas trade of South American countries has been reduced, they have turned to one another for both markets and supplies. The immensity and diversity of their resources have enabled them to contribute to a very substantial gain in inter-American trade. The branches of this bank, located as they are in many of the principal republics, have been able to assist in the growth of this trade with advantage to the countries in which they are located as well as to the business of the bank. Canada is broadening her relations with the Latin-American Republics by further appointments of diplomatic representatives, and our branches in these countries stand ready, as always, to co-operate in this development.

The Islands of the Caribbean have also felt the consequences of disturbed shipping, although the entire sugar crops of Cuba, Haiti, the Dominican Republic and the British West Indies were purchased by the British and United States Governments and paid for in advance of shipment. On the whole it can be said that business in these Islands has been reasonably satisfactory.

In conformity with the Government's wish to conserve manpower for war purposes, and to curtail unessential services, the Canadian banks have, during 1942, closed 157 branches, and the program calls for the closing of a further number. During the calendar year your bank has closed 39 offices, some under exchange arrangements with other banks. The closing of such a number of branches does not mean the lessening of business for the bank; rather it is a consolidation of business. When one of our offices is closed, and the business transferred to another bank, that bank in turn transfers to us the business of a branch of corresponding size. In other cases, when we close a branch the business is transferred to

one of our other offices, so that on the whole the volume is maintained. We realize that the closing of branches is an inconvenience to some of our customers, but I am sure they will appreciate the fact that the exigencies of war necessitate such steps.

We are proud of the contribution made by our staff to the armed services. Since the outbreak of war we have granted leave of absence for military service to 1,876 men. Of this number, 1,792 enlisted from Canadian branches, and this is equivalent to well over half of the male staff under 45 years of age at the outbreak of war. I am sure I am voicing the feeling of the shareholders when I say that we wish a safe return to these men who are serving their country so patriotically.

Unhappily there have been casualties. Thirty-four of our young men, whose names are recorded in the printed proceedings of this meeting, have given their lives in the service of Canada. These names are held in honour, and we pay tribute to their memory.

During the war period our staff in Canada has increased from 5,165 to 6,049, the new members being almost all young women. Our male staff is now reduced to 38% of the total and it is not uncommon to find that at a branch with 15 to 20 employees there are only 4 or 5 men. I cannot speak too highly of the manner in which these new members of our staff, many without any previous business experience, have carried on their duties, often under difficult conditions. Routine work has increased as a result of war activity. The handling of Victory Loan applications and the negotiation of coupons alone entail a great deal of additional work and the volume of cheques in circulation has grown considerably.

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

Before proceeding with the ordinary business of the meeting, I wish to refer with regret to the loss that our Board sustained during the year in the death of two of our colleagues, Mr. W. H. McWilliams and Mr. A. McTavish Campbell. These gentlemen were Directors since 1918 and 1919, respectively, and rendered valuable service in promoting the welfare of the bank. We sincerely mourn their passing. At a later stage to-day we shall ask you to add Mr. Cyril W. Stairs of Halifax to our Board.

The General Manager has just submitted the seventy-third Annual Report and Balance Sheet of the bank, with detailed explanations. I do not propose to cover the same ground. The Balance Sheet will, I am sure, be received by you with satisfaction. It discloses not only an exceedingly strong position, but indicates the important part we are playing in financing the war-time requirements of the Government, and our customers generally. Unfortunately, increased activity in our operations did not result in increased benefits to our shareholders, for the obvious reasons referred to by the General Manager.

CANADA'S PROUD RECORD

During the past year business in practically all lines has been operating at top levels. The official production index for the first ten months of 1942 was approximately 200 compared to 160 for the corresponding period of 1941. The manufacturers of weapons and other materials of war continue to set new records. Canada harvested the largest wheat crop in her history despite a Government bonused restriction of acreage. Record crops were also harvested of oats, barley and rye. The immediate problem facing the farmer is that of storage and markets. It may well be that the problem of markets will not be satisfactorily solved until we reach the post-war period of world rehabilitation. Meantime, it is a matter of satisfaction to know that the so-called

Many of the young women recently engaged are called upon to assume responsibilities which under normal conditions would be performed by experienced men. This means that the senior officers, in addition to looking after their own duties, must devote much time to supervision and training.

For the reasons I have mentioned it is not always possible to give the public the service to which they have been accustomed. However, the difficulties of providing an efficient banking service under war conditions have been lightened by the understanding and co-operation of those we serve. We confidently expect that this co-operation will continue, with our customers bearing in mind the inexperience of our staff, and eliminating as far as possible unnecessary banking transactions. A moderate reduction in the number of cheques issued would in itself mean a considerable saving in the volume of routine work.

Since I appeared before you a year ago, much has happened in this war-torn world, much that we can look back upon with justifiable pride and gratification. Canada has emerged as a full-fledged fighting nation. We have a thoroughly equipped army ready to strike when the time comes, a powerful naval fighting force, and a mighty air-force which in personnel and equipment is unsurpassed. Our industries, which before the war were engaged solely in peace-time pursuits, have accomplished the almost incredible in production of war materials and ships. Your bank has taken its full part, along sound lines, in this expansion. With all this we have much to be thankful for—above all else that the tide of battle, which for so long had almost consistently gone against us, has at last turned, and we can now look forward with firm confidence to realization of our hopes of a victorious and lasting peace.

drought areas of Western Canada can produce abundant crops given normal precipitation.

The demand for meat and dairy products, especially from Great Britain, has been enormous. Happily Canada is able in this respect to continue her important contribution to the war effort.

Mineral production in 1942 established a new high record at \$564,000,000, despite a reduction of \$20,000,000 in that of gold. Gold as a metal is not used in war production, and its monetary function has been temporarily submerged by the enormous credit transactions between nations—for example, the system of Lease-Lend in the United States. It was therefore to be expected that it would be found increasingly difficult for gold producers to secure steel and other material requirements, or to retain man-power needed in the expansion of essential base metal mining as well as war production generally. It is to be hoped, and I think expected, that gold mining will resume its normal place in the Canadian economy at the end of the war.

Lumbering, the operations of which have been hampered by the loss of man-power, is under pressure to meet extraordinary demands, both domestic and foreign. Special steps have had to be taken by the authorities to ease the man-power situation, so as to ensure the fullest possible supplies to our allies.

The output of the fishing industry continues to meet a ready sale.

Needless to say, the war continues to overshadow and dominate all our activities. Happily it would seem that after dark days of disappointment due to our state of unpreparedness, the turn of the war has probably come. That there are long, and possibly grim days still ahead of us, I do not doubt, but I have always felt that once the tremendous productive power of the United Nations came fully into play, the tide of battle would of necessity turn in our favour.

WAR COSTS AND TAXES

The part of Canada in this war of production is one of which we may well be proud; not the least is the manner in which industry has wholeheartedly co-operated in the mighty effort. The conversion of a peace-time to a war-time economy in the United States has, we must hope, now been practically accomplished. Figures announced from Washington from time to time indicate that notwithstanding constant difficulties the war program in that country is proceeding at an amazing pace. Never in the history of the world have expenditures been on such a scale. The war of 1914-1918 cost Canada, in direct war expenditures, \$1,350,000,000. The latest estimate is that in this war we shall have spent over \$6,000,000,000 by the end of our fiscal year next March 31st. Direct war expenditures of the United States in 1917-18 were approximately \$24,000,000,000. They are now spending one quarter of this amount every month, with the trend still sharply upward. Such expenditures naturally entail enormous increases in the Public Debt as well as in current taxes.

A great deal is being said nowadays regarding the method of collecting personal income taxes. In Canada we have in a sense a "pay-as-you-go" plan, and an improvement of our plan is being strongly advocated in the United States. However, as stated, it is only in a sense that we pay as we go in Canada, because eight months of the year had already elapsed before the system was started last September. This means that the taxpayer will always be eight months in arrears in his payments. When taxes were so very much lighter than they are at present, this probably was not of great importance. To-day, however, this eight months' lag creates a most serious difficulty so far as the individual taxpayer is concerned, and cannot be in the best interests of the country. If a man dies, or has to retire, or his income is materially reduced for any other reason, this extra tax liability becomes a burden that may easily be unbearable.

So long as the Government, through Parliament, retains the taxing power, a cancellation of taxes for the eight months involved need not result in any diminution of revenue to the State. It would only become necessary to retain the higher scale of taxation for a somewhat longer period, and at all times the Government would then be collecting its taxes from current earnings, and not on earnings of the preceding year.

In the interests of maintaining the morale and consequently the fullest efficiency of our people in the difficult reconstruction years ahead, I sincerely hope that the Government will respond favourably to the many representations that are being made to it on this subject. Taxpayers understand clearly the necessity for the extraordinarily high imposts that have been made, but it would be unfortunate if they were allowed to continue under a sense of injustice in the method of their collection.

POST-WAR PLANS

Quite noticeable of late has been the emergence of persons and groups who agitate the public mind as to what sort of economic conditions we are going to face after the war. For instance, there are well-meaning men who are inclined to frighten themselves and others by speculations and predictions based on theory alone. And there are demagogues who seek to terrify people by prophesying so dire a dislocation of our time-tested system of free enterprise as to tempt some Canadians to throw up their hands, scrap the whole business, and resort to revolutionary change. Now I do not ridicule the views of a man upon the sole ground that he is a socialist or a demagogue. But I think it is timely to point out that those who create present fears of post-war revolutionary change are for the most part theorists of one kind or another; or revolutionaries whose philosophy is, in essence, totalitarian. The theorist tends to ignore the facts of experience; the demagogue is an agitator for political or mercenary purposes.

It is not enough, however, for the ordinary man to dismiss off-handedly the current agitations about our post-war future. Merely to call a man a visionary, a theorist or a demagogue settles nothing, and conveys to the public no sense of the worth of the institutions such a man is attacking. For my own part, I am convinced that leaders in all lines—agriculture, labour, manufacturing and merchandising—all who believe in free enterprise as the very foundation of the system of democracy for which we fight, must shoulder their responsibility and prove their case to the public. Economic changes affect all citizens in greater or less degree, and this must be recognized by theorist and demagogue alike.

There are plenty of hard-headed people in Canada who, for instance, have money in the bank; there are more than five million deposit accounts, totalling more than \$3,300 million. Your bank alone has substantially over one million deposit accounts. There are more than three million Canadians holding their country's Victory Bonds, War Savings Certificates or other government obligations. There are more than four million individual holders of life insurance policies in Canada. All these—depositors, Victory Bond-holders and insurance policy-holders, ordinary people of Canada—are the people who, alert to their own well-being, will make the final decision. They will tell the theorists and agitators what changes are acceptable in the mode of life which, with all the faults it may possess, has produced these savings and these bulwarks of personal and family security. These are the people who must be considered by those who seek to influence the course of events.

BENEFITS OF FREE ENTERPRISE

Business is faced with responsibility for retaining the confidence of the vast body of common-sense Canadians, using the full weight of facts that can be drawn from experience. The weakness of those who theorize about post-war economy often lies in their lack of practical experience of business and their disregard of the widespread, undeniable diffusion of the benefits of free enterprise in the form of rising standards of living. This experience and these facts are readily available. Business should assemble and analyze them, and present to the public their irresistible conclusions, showing the true intent and ability of the system of free enterprise to do the things that need to be done. That is the only real way to carry the judgment of the people.

Business, as I have said, must become vocal. Against the facts of experience, the theorist and the demagogue cannot possibly make the convincing case which Canadians demand; because it is the common-sense and the enlightened self-interest which Canadians have brought to bear on their problems of the past that will determine the economic progress of the future. It is to that Canadian common-sense that I pin my faith.

Now let me say that of course there is no finality in a system of free enterprise. Everyone realizes that time brings about modifications based upon experience. The whole economic system and our institutions of free government are the results of evolution. They developed through changes due to the spread of knowledge, to science, to invention, yes, and, unfortunately, even to war. This war has brought changes; it will bring more: and some of them inevitably will remain. There must and will be development, particularly in the realm of maximum employment and freedom from want.

In this connection let me add that I believe there are certain new duties falling upon business. The splendid record of progress established during the past century must be continued, and advancement must be speeded up, but that is not enough.

The ordinary people of the world are convinced that there are sufficient resources to provide a greater measure of happy living for all. They will look to some agency, at the war's

close, to avert mass unemployment, the greatest menace they can imagine. No pretentious plans for pensions, nor all the social security measures devised by governments, will be effective without a solution of the employment problem.

Assuming intelligent co-operation on the part of government, free enterprise, which has already provided for the people who live under it the greatest degree of comfort and security in the world's history, can meet the challenge. It can, by accepting further social responsibility, save the people from the evils that accompany state control—obliteration of private life, destruction of personal freedom, elimination of individual incentive, and the extinction of those extra gains which fairly go to those who work specially hard.

Free enterprise, with its wealth of experience, established position, and wide resources, is the only system known to us under which the job can be done. The prophet who now foretells that our whole system will be swept away in favour of some economic heaven and earth as yet unformed, is not only misguided but dangerous. He is dangerous because his preachings interfere with confident concentration on the war effort, and they are menacing to the practical solution of the problems of peace.

Changes must take account of realities rather than theories. When this war is won, the soldier will wish to get back to his everyday life; the farmer will still want to own his farm; the small house-owner will desire to retain his ownership; the retailer, the wholesaler, and the manufacturer will be found as anxious as ever to carry on their own branches of our free enterprise; and the three million thrifty holders of their country's bonds will still look for, and be entitled to, their interest earnings.

The idea of profit, which is merely payment for work and initiative, is deep-rooted in human nature, and after the war it will still motivate individuals and corporate bodies. In progressive countries, development is constant. As to sudden, revolutionary change which would uproot the economic system, upset the mode of life and disperse the savings, investments and insurance of the people of this nation, I think the proposition needs only to be stated to reveal its folly. At the same time, it is dangerous to allow its propaganda to go on unanswered.

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

It was moved by Mr. Harold Crabtree, seconded by Mr. Norman C. Urquhart:—

That Mr. A. Ballantyne, C.A., and Mr. M. Ogden Haskell, 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. Gordon W. MacDougall, K.C., seconded by Mr. G. MacGregor Mitchell, 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, with power of substitution, 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, Canadian Realty Corporation Limited, and every other corporation controlled by the said Bank, and at any and all adjournments of such meetings in respect of the shares held by the said Bank in every such corporation respectively, the foregoing to remain in full force and effect until the next annual general meeting of The Royal Bank of Canada.

It was moved by Mr. G. B. Foster, K.C., seconded by Mr. Robert Youngs, and resolved:—

That the thanks of the shareholders are due and are hereby tendered to the 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. N. L. Leach, seconded by Mr. Arthur Cross, and resolved:—

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

In view of their stake in the country's continuing welfare, the farmer, the wage-earner, the merchant and the manufacturer must actively join the other elements of the community in studying and analyzing the problems of the post-war period, and in making plans to deal with them effectively. They must not be content with the role of arm-chair critics, any more than they dare sit idly back while their present security and their future hope are destroyed.

What I have just said has particular reference to our internal economy, but it is equally necessary that serious thought be given to our post-war international position. I do not agree with those who believe that we should be so preoccupied with the things of war that we have no time for thinking of the reconstruction that will follow. We were unprepared for war when it came; do not let us be unprepared for peace. I do not suggest that a pattern can now be devised that will fit every conceivable set of conditions we may be faced with at the conclusion of the war. But frank and full discussion of the problems to be solved must result in a clearer understanding of them, and facilitate their solution when the time comes.

Naturally considerations of this sort must not be permitted to interfere with the most active and energetic prosecution of the war. Nor need there be any interference, because the same men are not necessarily engaged on both problems. We are pledged to an "all out" effort, and nothing must distract our attention. The exploits of our gallant sons and brothers, at sea, on land, and in the air, thrill us with pride. They must not be let down. We must support them to the utmost limit while they are fighting our battles, and do everything in our power to see that the country they come back to will be well worth the sacrifice they are making.

Except for the heroic stand of Great Britain two and a half years ago, these would be dark days for civilization. But Britain did stand, and now these great nations—the British Empire, the United States, China and Russia—have started their climb out of the dark valley into which treacherous attacks had thrown them. They will emerge a living light of hope to all peoples. I have faith in our destiny.

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

It was moved by Mr. Ray Lawson, seconded by Mr. G. H. Montgomery, K.C.:—

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 "twenty-nine" where it appears in Clause (a) of the said By-Law No. 4 by the word "twenty-eight" and by replacing the word "thirty" where it appears in clause (b) of said By-Law No. 4 by the word "twenty-eight" so that Clauses (a) and (b) of said By-Law No. 4 shall read as follows, namely:

(a) The number of Directors shall not be less than twenty-eight and not more than thirty-two;

(b) Until and subject to the extent to which the provisions of Clause (c) hereof shall become effective, the number of Directors shall be twenty-eight.

Upon receiving the Scrutineers' Report the Chairman declared:

That the Shareholders' By-Law proposed by Mr. Ray Lawson and seconded by Mr. G. H. Montgomery, K.C., has been enacted amending Shareholders' By-Law No. 4.

It was moved by Mr. G. A. Dobbie, seconded by Mr. Arthur B. Wood, and resolved:—

That a ballot be opened for the election of Directors.

It was moved by Mr. R. W. Steele, seconded by Mr. A. T. O'Leary:—

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

W. F. Angus
Rt. Hon. Viscount Bennett, P.C.
John Burns
Harold Crabtree
Arthur Cross
G. A. Dobbie
S. G. Dobson
G. H. Duggan
Stephen Haas
J. D. Johnson

Ray Lawson
N. L. Leach
Gordon W. MacDougall, K.C.
W. H. Malkin
G. MacGregor Mitchell
G. H. Montgomery, K.C.
John S. Norris
Conrad S. Riley
Howard P. Robinson
John T. Ross

Paul F. Sise
G. Harrison Smith
Cyril W. Stairs
James McG. Stewart, K.C.
Norman C. Urquhart
Morris W. Wilson
Arthur B. Wood
His Honour William 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, Morris W. Wilson, was re-elected President and Managing Director, and G. H. Duggan, W. F. Angus, and S. G. Dobson, Vice-Presidents for the ensuing year.

ROLL OF HONOUR

Members of the Staff of The Royal Bank of Canada
who gave their lives in their Country's Service

SEPTEMBER 10, 1939 — DECEMBER 1, 1942

| NAME | BRANCH | NAME | BRANCH |
|-------------------|---|--------------------|------------------------------|
| ARMSTRONG, G. G. | Weyburn, Sask. | LEACH, L. C. R. | Dryden, Ont. |
| ANGUS, D. B. | Tillsonburg, Ont. | McMANUS, W. W. S. | Saint John, N.B. |
| BAKER, W. M. | Niagara Falls, Ont. | MESHEAU, G. L. M. | Saint John, N.B. |
| BLAIR, S. W. | Amherst, N.S. | MONKHOUSE, W. G. | Winnipeg, Selkirk & Salter |
| CANN, G. G. | Balcarres, Sask. | MORRIS, G. | Bath, Ont. |
| CHESTNUT, G. A. | Moosomin, Sask. | MURRAY, A. I. | Toronto, Woodbine & Danforth |
| COTNAM, H. C. | Mount Royal, P.Q. | PARRISH, E. D. | Sexsmith, Alta. |
| DAVENPORT, J. J. | Imperial, Sask. | PATTERSON, R. S. | Calgary, 3rd St. W. |
| DE SHANE, W. C. | Guelph, Ont. | RATHWELL, E. E. | Carleton Place, Ont. |
| FETHERSTON, W. H. | Montreal, Laurier Avenue | RICHARDSON, R. D. | Norwood, Ont. |
| FRIESEN, V. E. | Lethbridge, Alta. | RODDY, W. G. | Winnipeg, Carlton & Portage |
| GLAZEBROOK, E. H. | Montreal, Bonaventure | SAUNDERS, F. J. W. | Vernon, B.C. |
| HALLIDAY, R. B. | Hamilton, Barton & Ottawa | SCHAEFER, K. G. | Toronto, Queen & Close |
| HUGHES, W. R. | Montreal, St. Catherine & McGill College | SIMPSON, E. L. | Wallaceburg, Ont. |
| JACKSON, R. J. | Toronto, Queen & Close | SINCLAIR, J. T. | Calgary, Alta. |
| KILLIN, R. D. | Kentville, N.S. | TAYLOR, G. G. | Calgary, Alta. |
| LANE, C. T. | Toronto, Bay & Temperance | WEBB, A. B. C. C. | London, Eng. |

MARITIME PROVINCES

General business conditions in the Maritime provinces showed substantial gains in 1942. The steel industry operated at capacity and an extension of production will shortly be possible when the new blast furnaces come into use. Coal production did not reach last year's level. The apple crop was about 20 per cent higher and the potato crop 25 per cent higher than the 1941 crops. Fox farming is scarcely holding its own. The output of lumber was considerably below the previous year. Fishing was, on the whole, successful as a reduction in landings was more than offset by higher prices.

Agriculture showed some gains over 1941. Spring weather conditions were favourable and enabled the farmer to complete seeding early; a drought during the summer months helped to prevent blight in the potato crop, but had an adverse effect on hay and grains. Yields were better than the poor output of 1941 and, as acreages sown were approximately the same, production showed a general increase. The hay crop in the three provinces increased by five per cent. The oats crop amounted to 13,017,000 bushels, compared with 11,714,000 bushels in 1941. The potato crop showed a large increase. The total yield for 1942 is placed at 14,198,000 cwt., compared with 10,815,000 cwt. in the previous year. Demand for potatoes has been good and prices were substantially higher than in 1941. Turnip yields showed little increase over the preceding year. The total value of all field crops in the Maritime provinces is estimated at \$57,647,000, compared with \$52,357,000 in 1941 and \$43,988,000 in 1940.

Damp, cold weather during the pollination period reduced the set of apples in Nova Scotia and hot weather at the beginning of September caused bloat in early varieties. Yields were heavier than anticipated and the output is now estimated at 1,250,000 barrels. Early in the season, the New Brunswick crop was expected to be 30 per cent below 1941, but weather conditions were very favourable late in the season, resulting in an exceptional increase in the size of the fruit. The final estimate was 65,000 barrels, only 2,000 barrels less than the 1941 crop. The Dominion Government is again co-operating in the marketing of the Nova Scotia crop; it has agreed to purchase 16,000,000 pounds of evaporated apples and also assisted in a programme for the removal of aged and undesirable trees. It is reported that 83,000 such trees were destroyed. Dry weather reduced the yield of strawberries in all three provinces and of other small fruit in Prince Edward Island and Nova Scotia; the raspberry crop in New Brunswick, however, was the heaviest in many years. Canning of fruits and vegetables was normal in volume and two plants were busy on the experimental dehydration of potatoes and turnips.

Livestock on farms increased in number during 1942. Herds of cattle are larger and hog production has definitely increased. There has been a gratifying response in Nova Scotia to the appeal for greater attention to sheep-raising and an increase of 25 per cent in wool output is anticipated in 1943. Egg production in Nova Scotia and New Brunswick showed an increase of 60 per cent and prices are also higher. Hatcheries delivered 1,000,000 chicks last year, compared with 670,000 in 1941. The restricted availability to the consumer of pork and pork products and the shortage of fresh beef resulted in a 35 per cent increase in the volume of poultry sales over the previous year. Dairying has also increased. Production of butter in the three provinces to the end of November was 14,415,714 pounds, compared with 13,112,581 pounds to the same date in 1941. Cheese production, while small, has shown remarkable gains, the increase in New Brunswick amounting to over 80 per cent.

Fox and mink ranchers suffered a definite loss this year. In Prince Edward Island approximately 30,000 silver-black fox pelts will be exported this season as compared with 45,000 in the previous year. Prices have dropped from \$18/19 to

\$12 per pelt. Production in 1942 was 25 per cent less than in 1941. The small ranchers are finding it difficult to procure labour and feed and many breeders intend to restrict production until after cessation of hostilities. Small farmers, who raised fox as a side line, are reported to be turning to hog and poultry production.

Manufacturing industries have shown a substantial improvement as compared with 1941. Most plants are operating at capacity and are engaged directly or indirectly in military production. The most important plant in the Maritimes is that of the Canadian Car & Foundry Company Limited in Amherst engaged in the building of fuselages. The number of workers in many factories has increased about 50 per cent. The Acadia Sugar Refining Company Limited ceased sugar refining operations in June and is at present engaged in naval and merchant marine repair work. Ship building, especially at Halifax and Pictou, increased somewhat, the yards completing a number of minesweepers, Fairmiles, patrol boats, and a variety of smaller craft.

Production of coal declined in 1942. The output in Nova Scotia was 7,189,201 tons, compared with 7,386,975 tons in 1941, while in New Brunswick production decreased from 523,299 tons in 1941 to 427,982 tons last year. Shipments of gypsum showed a decrease and gold production was again low. The federal and provincial governments are co-operating in the search for oil, tungsten and manganese in Nova Scotia, and small-scale operations are proceeding in barytes and fluor spar.

Despite urgent appeals from the British and Canadian Controllers, 1942 output of lumber will not likely exceed 75/80 per cent of the previous year's volume and 10/15 per cent of this will be hardwood. Exports to Great Britain in the six months ended June 30th were 44,853,000 board feet, compared with 66,228,000 board feet to the same date in the preceding year. Exports to the United States also declined. Prices and operating costs are both higher. Lumber was recently classified as an essential war industry and some relief is being obtained through wage stabilization and other regulations, but the previous loss of experienced labour to the armed services and other industries will not easily be overcome. Additional problems such as priorities on repairs and maintenance continue to hamper efforts to increase production. The demand for pulpwood continues strong and the market firm. Pit-prop operations were on a small scale and were conducted mostly by farmers in the vicinity of the coal mining districts.

The fishing season was on the whole very successful. Although the landings in Nova Scotia were less in 1942 than in the previous year, the value at the end of ten months showed an increase of \$1,800,000 or 31 per cent. In Prince Edward Island the quantity of fish caught shows an increase of 15 per cent over last year with considerably better prices being received. Prices for dried and pickled fish continued firm and there should be no difficulty in marketing every available pound of such at a profit to the producers and exporters, unless the shipping situation becomes worse. The demand for lobsters and oysters has been strong and it is estimated that the pack of canned lobster was about 19 per cent higher than in 1941. Exports of kelp in 1942 also exceeded 1941 figures. Fishermen along the north shore of Prince Edward Island and in Nova Scotia have secured additional revenue by the market for Irish Moss, a new industry which is growing in importance.

The value of construction contracts awarded was definitely lower, \$26,305,500 in 1942 as compared with \$36,736,400 in 1941. They were still considerably above contracts of \$21,142,100 in 1940. The decline last year was in engineering and industrial construction, and the activities of Wartime Housing Limited throughout the provinces maintained the volume of residential building. Retail business again showed an increase although not as great as the preceding year.

QUEBEC

In the Province of Quebec, business activity showed great gains during 1942. Returns from agriculture were satisfactory with a gain of \$21.7 million or 17 per cent, the output of crops generally was higher than that of the preceding year and some advances in prices were also recorded. Hay and clover made the greatest single contribution to the increase in value.

Acreages sown to wheat, oats and most other crops were slightly lower than the year before, but increases were reported for peas, mixed grains, potatoes, hay and clover, alfalfa and fodder corn. However, yields for 1942 were much higher than those for 1941 with the exception of spring rye—178,000 bushels as against 231,000 bushels in 1941, and potatoes—10,048,000 cwt. as against 11,475,000 cwt. for 1941. Blight and rot were largely responsible for the decline in output. Grain was stored under favourable conditions and the quality is good.

The trend in tobacco production is away from pipe tobacco, with the result that this year in the Northern District there is a slight increase in the area of cigar leaf tobacco and decreases in pipe and cigarette varieties. Preliminary estimates of production indicate a total cigar leaf crop of 3,900,000 pounds, slightly less than the 4,082,000 pounds produced in 1941. The total production of pipe tobacco will not exceed 1,355,000 pounds, which is approximately one-half the volume produced in 1941. However, rains and warmer weather in August did much to counteract such adverse factors as the late planting, heavy cutworm damage and the drought and cool weather experienced earlier. The cigar and flue-cured crops particularly showed considerable improvement and the tobacco crop as a whole is considered a good average one. Growers experienced much difficulty in securing help, however, so harvesting was delayed considerably on this account.

The yield of fruit was far above that of the previous year. The apple crop totalled 356,700 barrels, compared with 255,600 barrels last year. The fruit is larger in size than in recent years and is of higher colour than average. Unfavourable weather conditions in the Montreal area during the development of the strawberry crop reduced the harvest in this area from 10 to 15 per cent below that of last year. On the other hand production in the Quebec City district was much heavier with the result that, for the province as a whole, the yield is equal to that of 1941. Raspberry yields have been much better than those of 1941.

The weather was ideal for the harvesting of the root crops, and in spite of labour shortage, growers stored all crops. Supplies of beets and carrots are heavier than last year. Parsnips were smaller than in 1941 as the growers dug the crops earlier than usual because of the lack of help. Leeks were larger in size and production 25 per cent greater than a year ago. Large quantities of tomatoes were left unpicked in the field due to the lack of sufficient help. Turnip supplies are about the same as last year. Production of onions was greater than in 1941 as a result of the increased size of the transplanted and yellow bulbs. Red onions were only medium in size.

In some places pastures suffered from lack of moisture and many farmers had to give supplementary feeding to dairy cattle in order to maintain milk production. On the whole, however, livestock went into the winter in good condition. The figures for cattle, horses, and sheep on farms were somewhat higher than those of the previous year, while for hens and chickens and turkeys the figures were much larger—hens and chickens at June 1, 1942 were 9,116,000 as against 8,057,432 in 1941; turkeys, 204,500 compared with 172,266 of last year. Dairy production was somewhat higher in 1940 with the exception of creamery butter—figures for the first eleven months of 1942 were 69,880,547 pounds as compared with 74,522,529 pounds of last year. The production of

cheddar cheese for the same period was very much higher, 62,134,297 pounds as against 35,009,273 pounds in 1941. The Premier of Quebec has announced the discontinuance of the cheese subsidy of two cents per pound on First Grade cheese manufactured in Quebec. The subsidy was in effect from the 15th of May 1941 to the 1st of December, 1942. During that time the Quebec provincial government paid out approximately \$1,800,000.

Despite the presence of enemy submarines in the Gulf of St. Lawrence the fishing season on the Gaspé coast has been very successful with the catch estimated at 100,000,000 pounds an increase of 10,000,000 over last year. The catch of sea fish in the 1942 season included 52,600,000 pounds of cod, compared with 43,976,600 pounds in the preceding year. The revenue produced was \$500,000 more than the preceding year.

The total value of mineral production in Quebec during 1942 was \$104,749,101 as compared with \$99,651,044 of last year. The north-western section of the province still remains the sole mining area of any importance. A preliminary figure for the output of gold during 1941 is 817,437 fine ounces as against 812,704 fine ounces of last year. This figure includes the output of the Noranda mine usually classed with the copper-mining industry. In fact, Noranda now ranks in second position among all gold-producing mines in Canada. Silver production for the first ten months of 1942 was slightly lower, 1,367,968 ounces as compared with 1,379,061 ounces for the same period last year. Increases were reported for building materials with the output of cement at October 31, 1942 at 3,992,296 barrels as compared with 3,386,626 in 1941; production of lime was 294,113 tons against 253,881 tons and clay products was slightly lower, 1,649,243 as compared with 1,719,715 in 1941.

The old Moss molybdenum mine at Quyon was reconditioned and the mill treated local ore as well as ore from other deposits. It is expected that molybdenite production will be greatly increased next year when a mill has been completed at a new discovery of molybdenite in Preissac Township. Deposits of chromite which were operated during the first World War have been brought into production again.

Construction activity decreased somewhat during 1942. Quebec ranks second in the value of contracts awarded. These aggregated \$92,235,500, compared with \$154,541,200 in 1941, and \$96,326,300 in 1940. The major decline was in engineering construction. Not much change was shown in the volume of business, residential and industrial contracts.

Quebec has a large share of the heavy industries essential to war production. The electro-metallurgical production of aluminum and copper, electro-chemical production, ship-building and the manufacture of tanks, aircraft, guns, shells, explosives and many other munitions of war have made great demands on her power supply. These demands have been met by the construction of new plants, by extensions to existing generating stations, by the extension of transmission facilities to permit the most advantageous use of available water supplies and by restrictions on non-essential civilian use of electric power.

The enormous increase in the manufacture of aluminum has been one of the main factors in the growing demand for electric power. The Province of Quebec's aluminum production is now greater than that of the whole North American continent in 1939.

Canadian mills produced 2,932,911 tons of newsprint during the first eleven months of 1942. This represents a decrease of 192,131 tons, or six per cent over the figures for the same period of 1941. However, shipment figures were higher in 1941—3,135,383 tons as against 2,965,157 tons for the first eleven months of 1942. Mill stocks are lower than for some years past.

The index number of employment at October 1, 1942 at 194.5 was 11.8 per cent higher than at October 1st of last year. This increase was accompanied by one of 27.2 per cent in the reported weekly payrolls. A large proportion of this general advance took place in manufacturing, notably in vegetable foods, tobacco, chemical, electrical apparatus and iron and steel plants. Pulp and paper, rubber and leather works, however, were quieter. Logging, mining and communications also afforded more employment, but employment in transportation, construction and services showed curtailment. Little general change took place in trade.

ONTARIO

Almost every plant that is engaged in the manufacture of supplies in connection with the war operated at or near capacity during the year and in many cases there was an expansion of facilities. Due to the increasing difficulties in obtaining raw materials and labour for their regular products, a number of factories engaged in producing civilian goods, particularly those classed as "non-essential", have obtained contracts for the manufacture of supplies needed in connection with the war. The number of new plants being erected shows a tendency to decrease and apparently the policy is to endeavour to derive the maximum production from present equipment. It may also be felt that the plants now in operation, or in the process of being erected, will be able to absorb most of the raw materials that will be available. The reduction in the manufacturing of articles for civilian use and those considered non-essential, was not as great as was expected in the beginning of the year. This may, however, have been due to the stocks of raw materials on hand and curtailment of operations will be more noticeable in the near future as supplies become scarcer. The sales' volume of industries for the year 1942, however, with very few exceptions, will exceed that of 1941, and in a number of instances will establish a new high record. Owing to the existing demand for goods for civilian uses, output was limited only by restrictions.

Practically all branches of the iron and steel industry are engaged in war work. Remarkable gains have been shown in production and number of persons employed. Factories manufacturing rubber products have, of course, been seriously affected by the shortage of supplies. The majority of the textile and knitting plants are now actively engaged on either direct or sub war contracts. In some cases difficulty is being experienced in obtaining labour. New regulations allow manufacturers of woollen goods to order only 50 per cent of the yarn purchased in 1941. Demand for boots and shoes and furniture continues strong, but shortages of materials and labour are reducing output.

As a result of the increase in industrial activity unemployment was practically eliminated during the year. Since there is a shortage of both skilled and unskilled labour in various districts, it is evident that practically all those who are now receiving relief are unemployable. During the harvesting season the farmers experienced considerable difficulty in obtaining the necessary help, but, fortunately, due to wartime harvesters and volunteer workers from cities and towns, there were few instances reported of crops not being harvested.

Mineral production in 1942 was valued at \$258,423,267 compared with \$267,435,727 in 1941. As a result of the government policy of reduction in gold-mining and transfer of machinery and men to base metal mining, gold production in the province was substantially reduced in the latter months of the year. Output in 1942 amounted to 2,756,922 fine ounces valued at \$106,141,497, compared with 3,194,308 ounces valued at \$122,980,858 in 1941. On the other hand, base metal mines were very active during the year. The International Nickel Company completed additions to their smelter and concentrator which should increase production by about 10 per cent. Falconbridge Nickel are operating at capacity, and while figures are not available, the ore tonnage

now being handled by both of these companies is no doubt the highest in their history. Developments, including shaft sinkings, are proceeding rapidly in connection with a number of new properties and it is believed that production of ore from this source will play an important part in the efforts that are being made to meet the demand for base metals.

Exploration and development work for the production of other minerals essential to the war effort was active during the year. Perhaps the most outstanding achievement was the production on a commercial scale of the metal magnesium from dolomite rock. The process used is the most efficient so far discovered and is a wholly Canadian process developed in the National Research Laboratories. The coming year may see a new development of great importance to Canadian mining. The financing of the Steep Rock iron mine in North-western Ontario is now under way and the Dominion Bureau of Statistics reports that it is not improbable that this year will see active development of the mine.

The value of field crop production during 1942 is provisionally estimated at \$200,795,300 or 17 per cent higher than last year when production was valued at \$171,809,000. This increase in value was caused by a gain of 27.4 per cent in the aggregate volume of production which was partially offset by a decrease in average crop prices of 8.3 per cent.

The largest gains over a year ago were shown by fall wheat which increased in value from \$14,769,000 to \$20,587,000. The farm price of fall wheat is 10 cents per bushel less this year than last, being estimated at 88 cents per bushel as against 98 cents in 1941, but production rose from 15,042,000 bushels to 23,391,000. The value of the oat crop increased from \$31,126,000 to \$37,197,000. Again, the average price per bushel was lower than last year, declining from 48 cents to 44 cents, but production rose from 64,845,000 bushels to 84,538,000 bushels. Production of barley was also higher, 12,179,000 bushels against 10,438,000 in 1941. There was a reduction in only one case, that is potatoes, which was caused by heavy frosts, late blight and the scarcity of labour. The total yield for this year was 7,161,000 cwt. against 7,579,000 cwt. in 1941.

A minimum average price of 26½ cents per pound has been established for the 1942 flue-cured tobacco crop, as compared with 22¾ cents in 1941. It is now estimated that the total 1942 flue-cured crop will amount to 65,378,857 pounds, as compared with 68,504,800 pounds last year. The latest estimates available of the burley tobacco crop indicate a total production of 9,822,000 pounds compared with 8,966,000 pounds in 1941. Dark tobacco will give a fair yield per acre. The quality of the 1942 flue-cured crop is good, burley is only of average quality and slightly below last year, while the dark tobacco appears to be somewhat lower than last year. The marketing prospects are considered excellent for all types of tobacco this season.

Returns to fruit growers were reasonably satisfactory. Production of pears amounted to 215,800 bushels against 167,200 in 1941. The shortage of help affected the marketing of peaches, the total yield being 728,000 bushels, compared with 700,000 bushels in the previous year. This crop also suffered considerably from rot. The grape crop was very heavy, 33,800 tons compared with 22,500 tons in 1941, but the quality was lower and the cost of harvesting higher. The reduction in the sugar available for wineries also lowered the price of grapes, but the prices obtained for other fruits were higher than in the previous year.

According to the latest livestock census, holdings were maintained at approximately the same level as in 1941. Cattle totalled 2,639,000 compared with 2,641,000 in 1941. It appears that there will be plenty of fodder for the feeding of hogs, cattle and poultry during the winter months. Fall pasture conditions were extremely satisfactory and the demand, together with the higher prices obtained should result

in an increase in the number of livestock and poultry that will be raised and marketed in 1943. There is evidence that many farmers are paying more attention to sheep raising. More ewe lambs are being retained to strengthen the home flocks, and a large number of sheep have been purchased from Western Canada by farmers who previously had not been interested in the raising of these animals. Holdings of swine declined slightly to 1,861,000 from 1,875,000 the year before.

Production of creamery butter during the first eleven months of 1942 totalled 76,276,000 pounds compared with 81,870,000 pounds during the same period last year, representing a decrease of 6½ per cent. During the same period the production of cheese amounted to 122,815,000 pounds, compared with 99,005,000 pounds in the corresponding months of last year, an increase of 24 per cent.

Due to the shortage of both building materials and labour, and increased income taxes, there has been a reduction in the amount of capital being invested in buildings by private parties. Reports indicate that activity is becoming more and more confined to building in connection with war industries either to accommodate additional workers or the expansion of existing plants. An increasing number of alterations are being made in older homes in order to provide more housing units, and Wartime Housing Limited has erected or is erecting a considerable number of temporary houses in industrial centres. A large number of vacant stores are being converted into living quarters.

Retail trade enjoyed an excellent year and the volume of sales was higher than in 1941. A number of small merchants, particularly those specializing in luxury lines and those operating without adequate working capital, closed their shops during the year. In the majority of instances wholesalers report that their volume of sales will be above last year's total, although they were unable to obtain some lines from manufacturers due to the inability of the latter to secure raw materials.

PRAIRIE PROVINCES

Agricultural conditions in the Prairie Provinces during 1942 were unusually good. The year in Alberta has been one of the most outstanding in the records of crop production. Starting off none too favourably due to light winter snowfall and consequent lack of moisture reserves, hopes were raised toward the end of June when steady rains occurred, continuing throughout the summer and well into the fall. Growth was rapid and heavy but the cool damp weather did not promote ripening and harvesting operations commenced much later than usual. As a result there was considerable lodging of grain which restricted the use of combines, and, with a serious shortage of labour made it impossible to complete the harvest before the snow fell. It is estimated that possibly 25 per cent of the wheat crop and considerable coarse grain remains unthreshed. Sawfly and frost caused some damage. Grades were lowered as a result of immature kernels and frost. Substantial increases were reported in the production of other major crops and in coarse grains. This was due in part to the extraordinary yield per acre but more to the larger acreage sown to these crops at the request of the Government.

In Saskatchewan heavy rains put the seed bed in good condition and seeding was practically completed by the end of May. However, the summer as a whole was cool and there was an unusual amount of rainfall with the result that grains produced a heavy growth, but matured slowly. Toward the close of the season heavy rainfall and high winds caused severe damage in some sections. There was a shortage of farm labour and the experiment of bringing some 2,500 harvest workers from Eastern Canada, mainly students, had only partial success. According to the latest reports available 89 per cent of the entire wheat crop has now been threshed but at a few points as much as 40 per cent remains unthreshed. The yield has been satisfactory but much of the wheat graded

No. 3 or lower. The Dominion Government's campaign to reduce wheat acreage and increase the sowing of coarse grains has had considerable success.

Heavy spring rains in Manitoba retarded seeding. However, growth was satisfactory although slower than during the previous year. Hail, heavy rains and high winds added to the difficulty of harvesting.

On a provincial basis the greatest gain in 1942 over the previous year occurred in Saskatchewan where gross value of field crops in 1942 amounted to \$390.8 million as compared with \$126.7 million in the previous year. This was an increase of 209 per cent. Wheat was the main factor responsible for the increase in Saskatchewan although the values of other field crops were also substantially higher. An increase of 136 per cent in gross value has been estimated for Alberta. In Manitoba the gross value increased from \$74.7 million in 1941 to \$112.2 million in 1942, an increase of 50 per cent. The official estimate of the value of field crops in the three provinces is as follows:

| | 1940 | 1941 | 1942 |
|-------------------|---------------|---------------|---------------|
| Manitoba..... | \$ 60,855,000 | \$ 74,692,000 | \$112,196,000 |
| Saskatchewan..... | 178,887,000 | 126,742,000 | 390,768,000 |
| Alberta..... | 139,659,000 | 101,556,000 | 239,897,000 |
| Total..... | \$379,401,000 | \$302,990,000 | \$742,861,000 |

Record yields of wheat per acre were harvested in the Prairie Provinces and the average price at the farm has been considerably higher than that received during 1941. The production of oats in these provinces has reached a new high—500,000,000 bushels, as against 178,000,000 bushels last year. Production figures for barley, rye and flaxseed are also higher than usual. 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 for the previous season.

| | Wheat | | Oats (thousands of bushels) | | Barley | |
|-------------------|---------|---------|--------------------------------|---------|--------|---------|
| | 1941 | 1942 | 1941 | 1942 | 1941 | 1942 |
| Manitoba..... | 51,000 | 52,000 | 41,700 | 70,000 | 40,000 | 76,000 |
| Saskatchewan..... | 145,000 | 345,000 | 72,500 | 255,000 | 26,700 | 92,000 |
| Alberta..... | 97,000 | 183,000 | 63,800 | 175,000 | 28,000 | 73,000 |
| Total..... | 293,000 | 580,000 | 178,000 | 500,000 | 94,700 | 241,000 |

As announced in the press last spring the Dominion Government made certain amendments to their wheat policy. These changes included:

- 1) A fixed initial price of 90c per bushel, basis No. 1 Northern in store Fort William-Port Arthur or Vancouver, for the 1942 wheat crop. (This compares with 70c per bushel for the 1941 crop.)
- 2) Deliveries of wheat by farmers in Western Canada to be regulated by quotas based on acreage and the volume restricted to 280,000,000 bushels. (Previous year's quota was 223,000,000 bushels).
- 3) A bonus of \$2 per acre to be paid on wheat acreage sown to oats, barley and rye, peas, corn and grasses or put into summerfallow. (This is the same as the 1941 bonus except that the bonus for summerfallowing wheat land was lowered from \$4).

A further inducement to switch from wheat growing to coarse grains was the establishment of minimum guaranteed fixed prices of 45c and 60c for oats and barley respectively, the Wheat Board being empowered to purchase these grains from growers if the prices fell below the guaranteed minima.

Participation certificates (which entitle the farmer to share pro rata in any surplus resulting from the operations of the Wheat Board) are still being issued to producers of wheat who deliver to the Wheat Board but no such provision is in effect in respect of oats, barley and flax. Producers may sell on the open market (subject of course, to delivery quotas mentioned in (2) above) all grains except flaxseed, which must be sold

to the Wheat Board, the whole of the 1942 crop being purchased by it at \$2.25 per bushel. Deliveries of oats and barley are also by quota.

On August 1st last there was storage space available for less than 205,000,000 bushels of wheat to handle the 280,000,000 bushels of wheat together with the marketable surplus of coarse grains, rye and flaxseed which the Government had agreed to accept. However, it is thought that with the co-operation of producers in the Prairie Provinces the present difficult storage and marketing situation can be worked out.

Farmers for the most part completed their summer-fallowing but owing to the late fall season only about 50 per cent of fall plowing was accomplished. More plowing will be necessary next spring.

Smaller acreages were planted to potatoes in all three provinces but very high yields in Saskatchewan and Alberta resulted in a total production of 9,180,000 cwt., an increase of 20 per cent over that of the previous year. Acreages and yields of turnips were higher in Alberta and Saskatchewan but lower in Manitoba. The output of alfalfa and other fodder was generally higher. The sugar beet crop in Manitoba was 126,200 tons compared with the small 1941 yield of 92,500 tons; in Alberta, an increased acreage was planted and output was 338,000 tons, compared with 297,000 tons in 1941.

Livestock raisers in all three provinces experienced a very satisfactory year. Plentitude of feed, unprecedented demand for meats and by-products, a better than average natural increase and little loss through disease or other causes, enabled farmers to reap the fullest benefit. Pasturage conditions were good. Demand continued strong at somewhat higher prices and margins of profit were satisfactory. Farm holdings were higher in all three provinces, hogs showing a particularly large increase. The steady demand for bacon for overseas shipment and the price of over \$15 a cwt. compared with around \$13.50 a cwt. a year ago, made hog raising a profitable venture, and enabled many farmers to improve their financial positions from a source other than grain-growing. In recent months, there has been some decline in the demand for feeder stock due chiefly to the withdrawal of United States buyers from the market as a result of export restrictions. A marked increase in dairy operations took place during the year, but shortage of labour and transportation difficulties may limit future growth of this industry. Production of creamery butter totalled 108,442,000 pounds, compared with 103,530,000 pounds in 1941. Since early in July the Dominion Government has paid a bonus of 6 cents per pound on butter fat increasing the return to the producer but at the same time retaining the retail price ceiling. A substantial gain is shown in cheese production, 9,967,930 pounds as against 7,418,382 pounds in 1941. The poultry outlook is extremely good.

Mineral output in Manitoba was valued at \$14,643,269, compared with \$16,689,867 in 1941; the decline is due largely to reduced output of gold, in line with the government programme of restricted production. The two most important mines in Manitoba are large producers of copper and zinc—both of which are of vital importance in our war effort.

The Hudson Bay Mining and Smelting Company, Limited, operated at capacity during the year, the tonnage of ore handled being estimated at between 2,100,000 and 2,200,000 tons, a new peak. All the Company's production of copper and zinc is under government control and continues to be sold under contract at prices substantially those prevailing at the outbreak of war. Tonnage milled at the Sherrit-Gordon Mines in the first six months of the year amounted to 376,769 tons, compared with 342,000 tons during the same period last year.

Coal production in Saskatchewan for 1942 up to September 30th is reported at 803,904 tons, against 785,201 tons for the corresponding period of 1941. In Alberta, output was also

substantially higher during the same period, 5,532,707 tons compared with 4,751,176 tons. The outlook for the Alberta industry remains uncertain due to increasing competition from natural gas and oil.

Development of the Turner Valley area proceeded at about the same rate as last year but results of drilling at the extreme north end were disappointing. An experiment in deeper drilling is now in progress in the central portion of the field and much interest is being centred on the outcome, as its success would very likely have far-reaching effects on future development and production methods. There are now 233 producing wells in the province against 197 at the same time last year. At November 30th 36 wells were being drilled compared with 28 on the same date last year.

During the first ten months of 1942 the total yield from wells was 8,478,454 bbls., with revenue to operators amounting to \$12,913,984. Last year's figures for the same period were 8,238,252 bbls. and \$11,115,600. The tar sands in the Fort McMurray area have been yielding around 3,500 to 4,000 bbls. of crude oil per month. Under the method now used, one barrel of oil is extracted from somewhat more than a ton of sand.

Manufacturing operations were further expanded in 1942. Most plants, particularly those engaged either directly or indirectly on war orders, maintained capacity output. Some difficulty was experienced late in the year in securing adequate supplies of raw materials and the labour situation is becoming steadily more acute. Domestic demand has been good but export trade fluctuated considerably due to the uncertainty of shipping space.

Manufacturing and merchandising restrictions placed in effect by authority of the Dominion Government naturally have an important effect on both wholesale and retail trade. However, retail trade was moderately better than in 1941. Shortages exist in a number of lines and there are unmistakable indications that before many months the dwindling supply of consumer goods will become more apparent on retail shelves. Retailers, particularly those who earlier increased stocks in anticipation of future shortages, were able to report heavier sales than in 1941. Wholesalers experienced difficulty in obtaining supplies.

BRITISH COLUMBIA

While the primary industries of British Columbia, lumbering, fishing and agriculture, had many problems in 1942, principally a shortage of labour, production on the whole has been fairly well maintained. As a result of increased industrial activity, there has been a greater circulation of money and retail and wholesale trade was considerably higher. Heavy rains affected agriculture, but below average crops in some products were offset by heavier yields in others. Returns from the fishing industry were satisfactory, and the total salmon pack was taken over by the Canadian Government for shipment to the British Ministry of Food. Logging operators have found trouble keeping production up to the demand as a result of the labour shortage, and the lumber export trade was restricted largely to Great Britain and South Africa. Mining continued at a satisfactory level. Manufacturing generally showed a considerable increase with a resultant gain in employment and payrolls.

Continued heavy rains in the late summer and early fall interfered with the harvesting of grain, and the hay and oat crops were below average, as was the potato crop. Other crops such as peas, seed and clover were above average, and hops and tobacco were harvested despite the bad weather. Vegetable crops were satisfactory with the exception of tomatoes, the quality and quantity of which were affected by the rain. However, deliveries to the canneries of all vegetables showed a slight increase. Despite the bad weather

conditions, the estimated value of agricultural products was greater than that of 1941, the figure being \$61,300,000 against \$58,576,809 in the previous year.

In spite of the acute labour shortage the estimated yield of fruit production for 1942 was higher than that of 1941. The 1942 apple crop was estimated at 1,987,300 barrels, almost 500,000 barrels greater than that of 1941. The crop was subsidized by the Canadian Government, the agreement being based on a pack of 4,750,000 boxes. But it is expected that the entire crop will be disposed of at good prices, and the government will be required to pay little, if any, of their subsidy. The yield of plums, prunes and cherries was below that of 1941, but peaches, pears and grapes showed substantial gains and the apricot crop was the second largest on record. Unfavourable weather conditions and the evacuation of Japanese growers away from coastal areas combined to reduce the output of strawberries and loganberries, but bush fruits yielded well.

As a result of good range conditions and abundant supply of hay, the cattle ranchers in the Kamloops area experienced another satisfactory year. The demand for cattle is good and sales this year are about the same as in 1940 and 1941. Prices were slightly higher. Those engaged in the raising of sheep also had a good year. Prices were generally higher than in 1941 and wool brought approximately 10 per cent more than for the previous year. Creamery butter production to the end of November was 5,206,377 pounds, compared with 5,594,166 pounds to the same date in 1941, but cheese output increased nearly 40 per cent to 921,907 pounds.

The total pack of various grades of salmon for 1942 amounted to 1,806,009 cases, compared with the record pack of 2,248,871 cases in 1941. All grades shared in the decline, except sockeye which showed a substantial increase. The whole pack was taken over by the Canadian Government for shipment to the British Ministry of Food. Prices agreed upon for all grades are at levels higher than those of last year. Herring canning showed a slight decrease to December 5, 1942, when the cases packed were 576,378 against 600,641 cases to November 22, 1941. The entire pack of herring will also be taken by the British Ministry of Food, and the price is expected to show a slight increase over 1941. The pilchard run was poor and production of pilchard meal for 1942 was 8,161 tons as against 10,473 tons for 1941, while pilchard oil was 1,091,494 gallons showing a decrease from 1,789,708 gallons for 1941. During the past two years a new industry has developed, that is the production of vitamin fish oil from fish livers and the volume of sales amounted to over \$1,000,000 for 1941, while it is estimated that sales in 1942 were in the neighbourhood of \$1,600,000. The halibut season was good and prices received were substantially higher than in 1941. Total landings for 1942 were 19,448,300 pounds, a decided gain over 16,740,100 pounds caught in 1941; Canadian landings, however, were lower, 6,056,900 pounds, compared with 6,586,600 pounds in 1941. The amount of frozen fish in storage is a little below normal and the demand from the American market is good.

Logging operations have been maintained with difficulty owing mainly to the shortage of labour. The estimated shortage of men in logging camps on the lower West Coast is approximately 4,000. One company, however, the Aero Timber Products Limited, a government corporation recently organized for the production of airplane spruce and hemlock, has been allowed to pay wage bonuses in order to secure an adequate supply of labour. Forestry Branch statistics of logs scaled in the first nine months of 1942 were 2,290,242,052 board feet, a decrease of 384,008,647 board feet from the previous year. Stocks on hand at present at log buying mills do not exceed a thirty day supply compared with the normal practice of maintaining a ninety day supply. The demand for all types of log is good. No logs may now be exported to the United States except under permit, and at the present time such

permits are only being granted for cedar and pine. All high grade Douglas fir logs are under direct allocation of the Timber Controller. Export trade in lumber is confined largely to Great Britain and South Africa, orders being shipped eastward by rail for loading at Atlantic ports. Great demand for lumber has been created by accelerated wartime activities on this continent. The order of priority in distribution issued by the Timber Controller is Great Britain 40 per cent, Canada 40 per cent and the United States and other Empire countries 20 per cent. Logging and lumbering have been classified as essential war industries. The production of shingles showed a decrease, the shortage of labour and smaller production of cedar logs being the two chief factors. The demand has been good, however, and prices on the Canadian market are at the ceiling established by the Timber Controller during 1941. One half the cut of each shingle mill has to be sold in Canada, while the other half is allowed to be shipped to the United States. The 1942 quota for imports into the United States was 2,617,111 squares, and shipments over that amount were subject to full duty. Pulp and paper production was less than during 1941 and the mills are running approximately at 15 per cent below capacity.

Mineral production has been estimated at \$76,665,268 for 1942, approximately the same as in the preceding year. Zinc production has been maintained at a high level, while the production of gold has decreased considerably. Much interest has been displayed in base metal properties and it is expected that several will be brought into production shortly. Tungsten is being mined in increasing quantities and one or two mercury properties have been developed. Production of coal in British Columbia for 1942 is estimated at 2,153,153 tons as against the actual figure of 1,763,784 tons for 1941. A large demand for coal has been created by the government restriction on fuel oil for heating purposes.

Wholesale trade has increased considerably over the previous year, estimates of the increase ranging from 16/33 per cent. Lines of retail trade report a considerable increase in business for 1942 as compared with 1941. There has been a noticeable decrease in the number of tourists from the Prairie provinces and other parts of Canada, while the number of Americans entering British Columbia in the first ten months of 1942 were 205,322 as against 272,878 for the same period last year. The population of Vancouver, Victoria, New Westminster, Prince Rupert and several other points have shown large increases since the war owing to higher wages in shipbuilding, airplane and allied industries. Unemployment relief is now restricted by the government to social assistance only to persons who are unemployable through physical disability or comparable handicaps. The latest figures for individuals receiving assistance as at 30th September, 1942, are 8,391 as compared to 15,877 at the same period in 1941.

NEWFOUNDLAND

Landings of codfish in Newfoundland showed a further decline from previous years. The total catch in 1942 was only 735,000 quintals as compared with 925,494 and 887,758 in the years 1940 and 1941 respectively. This decline was due in large measure to the fact that many of the fishermen have secured employment in the construction of the United States bases. Bank and Inshore results were considerably below last year but were offset by the Labrador catch which was better this season by some 40,000 quintals.

Prices received during 1942 were higher and per capita returns were higher as fewer fishermen were engaged in the industry. Although market opportunities are limited, smaller codfish landings have resulted in the present demand exceeding available supplies. Contracts have been signed with Spain and Portugal for 230,000 and 200,000 quintals respectively. Canada and the United States are taking substantial shipments in salt bulk as well as pickle cured. Great Britain has also made a good purchase of Labrador codfish. The

Puerto Rico market was weak during the last few months of the year due to transportation difficulties, but a fairly large sale of some 50,000 quintals has now been arranged. Due to exchange restrictions shipments to Brazil have been practically cut off.

The spring catch of herring was reported to be plentiful. New York buyers purchased their usual quota of 26,000 barrels of the Scotch-cure pack. A new venture is not in progress, that of supplying 4,000 barrels of Special Scotch-cure to South America. This was formerly a Norwegian market. The production of lobster is down and total shipments amounted to 1,854,000 pounds, compared with last year's exports of 2,148,000 pounds. Most of the catch was shipped live to Boston and there is now a shortage of canned lobster for local trade. Salmon landings fell off from last year which also was below normal. While England maintains the luxury embargo, returns are likely to continue discouraging. Canada purchased the major share of the fresh shipments which amounted to 1,753,000 pounds. Substantial local sales of canned salmon were made to the armed forces and construction companies at good prices.

Fewer vessels were engaged in seal fishing in 1942 and the catch amounted to 4,698 seals valued at \$11,686, the lowest catch on record, compared with 42,666 seals with a value of \$67,179 in 1941. The practically closed season which has prevailed during the past couple of years may yet prove a benefit. The seal herds were gradually diminishing and this enforced respite may be the means of replenishing them.

The building boom has brought a full measure of prosperity to the lumber industry. Full time capacity has continued throughout the year with demand always exceeding supplies. Common lumber which in pre-war days sold for \$30 per thousand feet is now quoted up to \$80 per thousand feet. The pit-prop industry has suffered for lack of shipping facilities to Great Britain. Some wood originally cut for shipment has been diverted to the paper mills and other local needs. Newsprint mills operated at a little below capacity this year owing to restrictions on paper imports into Great Britain and shipping difficulties. Production of newsprint during the first 11 months of 1942 was 257,990 tons compared with 320,350 tons for the same period of 1941, a decrease of 62,360 tons or 19½ per cent. Exports of finished newsprint up to June 30th were 307,138 tons valued at \$12,634,205 compared with 351,897 tons and \$14,119,921 in the same period of 1941. The outlook for the coming year is not so promising for the paper mills. Chief problems are transportation, American price ceilings, high freight and insurance charges, importation restrictions and increased wage scales.

Shipments of iron ore to the United Kingdom from Bell Island were greatly curtailed during 1942 owing to lack of shipping tonnage. Mining operations were on a five/six day per week basis, employing 1,700 men, compared with about 3 days operations per week with a working force of some 2,000 men for the same period last year. Shipments during 1942 were estimated at 1,130,000 gross tons with a value of \$3,300,000 compared with 1,182,180 gross tons and \$3,400,000 in 1941. Smelters in Sydney, N.S., absorbed the bulk of the ore exported, taking 900,000 tons in 1942 compared with 842,538 tons in 1941. Purchases by the United Kingdom declined from 282,616 tons in 1941 to 230,000 tons in 1942. Buchans Mining Company Limited, producing base metal concentrates, is understood to be continuing operation at capacity.

Retail sales expanded as a result of increased purchasing power; the cost of living rose rapidly during the year. The December index was 150.2, compared with 104.4 at the outbreak of the war. Most importers have experienced the biggest volume of business on record, in many cases limited only by the quantity of supplies available in the foreign markets. Building activity was well maintained but the housing situation is still acute. A National Registration of all people between 16 and 65 is now in progress, to obtain particulars

of available man and woman power in the country. There is no unemployment of any kind. Government assistance in the form of able-bodied relief has not been granted since July 1941. Total exports for the fiscal year ended June 30, 1942 amounted to \$39,363,640. Import figures are not yet available, but due to the heavy turnover of local importers they should show an increase in comparison with the previous year, when total trade amounted to \$73,011,861.

WEST INDIES

The shortage of marine shipping facilities has also been the main factor affecting business conditions in the Caribbean islands. All of these islands are largely dependent for a livelihood upon the export of staple crops and the importation of manufactured products and foodstuffs. The scarcity of ships prevented shipment of part of the 1942 harvests, thereby reducing purchasing power and throwing a severe strain on local storage facilities; imports have also declined, creating temporary shortages in many islands. In order to relieve the situation, Great Britain and the United States have purchased and paid for the entire output of certain products, for shipment when facilities become available. The Anglo-American Caribbean Commission has formed a schooner pool, to provide transportation by sailing vessel among the islands and to ports in the Southern United States.

In spite of these difficulties, general business conditions continued to be above average in practically all of the British West Indian colonies; this was particularly true of the colonies in which the United States is constructing air and naval bases. Activity in this construction has passed its peak and numbers of workers thus released are returning to agriculture and other local industries. The local production of food crops continues to increase, with governmental encouragement. In Barbados, 35 per cent of the arable land is now sown to corn, beans and other vegetables and in Trinidad food crops must be grown on 40 per cent of all sugar lands.

The financial position of the colonial governments has been sound, most of them reporting substantial surpluses at the ends of their fiscal years.

Agreements have been concluded between the United States and the colonies of Trinidad, British Guiana and British Honduras, whereby the United States Rubber Reserve Company will purchase, until December 31, 1946, all rubber produced in these colonies above that required for essential domestic needs.

Weather conditions were favourable for the 1942 sugar crop, except in Jamaica. The output was reduced in Trinidad and Antigua by labour shortage and substantial amounts of cane were left uncut in the fields. The exportable surpluses were purchased by the British Ministry of Food at a somewhat higher price than in the preceding year. Shipment was slow, however, and stocks were still on hand in the colonies at the end of the year. Except in Trinidad, where the cane has been adversely affected by drought and disease, the outlook for the 1943 crop is satisfactory. Increased production is anticipated in practically all other producing areas and the yield in St. Kitts is expected to establish a new record. Despite a reduction in acreage in Barbados, due to transfer to food crops and cotton, output is expected to equal or exceed last year's 120,000 tons.

The 1942/43 cocoa and coffee crops in Jamaica are reported to be of normal size and are being marketed by the Food Controller. It is expected that most of the production will be shipped to Canada, under an arrangement with the Commodities Price Stabilization Corporation. The marketing of the Trinidad and Grenada crops is still uncertain. The British Ministry of Food has decided that it will be impossible to ship any of the crop to Great Britain, but it is hoped that it can be sold in Canada and the United States.

Exports of bananas from Jamaica were small but the British Government has continued, on a reduced scale, its purchase of high quality bananas. In 1941, these purchases were approximately 15,000,000 stems, but last year they did not exceed 10,000,000 stems. On November 1, 1942, the price paid was reduced from 3/6 per count bunch to 3/3; in both cases 3d. per count bunch has been set aside to establish a fund for the control of leaf spot disease. There has been a substantial decline in the acreage under banana cultivation, much of the land being utilized for the growth of sugar cane or vegetables. Lack of shipping facilities has practically eliminated banana exports from the Eastern Islands; a programme of purchasing and drying bananas in Dominica, approved by the British Colonial Secretary, went into operation on September 8, 1942.

The 1942 crop of grapefruit and oranges in Trinidad was smaller than in the previous year and was marketed largely in the form of juice. A strong local demand exists for fruit juice, but the lack of cans for processing will necessitate the sale of the greater part of the 1943 crop as fresh fruit. The 1942 crops in Jamaica were made into marmalade pulp for shipment to Great Britain. Arrangements have been concluded for the purchase by the Ministry of Food of bitter orange pulp from the 1943 crop, and for the manufacture of sweet orange oil. Grapefruit will be purchased by the Jamaica Food Controller. The yield of limes in Dominica and Montserrat was good and satisfactory prices were obtained for such products as could be shipped.

Conditions were not favourable for the cotton crop and the output was lower in all producing islands except Nevis. Prices were steady and profitable, with the entire output sold to the British Ministry of Supply. A larger acreage has been planted in Barbados than in any year since 1927, but the crop is suffering from insect pests. Weather conditions for the 1943 crop have not been favourable in other areas.

Shipments of nutmegs and mace from Grenada were well maintained and prices were profitable. The British Ministry of Food has offered to buy the entire 1942/43 output but negotiations over prices are continuing. Lack of competition from other sources increased demand and prices for Dominica vanilla and production was approximately 50 per cent higher than in the previous year. The Jamaica Food Controller is purchasing the entire pimento crop, most of it being destined for shipment to Great Britain, and the remainder for sale in Canada and the United States. Ginger exports are not restricted and moderate quantities have been exported.

The 1941/42 rice crop in British Guiana was of normal size and was readily sold locally and in the neighbouring West Indian Islands. An increased output is anticipated in 1943. In order to provide raw material for the local edible oil and soap factories, the production, sale and export of coconuts and copra are under strict governmental control in Trinidad and Jamaica. The yield of coconuts has been large, but there has been little or no surplus above local requirements.

Cuban business in 1942 was generally favourable, although uncertainty regarding the coming sugar crop had a depressing effect upon business in the latter months of the year. Preliminary estimates of government revenues were substantially above those of 1941 but expenditures also increased and a small deficit has resulted. The 1943 budget has not yet been approved by Congress, but the President's message asked for expenditures of approximately 90,000,000 pesos. Under a law of May 2, 1942, the Government has issued 20,408,200 pesos of additional currency, bringing total currency in circulation to 100,703,000 pesos. The new notes are backed by \$15,000,000 of gold and \$5,000,000 of U.S. currency. On December 5, 1942, the Government was authorized to purchase an additional \$15,000,000 of gold, to be added to Cuba's gold reserves. No official estimate of the 1942 sugar crop has been issued but it is unofficially reported to have been approximately 3,350,000 Spanish tons, the largest since 1930 and

almost 1,000,000 tons greater than the 1941 output. In addition invert molasses to an amount of 168,549,000 gallons, equivalent to 627,000 Spanish tons of sugar were produced. The entire crop, including invert and blackstrap molasses, was purchased by the United States Defense Supplies Corporation at \$2.65 per pound f.o.b. Cuba for raw sugar and \$2.50 per pound f.o.b. basic sugar content for invert and blackstrap molasses, but the scarcity of shipping facilities delayed exports and approximately 1,500,000 tons were still in store in Cuba at the end of the year. Negotiations for the sale of the 1943 crop to the United States are in progress but it is reported that no agreement has yet been reached. The commencement of grinding has been postponed to February 15th. The 1942 tobacco crop was slightly smaller than that of 1941, an increase in the Vuelta Arriba zone being more than offset by declines in the Vuelta Abajo and other areas. Dry weather during the planting season and shortages of fuel and fertilizer are reported to have reduced acreages for the 1943 crop. Weather conditions were favourable for cattle raising, prices are firm at the Government maxima and jerked beef and dairy factories operated normally during the year. The 1942/43 coffee crop is estimated at 700,000 quintals, compared with 600,000 quintals in 1941/42; 17½ per cent of both crops were segregated for export. The United States quota for 1942/43 has been set at 99,889 bags of 132 pounds.

Business conditions in Puerto Rico declined seriously during 1942, primarily as a result of the shipping situation. The shortage of space hindered export of the largest sugar crop on record and the pineapple crop and further restricted operations in the needlework industry. Imports were seriously curtailed and were restricted largely to foodstuffs, for the island is dependent upon imported foods. Other staple products for civilian use and fertilizer for the island's crops have become increasingly scarce since the middle of the year. Local cultivation of foodstuffs is being encouraged and a new cement factory has commenced operations at Ponce. The 1941/42 sugar crop of 1,147,589 tons was the largest on record and compares with 931,997 tons in 1940/41. The increase was largely the result of grinding all available cane, including that left unground from the previous season. Export movement of the crop has been slow. The lack of fertilizer is expected to reduce the 1942/43 crop, grinding of which begins in January, and the output is not expected to exceed 800,000 tons. The 1942 tobacco crop was large, 325,000 cwt., compared with 267,500 cwt. in 1941, and sales have been slow. The acreage allotment for 1942/43 is 30,600 acres, slightly under last year, but the lack of fertilizer will also reduce tobacco output. The 1941/42 coffee crop was 280,000 cwt.; the 1942/43 crop, now being harvested, is not expected to exceed 50 per cent of this amount and the entire output has been allotted for domestic consumption. The pineapple crop was small, 400,000 crates, and marketing was upset by the inability to ship fresh fruit to United States markets and by the shortage of cans. The island has been allocated 300,000 cases of cans for the 1942/43 crop and it is estimated that this, together with local sales of fresh fruit, will take care of the anticipated yield.

Crops and markets were reasonably satisfactory in the Dominican Republic during 1942, but the scarcity of shipping has increased pressure on available storage facilities in the republic. The sugar crop, for example, was sold to Great Britain and paid for, but large stocks have not yet been shipped. The crop was large, 490,000 tons, compared with 394,000 tons in 1940/41. The amount of cane available for the 1942/43 harvest is still larger and weather conditions have been favourable for a heavy yield, but uncertainty regarding sale of the crop and lack of warehouse capacity may force a shortening of the grinding season. Cocoa shipments have been fairly well maintained; weather conditions have been good and the 1943 crops are expected to be equal to those of last year. The 1941/42 quota for Dominican coffee entering

the United States was 177,835 bags, all of which was shipped; the 1942/43 crop, now being harvested, is expected to be equal to the previous one, but the United States' quota is only 132,554 bags. The 1941/42 tobacco crop amounted to 3,000 metric tons and it is reported that the acreage planted for the next crop is in excess of last year's. Rice production is becoming increasingly important with substantial exports to other West Indian Islands and to Canada. Maize exports are also large, principally to Puerto Rico. Shipments of cattle have declined and all available supplies are now being purchased by the new refrigerating plant in Ciudad Trujillo; future exports will be in the form of frozen and processed meat. Banana exports declined from 874,573 stems in the nine months ended September 30, 1941 to 567,597 stems in the same period of 1942.

Haitian foreign trade in the fiscal year ended September 30, 1942 was valued at \$17,034,000, compared with \$14,088,000 in 1940/41. The increase is attributed to higher prices, rather than a greater volume of trade, but both exports and imports shared in the gain and there was an export balance for the first time in five years. The influence of higher prices is shown by the fact that coffee exports declined 20 per cent in volume but increased 35 per cent in value, cocoa shipments were off 17 per cent in volume but up 45 per cent in value, and exports of raw sugar decreased 6 per cent in volume yet were 153 per cent greater in value. The increase in trade, however, was not reflected in government revenues, which amounted to \$5,120,000, or \$366,000 less than in 1940/41. The decline was entirely in import duties. Expenditures on the other hand, increased to \$5,545,000 or \$432,000 more than in 1940/41. The budget for 1942/43 estimates revenues at \$5,506,000, and a greater proportion will be realized from internal revenues, notably increased income taxes. The Haitian quota for coffee shipments to the United States in 1942/43 is 343,224 bags, compared with 407,241 bags in 1941/42. On October 28th an agreement was concluded with the United States Commodity Credit Corporation providing for a loan up to \$1,000,000 on the security of Haitian coffees and for the purchase by the Corporation of such part of the Haitian quota as may remain unshipped on September 30, 1943. Another agreement with the United States was signed on October 26th; the United States Rubber Reserve Company and the Société Haitiano-Américaine de Développement Agricole signed a contract providing for the cultivation of 10,000 acres of cryptostegia, which produces a fine quality rubber. Sugar production in 1941/42 was 38,265 short tons, compared with 34,725 tons in 1940/41; output in 1942/43 will depend largely upon storage and shipping facilities, as cane is available to produce 45/50,000 tons of sugar.

SOUTH AMERICA

The shortage of marine shipping facilities has adversely affected South American trade with the rest of the world. The loss of European and Far Eastern markets and sources of supply, and curtailed shipments of civilian goods from Great Britain and the United States, have also reduced overseas commerce. South American countries have, therefore, turned to one another for both markets and supplies. The immensity and diversity of their resources and the extent to which these have been utilized, have contributed to a very substantial gain in this intra-American trade. Nearly 10 per cent of these exports were manufactured goods. Intra-American trade has also been assisted by the conclusion or discussion of trade agreements. Argentina and Venezuela signed a most-favoured-nation trade agreement on October 29, 1942 while Peru and Venezuela have agreed to study their trade relationships with a view to the arrangement of a treaty. The United States concluded a trade agreement with Peru on May 7th, which became effective on June 29, 1942, and a similar agreement with Uruguay on July 21st, which became effective January 1, 1943.

Some of the South American countries have, however, been unable to dispose of all their principal staple products. Great Britain and the United States have concluded a number of arrangements whereby they purchase such supplies, but retain them in storage until shipping facilities may become available. Great Britain and the United States have arranged a mutual programme of purchases of oils and fats, whereby Great Britain will purchase animal fats in Argentina and Uruguay and the United States all other oils and fats in South America. On August 29th, it was announced that Brazilian babassu nuts and castor seed had been purchased by the United States. An agreement was also concluded on October 6th for United States' purchase of Brazilian coffee, cocoa and Brazil nuts. It is anticipated that few Brazil nuts will be gathered or shipped this year, as emphasis will be placed on the collection of wild rubber, which the United States Rubber Reserve Company is buying in all the rubber-producing countries. The Company has agreed to purchase all rubber produced in Brazil, Venezuela, Colombia and Peru, above essential local requirements until December 31, 1946. The United States Government is also buying the unsold portion of the Uruguayan 1941/42 wool clip of suitable grades and types, and underwriting a substantial proportion of the 1942/43 clip. Similar arrangements have been concluded with Peru, involving United States' purchasing, for the duration of the war of that portion of Peruvian cotton production in excess of domestic requirements and exports to other markets.

The United States is also assisting agricultural and industrial development throughout this area through loans provided for by the Export-Import Bank and under Lease-Lend agreements. The Export-Import Bank has established a credit in favour of Peru of \$25,000,000 to assist in financing purchases in the United States of materials and equipment required for the construction and development in Peru of useful public works and of agricultural, mining and industrial projects. The United States and Brazilian Governments have arranged for loans to Brazil including:

1. \$100,000,000 under Lease-Lend conditions for supply of defense material.
2. \$100,000,000 through the Export-Import Bank for development of Brazil's strategic materials.
3. \$14,000,000 for development of the Itabira iron ore mines and for financing construction work on the Victoria and Minas Railway, which will serve these mines.
4. \$5,000,000 for developing the rubber industry in the Amazon Valley.

Economic and financial co-operation among the Americas was furthered by a conference in Washington in July 1942 of representatives of the central banks or equivalent institutions of the American Republics. The discussions covered banking standards and measures to safeguard the wartime economy of the American nations.

Foreign exchange transactions continued to be under control, but supplies were generally ample. Government revenues were adversely affected by the decline in trade and additional taxes were imposed to offset budgetary deficits. The unit of currency in Brazil was officially changed to the Cruzeiro, equivalent in value to the milreis. The new currency became effective November 1, 1942 and outstanding milreis currency will be gradually withdrawn. In June, Brazil made what is believed to be her first foreign investment, when 100,000 contos (about \$5,000,000) was lent to Paraguay for public works development.

Industrial and mining operations have, on the whole, been well maintained in view of the shortage of equipment and supplies. Metal mining is being concentrated on those most valuable in war production. The output of gold in Colombia declined but exports of platinum increased substantially. Submarine activity in the Caribbean and the shortage of tankers has reduced output and shipments of petroleum particularly from Colombia and Venezuela.

The third official estimate of the 1941/42 Argentine wheat crop was 224,133,000 bushels, a decline from the 1940/41 outturn of 320,173,000 bushels and the five-year average of 266,169,000 bushels. The area sown for the 1942/43 crop was slightly smaller, 16,432,000 acres against 18,038,000 in 1941/42. It was much below the five-year average of 19,079,000 acres. Early growth was retarded by adverse weather and although later rains improved conditions, damage in some sections was substantial and deterioration serious. The first official estimate places the outturn at 242,500,000 bushels but the rains delayed harvesting operations. The carryover from the previous crop was large and storage of the new grain presents a serious problem as facilities are limited. The yield of linseed in 1941/42 was 62,989,000 bushels against 57,460,000 in 1940/41 and a five-year average of 57,106,000 bushels. The area sown for the new crop was considerably smaller than for some years but yields were better, the total being placed at 63,000,000 bushels. By Government decree the basic prices for the coming wheat and linseed crops were fixed at 6.75 pesos per 100 kilos (about 54 $\frac{3}{4}$ cents per bushel) for wheat and 9.25 pesos per 100 kilos (about 70 cents per bushel) for linseed. The 1941/42 maize crop was estimated at 355,652,000 bushels as compared with 403,052,000 in 1940/41 and a five-year average of 303,460,000 bushels. The Government announced that maize could be freely exported on payment of compensation to the Grain Board which has been set at 2 pesos per 100 kilos for export type and 80 centavos per 100 kilos for maize fit only for fuel. This annuls the decree issued in December 1940 whereby the only maize allowed to be exported was that which had been bought by the Grain Board. Export business to other neighbouring South American countries has ceased for the present. Uruguay continues to make moderate purchases for fuel and forage and other countries would perhaps like to do the same, but the export taxes tend to discourage business. Hence the bulk of sales are domestic and the market is very quiet.

The livestock and allied industries had a good year. Great Britain is the principal market for meat products but Peru has agreed to buy 6,000 tons of Argentine frozen meat within one year, always provided that freight is available, at a price equal to that now being paid by the British Government. Exports of canned meats were lower, at 105,000 tons to November 30th against 129,000 at the same date in 1941; chilled and frozen beef shipments were approximately the same as in the previous year. Including all meats and meat extracts, the total shipped during the first eleven months of the year was 627,000 tons valued at 499,524,000 pesos as compared with 586,000 tons and 350,983,000 pesos during the same months of the previous year.

The demand for fine grade wools continued firm with prices at a satisfactory level. It was reported that the Department of Agriculture in Argentina was studying means of extending aid to the wool growers in view of the abnormal situation presently affecting the market. Practically all the wool exports go to the United States. From October 1, 1942, the start of the wool season, until December 24, 1942, 28,503 bales of wool were exported as compared with 46,491 bales and 81,754 bales for the corresponding periods of 1941 and 1940 respectively. In Uruguay conditions in the 1941/42 season were not as favourable as the year before. As noted above, the United States has agreed to purchase existing

stocks and a certain proportion of the new clip which is of large size and excellent quality. In Peru the market for wool continued weak, due to the difficulty in obtaining import licenses in the United States, which has been the main foreign market. As a result, prices offered by the local mills have declined somewhat. Shipments of Peruvian cotton were low. Total exports for the ten months amounted to 628,780 quintals only, as compared with 1,659,332 quintals in the corresponding period of 1941, and was some 300,000 quintals under the 1940 figure. Of the year's exports to October 31st, Chile took 29.2 per cent and Great Britain 26.9 per cent. Latin American countries including Chile purchased 61.7 per cent. The 1942 sugar crop in Peru was somewhat larger than that of last year, 489,243 tons as against 431,055 tons. Exports of Peruvian sugar during the first eight months of the year amounted to 190,118 tons against 268,000 tons during the corresponding period in 1941. Chile was the largest purchaser, taking 132,678 tons and Bolivia was second with 27,065 tons.

The official estimate of the 1942/43 coffee crop in Brazil is 13,960,000 bags of 60 kilos each of which Sao Paulo produced 7,800,000 bags. The current crop is extremely small, drought having caused heavy damage. In 1941/42 the outturn was even smaller, 12,787,000 bags against 20,850,000 for 1940/41 and 21,861,000 for 1939/40. The carryover was 5,282,000 bags, bringing the total available supplies for 1942/43 to 19,242,000 bags. The sacrifice quota amounts to approximately 2,396,000 bags in all, leaving 16,846,000 bags available for the season's requirements. Exports of coffee from Brazil during the 1941/42 season ended June 30th last comprised 9,166,000 bags as compared with 12,879,000 bags in 1940/41 and the record of 16,840,000 bags established in 1938/39. Frosts in late June and early July destroyed practically all coffee trees from 1 to 3 years old in the States of Parana and Sao Paulo. Currently the 1943/44 Sao Paulo crop is estimated officially at 7,000,000 bags compared with 13/15,000,000 bags before the frost, while that of Parana is now forecast to run only 600/700,000 as against previous estimates of 2,000,000 bags. Exports from Colombia amounted to 3,457,788 bags as against 4,402,294 bags in the previous year. The new crop is of good quality and above average in size.

The coffee quota for importation into the United States from all countries during the 1942/43 season is 19,720,615 bags compared with 23,456,728 bags in 1941/42. Actual imports in 1941/42 amounted to only 14,922,880 bags. The large quotas have been set to ensure that all possible coffee should reach the United States and the 1942/43 quota may be increased still further whenever such action becomes necessary in order to facilitate the immediate entry of coffee for consumption in the United States. This policy of flexibility will be continued in order that during the current period of shipping shortage all coffee which can be forwarded to the United States market will be shipped. Brazil's share in the 1942/43 total has been fixed at 11,607,299 bags and that of Colombia at 3,931,814 bags. The comparative figures for the previous season were 10,323,000 and 3,496,500 bags respectively. In October an agreement was signed between the Brazilian and United States Governments. The text of this agreement has not been made public, but it is understood that the United States has undertaken to finance and buy the unshipped balance of 3,200,000 bags of the 1941/42 crop and also 9,300,000 bags of the 1942/43 quota.

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BRANCHES IN ALBERTA

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| ALIX..... | W. D. Clarke..... | Mgr. | COCHRANE..... | A. H. O'Keeffe..... | Mgr. | INNISFAIL..... | H. P. Filleul..... | Mgr. |
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| BASHAW..... | E. M. H. Wegren.. | " | DIDSBUY..... | F. Dunlop..... | " | LETHBRIDGE..... | C. MacMillan..... | " |
| BASSANO..... | H. W. Harper..... | " | EDMONTON | | | MEDICINE HAT..... | R. H. A. Lacey..... | " |
| BEISEKER..... | A. Reid..... | " | ★10023 JASPER AVE.... | J. G. Nickerson.... | " | MORINVILLE..... | B. L. Robinson.... | " |
| BELLEVUE..... | W. Innes..... | " | JASPER AVE. WEST... | G. A. Owen..... | Asst. Mgr. | OKOTOKS..... | C. G. M. McBey.... | " |
| BIG VALLEY..... | J. R. Clark..... | " | | J. L. Adam..... | Mgr. | PINCHER CREEK..... | A. E. Ryan..... | " |
| BLACKIE..... | F. E. Murray..... | " | FAIRVIEW..... | D. Mackie..... | " | RED DEER..... | S. F. D. Roe..... | " |
| BLAIRMORE..... | J. B. Wilson..... | " | FOREMOST..... | L. Crawshaw..... | " | SEXSMITH..... | S. W. Smith..... | " |
| BROOKS..... | D. Macadam..... | " | FORT McMURRAY..... | C. A. Thorp..... | " | SOUTH EDMONTON..... | F. N. Lett..... | " |
| CALGARY | | | FORT SASKATCHEWAN... | A. B. King..... | " | SPIRIT RIVER..... | N. J. Morris..... | " |
| ★102-108 EIGHTH AVE. | E. McLean..... | " | GRANDE PRAIRIE..... | J. H. Hunter..... | " | STANDARD..... | R. C. Hugh..... | " |
| 3RD STREET WEST.... | J. L. Shelton..... | Asst. Mgr. | HALKIRK..... | T. A. Horn..... | " | STETTLER..... | A. E. Morrison.... | " |
| CAMROSE..... | A. B. McLellan.... | Mgr. | HANNA..... | G. C. Siddall..... | " | STRATHMORE..... | C. F. Nicholl..... | " |
| CARDSTON..... | J. K. Campbell.... | " | HIGH RIVER..... | C. H. Crooks..... | " | THREE HILLS..... | D. Hutcheson.... | " |
| | J. Dewar..... | " | HOLDEN..... | W. J. Fleming..... | " | TURNER VALLEY..... | L. F. Maggs..... | " |

SUB BRANCH

HILLCREST..... Sub to Bellevue

BRANCHES IN BRITISH COLUMBIA

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|-----------------|-------------------|------|----------------------|--------------------|------|----------------------|--------------------|------|
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| BURNS LAKE..... | L. K. McLeod..... | " | LADNER..... | A. W. Howlett.... | " | PENTICTON..... | W. Heberton..... | " |
| CHILLIWACK..... | G. Curwen..... | " | LANGLEY PRAIRIE..... | W. R. Shanks..... | " | PORT MOODY..... | G. L. Harrison.... | " |
| COURTENAY..... | D. B. Maclean.... | " | McKAY..... | J. Howat..... | " | PRINCE GEORGE..... | F. C. Smith..... | " |
| CRANBROOK..... | J. M. Windsor.... | " | NANAIMO..... | F. A. McCarthy.... | " | PRINCE RUPERT..... | A. Flaten..... | " |
| CUMBERLAND..... | K. C. York..... | " | NELSON..... | S. A. Maddocks.... | " | QUESNEL..... | R. Commons..... | " |
| KAMLOOPS..... | C. R. McLeod..... | " | NEW WESTMINSTER... | W. J. McFadyen.... | " | SMITHERS..... | F. W. Dobson..... | " |

BRANCHES IN BRITISH COLUMBIA—Continued

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| STEVESTON.....J. Grisdale..... <i>Mgr.</i> VANCOUVER ★HASTINGS & GRANVILLE..... { F. T. Palfrey..... " " W. H. Sharpe, <i>Asst. Mgr.</i> A.W.W.Linton, " " CAMBIE & BROADWAY.....H. R. Dove..... <i>Mgr.</i> DAVIE ST.....W. B. Boucher..... " DUNBAR & 17TH AVE.....H. L. Fraser..... " EAST END..... { H. F. Montgomery..... " M. O. Knudsen, <i>Asst. Mgr.</i> | VANCOUVER—Continued FAIRVIEW.....H. C. Hopgood..... <i>Mgr.</i> GEORGIA & DENMAN...J. K. H. Currie..... " GRANDVIEW.....J. W. Logan..... " HASTINGS & HOMER...F. T. E. Robertson. " HASTINGS ST. & NANAIMO RD.....A. N. Dando..... " MARPOLE.....A. D. McLeod..... " MT. PLEASANT.....A. L. Putnam..... " ROBSON ST.....R. Egan..... " | VANCOUVER—Continued 25TH AVENUE.....D. P. Lockhart... <i>Mgr.</i> VERNON.....R. H. Mawhinney.. " VICTORIA ★1106-1108 Gov't St...G. H. Stevens..... " DOUGLAS ST.....A. J. Ross..... " FORT ST.....A. Watson..... " VICTORIA WEST.....L. A. Benson..... " WELLS.....J. O. Lennie..... " WEST VANCOUVER.....H. Ostrom..... " |
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SUB BRANCHES

BRITANNIA BEACH.....Sub to Vancouver | UNION BAY.....Sub to Courtenay

BRANCHES IN MANITOBA

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| BALDUR.....F. H. Bridge..... <i>Mgr.</i> BEAUSEJOUR.....W. Craik..... " BINSARTH.....R. V. Smith..... " BIRLE.....A. W. Seccombe..... " BOISSEVAIN.....J. W. McLaughlin.. " BRANDON.....D. E. R. Ewer..... " CLANWILLIAM.....T. B. Weekes..... " CRYSTAL CITY.....A. P. Thomson..... " FLIN FLON.....G. O. Bergman..... " GLENBORO.....W. H. Nevill..... " HAMIOTA.....C. G. Webb..... " LAC DU BONNET.....A. Griffin..... " LANGRUTH.....T. M. Willet..... " MANITOU.....D. F. Rankine..... " MCCREARY.....T. E. Squire..... " MELITA.....G.E.W.N. Branston.. " MINIOTA.....J. C. Vradenburgh.. " MINNEDOSA.....G. A. Holtby..... " MINTO.....W. L. Leppert..... " | MORDEN.....M. W. Gordon..... <i>Mgr.</i> NEWDALE.....W. M. Crosbie..... " PIERSON.....S. G. Kennedy..... " PINE FALLS.....E. Dixon..... " RAPID CITY.....C. A. Roberts..... " ROBLIN.....J. W. Fowlie..... " ROLAND.....G. A. Brown..... " RUSSELL.....E. E. Thompson..... " ST. BONIFACE.....W. English..... " UNION STOCK YARDS..M. P. Johnson..... " STE. ROSE DU LAC...D. Bourgeois..... " SHOAL LAKE.....R. Halliday..... " SOMERSET.....J. E. Bessette..... " SOURIS.....W. R. Bell..... " STEINBACH.....M. Kissuk..... " THE PAS.....S. C. H. Pilling..... " WASKADA.....E. Sinclair..... " WAWANESA.....J. D. Harrower..... " | WHITEMOUTH.....E. F. Shewfelt..... <i>Mgr.</i> WINNIPEG ★MAIN & WILLIAM... { E. B. Durham..... " R. F. Garrard, <i>Asst. Mgr.</i> CARLTON & PORTAGE..G. K. Stone..... <i>Mgr.</i> GRAIN EXCHANGE...S. E. Rae..... " MAIN & LOGAN.....G. N. Walker..... " MAIN & SELKIRK...A. E. Ivey..... " PORTAGE AVE.....M. A. O'Hara..... " PORTAGE & ARLINGTON.J. H. Stafford..... " PORTAGE & GOOD...N. G. Wallace..... " ST. JAMES.....R. E. Emmett..... " SARGENT & SHERBROOK.L. R. Newman, <i>Rel. Mgr.</i> SELKIRK & SALTER..B. R. Kark..... <i>Mgr.</i> SHERBROOK & PORTAGE.A. J. Wilson..... " WEST KILDONAN...S. B. O'Connell..... " WILLIAM & SHERBROOK.....T. K. Burke..... " |
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BRANCHES IN NEW BRUNSWICK

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| BATHURST.....W. H. Davison..... <i>Mgr.</i> BUCTOUCHE.....R. J. O'Leary..... " CAMPBELLTON.....A. J. Smith..... " CANTERBURY.....E. A. Cosman..... " 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...W. A. Thompson... " MONCTON.....S. J. Macleod..... " NEWCASTLE.....C. S. Macdonald... " PLASTER ROCK.....O. V. Stevenson... " RICHIBUCTO.....H. F. Henderson... " | SACKVILLE.....V. B. Hardwick..... <i>Mgr.</i> SAINT JOHN ★22-26 KING ST...G. W. Bellevue... " NORTH END.....W. R. Brown... " ST. STEPHEN.....R. H. Frazee... " SUSSEX.....W. S. Hay..... " WOODSTOCK.....C. M. V. Spence... " |
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SUB BRANCH

REXTON.....Sub to Richibucto

BRANCHES IN NOVA SCOTIA

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| AMHERST.....G. F. MacNeill... <i>Mgr.</i> ANNAPOLIS ROYAL...T. W. H. McPherson " " ANTIGONISH.....S. E. Kyte..... " ARICHAT.....E. A. Cosman..... " BADDECK.....H. L. Hall..... " BARRINGTON PASSAGE.C. A. DeWolf..... " BEAR RIVER.....C. V. Snow..... " BERWICK.....S. G. Reid..... " BRIDGETOWN.....G. O. Long..... " BRIDGEWATER.....E. H. Page..... " CHETICAMP.....R. O. Boucher..... " CHURCH POINT.....E. F. LeBlanc..... " | CLARKE'S HARBOUR...E. G. Longley..... <i>Mgr.</i> DARTMOUTH.....D. S. Crosby..... " DEBERT MILITARY CAMP.D. Fisher..... " DIGBY.....R. B. Murray..... " GLACE BAY.....I. C. McLeod..... " GUYSBORO.....R. F. Leavitt..... " HALIFAX ★GEORGE & HOLLIS... { E. G. MacMinn..... " W.A.Hyndman, <i>Asst. Mgr.</i> ALMON & AGRICOLA..L. G. Fraser..... <i>Mgr.</i> GOTTINGEN ST.....S. L. Murray..... " MORRIS & BARRINGTON.F. W. Schaefer... " | HALIFAX—Continued QUINPOOL & OXFORD..L. A. Murray..... <i>Mgr.</i> SPRING GARDEN ROAD.A. S. Hopkins..... " INVERNESS.....E. J. Reyno..... " KENTVILLE.....R. Fash..... " LA HAVE.....W. C. Delany..... " LAWRENCETOWN.....J. W. Connell..... " LIVERPOOL.....R. H. Lockward... " LOCKEPORT.....G. L. Capstick... " LOUISBURG.....W. Stewart..... " LUNENBURG.....R. St. C. Hopgood.. " |
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BRANCHES IN NOVA SCOTIA—Continued

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| MAITLAND (Hants Co.) . . . R. C. Morrison, <i>Rel. Mgr.</i> METEGHAN RIVER . . . L. A. Pothier . . . <i>Mgr.</i> MIDDLE MUSQUODOBOIT . . . R. A. Douglas . . . " MIDDLETON . . . J. H. McDaniel . . . " MULGRAVE . . . H. G. Macdonald . . . " NEW GERMANY . . . W. G. Kenney . . . " NEW GLASGOW . . . R. H. Pethick . . . " NEW WATERFORD . . . W. K. Bagley . . . " NORTH SYDNEY . . . K. A. Clarke . . . " PARRSBORO . . . C. L. Godfrey . . . " PICTOU . . . R. G. Hughes . . . " | PORT HAWKESBURY . . . G. K. Hammett . . . <i>Mgr.</i> PORT HOOD . . . G. Johnston . . . " ST. PETER'S . . . A. D. Pynn . . . " SHERBROOKE . . . T. R. Hanington . . . " SHUBENACADIE . . . G. D. MacMichael . . . " STEWIAKCE . . . L. W. Dickie . . . " SYDNEY ★CHARLOTTE & DORCHESTER . . . K. Mackenzie . . . " GEORGE & TOWNSEND . . . L. J. McCarthy . . . " WHITNEY PIER . . . C. J. Durling . . . " | SYDNEY MINES . . . J. S. Coffey . . . <i>Mgr.</i> TRURO . . . K. M. Sedgewick . . . " WATERVILLE . . . E. U. Hirtle . . . " WESTVILLE . . . E. A. Capstick . . . " WEYMOUTH . . . J. H. Matheson . . . " WHYCOCOMAGH . . . G. E. Puddington . . . " WINDSOR . . . L. McCoy . . . " WOLFVILLE . . . A. R. Smith . . . " YARMOUTH . . . E. C. Wilson . . . " |
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BRANCHES IN ONTARIO

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| ALEXANDRIA . . . J. P. Mullett . . . <i>Mgr.</i> APPIN . . . A. N. McLean . . . " ARNPRIOR . . . W. E. Moore . . . " ARTHUR . . . G. G. Connell . . . " AYLMER . . . Q. H. Cook . . . " BARRIE . . . P. H. Fisher . . . " BATH . . . G. W. Cuppage . . . " BELLEVILLE . . . I. G. Hefkey . . . " BLIND RIVER . . . D. B. Currie . . . " BRACEBRIDGE . . . W. N. Spearin . . . " BRAMPTON . . . B. Strath . . . " BRANTFORD . . . F. C. Kennedy . . . " BROCKVILLE . . . D. S. McKay . . . " BRUCE MINES . . . C. S. Campbell . . . " BURK'S FALLS . . . H. W. Fraser . . . " BURLINGTON . . . E. D. Lucas . . . " CARGILL . . . E. A. Dreak . . . " CARLETON PLACE . . . W. S. McCauley . . . " CHAPLEAU . . . A. A. Kinahan . . . " CHATHAM . . . W. E. Hanley . . . " CHIPPAWA . . . A. R. MacDonald . . . " CLIFFORD . . . J. O. Spence . . . " CLINTON . . . E. E. Paterson . . . " COMBER . . . R. S. Patterson . . . " COOKSTOWN . . . G. T. Gregory . . . " COOKSVILLE . . . W. M. Leonard . . . " CORNWALL . . . J. H. Hunt . . . " CRYSLER . . . J. H. E. Lehoux . . . " DRAYTON . . . G. Hendry . . . " DRYDEN . . . A. McIntyre . . . " DUNDAS . . . S. H. Neale . . . " DUNNVILLE . . . E. M. Jacques . . . " DURHAM . . . C. W. Zilliax . . . " DUTTON . . . C. A. Wright . . . " ELMIRA . . . J. A. Rowland . . . " EMBRO . . . W. L. Simpson . . . " EMBRUN . . . J. A. Cloutier . . . " ESPANOLA . . . J. F. Freure . . . " FENWICK . . . G. D. Hannah . . . " FERGUS . . . R. S. Foster . . . " FORT ERIE NORTH . . . S. A. McKenzie . . . " FORT WILLIAM . . . W. A. Allingham . . . " GALT . . . A. S. McKay . . . " GERALDTON . . . J. S. Hill . . . " GODERICH . . . W. G. Dulmage . . . " GRAND VALLEY . . . G. H. Hardy . . . " GUELPH . . . A. S. Wilkinson . . . " HAGERSVILLE . . . M. C. Wigle . . . " HAMILTON | HAMILTON—Continued MARKET BRANCH . . . J. H. Perrin . . . <i>Mgr.</i> MOUNT HAMILTON . . . V. P. Hepler . . . " HANOVER . . . H. L. Reinhardt . . . " HARRISTON . . . G. Murison . . . " HASTINGS . . . C. A. Putnam . . . " HEPWORTH . . . R. E. Green . . . " HILLSBURG . . . C. E. Hilton . . . " HUNTSVILLE . . . S. H. Gregg . . . " INGERSOLL . . . R. W. Green . . . " IROQUOIS FALLS . . . J. P. Morgan . . . " ISLINGTON . . . W. T. Hodgson . . . " KEEWATIN . . . A. Black . . . " KENORA . . . G. T. Sewell . . . " KINBURN . . . H. L. Blanchard . . . " KINCARDINE . . . B. D. Henry . . . " KINGSTON . . . L. H. Leach . . . <i>Rel. Mgr.</i> KINGSVILLE . . . J. V. Eagan . . . <i>Mgr.</i> KIRKLAND LAKE . . . G. A. Goddard . . . " KITCHENER . . . J. R. Dier . . . " LAKEFIELD . . . J. McKerchar . . . " LAMBETH . . . R. H. Squires . . . " LEAMINGTON . . . W. L. BARKER . . . " LION'S HEAD . . . H. Youngs . . . " LONDON . . . { A. T. Hillary . . . " { W. E. McLaughlin <i>Asst. Mgr.</i> LONDON EAST . . . J. H. Fletcher . . . <i>Mgr.</i> LYNDEN . . . I. C. McClean . . . " MALLORYTOWN . . . A. H. T. Votier . . . " MANOTICK . . . H. O. Balkwill . . . " MERRICKVILLE . . . W. C. Weaver . . . " METCALFE . . . R. K. Runnels . . . " MIDLAND . . . L. T. Brandon . . . " MOUNT BRYDGES . . . J. W. Flett . . . " NAPANEE . . . W. J. Wiggins . . . " NAVAN . . . F. H. Nelson . . . " NEW LISKEARD . . . J. W. Kearns . . . " NIAGARA FALLS . . . K. McClintock . . . " NIAGARA FALLS CENTRE . . . H. Lawrence . . . " NIPIGON . . . G. J. Bailey . . . " NORTH BAY . . . D. H. Morison . . . " NORWOOD . . . D. B. Cutcliffe . . . " ODESSA . . . W. S. Holmes . . . " ORANGEVILLE . . . E. C. Maxwell . . . " ORILLIA . . . R. F. Grant . . . " OSGOODE STATION . . . J. C. Morphy . . . " OSHAWA . . . A. R. Huestis . . . " OTTAWA | OTTAWA—Continued SOMERSET & BOOTH . . . W. S. Seeber . . . <i>Mgr.</i> OTTERTVILLE . . . D. C. V. Morrison . . . " OWEN SOUND . . . C. E. Brien . . . " PAISLEY . . . T. R. McLennan . . . " PAKENHAM . . . C. H. Campbell . . . " PEMBROKE . . . W. L. Smith . . . " PERTH . . . E. M. Doull . . . " PETERBOROUGH . . . H. C. Sootheran . . . " PLANTAGENET . . . J. A. E. Besner . . . " PORT ARTHUR . . . N. H. McLennan . . . " PORT DOVER . . . T. McMillan . . . " PORT HOPE . . . C. P. Freeman . . . " PORTLAND . . . T. E. Waddell . . . " PRESCOTT . . . D. C. Davidson . . . " RENFREW . . . N. E. Zimmerman . . . " RIDGETOWN . . . C. R. Davis . . . " RIPLEY . . . J. Willocks . . . " RODNEY . . . G. S. Robinson . . . " ST. CATHARINES . . . A. G. Mackenzie . . . " ST. MARY'S . . . H. A. Channell . . . " ST. THOMAS . . . J. A. Elliott . . . " SARNIA . . . H. T. Ross, Jr. . . . " SAULT STE. MARIE ★QUEEN & BROCK . . . C. B. Young . . . " QUEEN & BRUCE . . . R. J. Leach . . . " STEELTON BRANCH . . . W. J. Kelley . . . " SHELBURNE . . . B. M. Butchart . . . " SIMCOE . . . G. R. Martin . . . " SMITHS FALLS . . . H. W. Allan . . . " SMITHVILLE . . . C. F. Bartle . . . " SMOOTH ROCK FALLS . . . H. J. Lalande . . . " SPENCERVILLE . . . C. G. Simon . . . " STITTSVILLE . . . J. W. Morrow . . . " STONEY CREEK . . . W. E. Scott . . . " STRATFORD . . . M. L. Roenigk . . . " STRATHROY . . . R. A. Fowlie . . . " STURGEON FALLS . . . W. A. Gosselin . . . " SUDBURY . . . C. R. Ross . . . " SUNDRIDGE . . . L. Peake . . . " THAMESFORD . . . G. E. Hessenauer . . . " THOROLD . . . R. E. Culbert . . . " TILLSONBURG . . . H. W. Riepert . . . " TORONTO { H. T. O'Neill . . . " { J. R. Harris . . . <i>Asst. Mgr.</i> ★KING & YONGE { A. B. White . . . " |
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| ★21-23 KING ST. . . . { H. S. Y. Thurstans . . . " { J. W. Powell . . . <i>Asst. Mgr.</i> BARTON & OTTAWA . . . L. G. Irons . . . <i>Mgr.</i> " & WENTWORTH . . . H. B. Sutherland . . . " LOCKE & MAIN . . . I. D. Eastman . . . " MAIN & SHERMAN . . . C. E. Fairles . . . " | ★SPARKS & METCALFE . . . { J. A. Noonan . . . " { D. T. Youngson . . . <i>Asst. Mgr.</i> BANK & SOMERSET . . . L. A. G. Robertson <i>Mgr.</i> BANK & SPARKS . . . W. J. Oram . . . " GLEBE BRANCH . . . G. R. D. Watson . . . " HINTONBURGH . . . J. M. Jackson . . . " MARKET BRANCH . . . D. L. Dashney . . . " | AVENUE ROAD & DAVENPORT . . . J. S. Heron . . . <i>Mgr.</i> BAY & TEMPERANCE . . . R. H. Gale . . . " BLOOR & BATHURST . . . J. M. Graham . . . " BLOOR & DOVERCOURT . . . A. P. Murphy . . . " COLLEGE & BATHURST . . . A. L. Leslie . . . " COXWELL & GERRARD . . . G. F. Johnston . . . " DANFORTH & DAWES . . . J. E. Bell . . . " DELORAINE & YONGE . . . R. E. Holmes . . . " |
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BRANCHES IN ONTARIO—Continued

TORONTO—Continued

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| DUNDAS & CHESTNUT.. | G. W. Roberts..... | Mgr. |
| HARBOR & SPADINA.. | A. K. Zapfe..... | " |
| JONES & GERRARD.... | J. R. Weekes..... | " |
| KEELE & ST. CLAIR.. | L. H. Woolcott.... | " |
| KING & CHURCH..... | J. C. Mayne..... | " |
| KING & SPADINA.... | W. G. Turnbull.... | " |
| LEASIDE BRANCH.... | D. H. Mills..... | " |
| PAPE & DANFORTH.... | A. A. Hutchison.... | " |
| QUEEN & BROADVIEW.. | J. F. Stewart..... | " |
| ST. CLAIR & OAKWOOD. | F. W. Clark..... | " |
| SHERBOURNE & QUEEN. | R. M. Wilson..... | " |
| SPADINA & COLLEGE.. | W. S. Fenwick.... | " |
| SUNNYSIDE..... | W. N. McCartney.. | " |

TORONTO—Continued

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| WOODBINE & DANFORTH..... | H. G. Simpson..... | Mgr. |
| YONGE & BLOOR..... | R. A. East..... | " |
| YONGE & COLLEGE.... | D. B. C. Clarkson.. | " |
| YONGE & RICHMOND.. | R. G. Allen..... | " |
| YONGE & SHERWOOD.. | W. R. Phillips.... | " |
| TOTTENHAM..... | A. B. Allen..... | " |
| WALKERVILLE..... | A. S. Hill..... | " |
| WALLACEBURG..... | W. P. Spero..... | " |
| WARKWORTH..... | A. B. O'Connor.... | " |
| WATERDOWN..... | G. B. Brown..... | " |
| WATERLOO..... | A. C. Hoffman.... | " |

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| WELLAND..... | R. A. Pridmore.... | Mgr. |
| WEST FORT WILLIAM.. | H. H. Ingram..... | " |
| WHEATLEY..... | W. P. Forshee.... | " |
| WIARTON..... | E. M. Good..... | " |
| WINCHESTER..... | W. A. Rowat..... | " |
| WINDSOR | | |
| ★OUELLETTE & PITT | { C. J. O'Neill..... | " |
| | { J. E. McArthur, Asst. Mgr. | |
| OUELLETTE & ELLIS.. | J. B. Hawken..... | Mgr. |
| PILLETTE&WYANDOTTE. | T. H. Hammel.... | " |
| WINONA..... | C. C. Tempest.... | " |
| WOODBIDGE..... | A. E. Kearney.... | " |
| WOODSTOCK..... | W. M. George.... | " |

SUB BRANCHES

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| AYTON..... | Sub to Hanover |
| BEETON..... | " " Tottenham |
| BROWNSVILLE..... | " " Tillsonburg |
| CALEDON..... | " " Orangeville |
| CURRAN..... | " " Plantagenet |
| ELMWOOD..... | " " Hanover |
| ERIN..... | " " Hillsburg |
| MASSEY..... | " " Espanola |

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| MELBOURNE..... | Sub to Mount Brydges |
| NEUSTADT..... | " " Hanover |
| NEWBORO..... | " " Portland |
| NORTH GOWER..... | " " Manotick |
| PENDLETON..... | " " Plantagenet |
| ROCKWOOD..... | " " Guelph |
| ROSENEATH..... | " " Hastings |
| SCOTLAND..... | " " Brantford |

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| SOUTH RIVER..... | Sub to Sundridge |
| SPRINGFIELD..... | " " Aylmer |
| STELLA..... | " " Bath |
| SYDENHAM..... | " " Odessa |
| TOLEDO..... | " " Smiths Falls |
| VARS..... | " " Navan |
| WARSAW..... | " " Norwood |

BRANCHES IN PRINCE EDWARD ISLAND

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| CHARLOTTETOWN..... | W. R. Cruikshank.. | Mgr. |
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| HUNTER RIVER..... | L. W. Ripley..... | Mgr. |
| MOUNT STEWART..... | H. J. Shaw..... | " |

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| SUMMERSIDE..... | S. G. Merriam..... | Mgr. |
| TYNE VALLEY..... | E. L. Eagles..... | " |

BRANCHES IN QUEBEC

| | | |
|---------------------|-----------------------------|------|
| ARVIDA..... | E. A. Bushnell.... | Mgr. |
| CHICOUTIMI..... | J. N. Menard..... | " |
| COATICOOK..... | M. B. Ferrill..... | " |
| DALHOUSIE STATION.. | J. G. Dutil..... | " |
| DORVAL AIRPORT..... | D. W. McLelland.. | " |
| DRUMMONDVILLE.... | J. W. Laliberte.... | " |
| GRANBY..... | P. G. Jack..... | " |
| INVERNESS..... | D. R. Sutherland.. | " |
| JOLIETTE..... | J. U. Quenneville.. | " |
| KENOGAMI..... | W. J. Theriault... | " |
| LACHINE..... | O. C. Weary..... | " |
| LASALLE..... | L. J. Tondreau.... | " |
| LA TUQUE..... | J. E. R. Babineau.. | " |
| LENNOXVILLE..... | R. G. Ward..... | " |
| MONTMAGNY..... | J. L. Roberge.... | " |
| MONTREAL | { M. M. Walter..... | " |
| ★360 St. JAMES..... | { C. B. Neapole, Asst. Mgr. | |
| | { F. E. Case..... | " |

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| AMHERST & ST. CATHERINE..... | J. A. H. Boulanger. | Mgr. |
| ATWATER & NOTRE DAME..... | A. R. LaFleche.... | " |
| BEAVER HALL..... | W. H. Stevens.... | " |
| BONAVENTURE..... | D. B. McCoubrey.. | " |
| LAURIER AVE..... | J. W. MacDonald.. | " |
| MONKLAND & BEACONSFIELD..... | E. A. Hamilton.... | " |
| MONKLAND & HARVARD..... | W. Hill..... | " |

MONTREAL—Continued

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| MT. ROYAL & ST. LAWRENCE..... | T. G. Smith..... | Mgr. |
| PAPINEAU AVE..... | R. T. Gagnon..... | " |
| PARK & BERNARD.... | J. M. Carleton.... | " |
| PEEL & SHERBROOKE.. | H. H. Troop..... | " |
| PLACE D'ARMES..... | F. W. Doherty.... | " |
| POINT ST. CHARLES.. | M. A. Hull..... | " |
| QUEEN MARY & DECARIE..... | E. G. W. Allwood.. | " |
| ST. CATHERINE & BLEURY..... | I. R. Carlin..... | " |
| ST. CATHERINE & JEANNE D'ARC..... | L. Raby..... | " |
| ST. CATHERINE & MCGILL COLLEGE.. | W. R. Riddell.... | " |
| ST. DENIS & ST. CATHERINE.... | N. A. O. Demers... | " |
| ST. HUBERT ST..... | J. V. B. Saint-Cyr.. | " |
| ST. LAWRENCE & ST. ZOTIQUE..... | J. A. Lacroix.... | " |
| ST. MATTHEW ST.... | M. P. Hickson.... | " |
| SEIGNEURS ST..... | A. R. Kyle..... | " |
| SHERBROOKE & BLEURY. | H. P. Strong..... | " |
| SHERBROOKE & DECARIE..... | P. B. Elwood..... | " |

MONTREAL—Continued

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| SHERBROOKE & GUY.. | R. R. Herman..... | Mgr. |
| SHERBROOKE & HAMPTON..... | W. V. G. Neish.... | " |
| STANLEY ST..... | { C. T. Medlar..... | " |
| | { C. L. Walker, Asst. Mgr. | |
| TRAMWAYS TERMINAL.. | C. R. Blake..... | Mgr. |
| MONTREAL EAST..... | J. M. Bernuy..... | " |
| MONTREAL WEST..... | W. T. Turner..... | " |
| MOUNT ROYAL..... | A. J. B. Clutsam.. | " |
| NORANDA..... | J. G. W. Lee..... | " |
| OUTREMONT, VAN HORNE & OUTREMONT AVES.. | W. G. Holmes.... | " |
| QUEBEC | | |
| ★ST. JAMES & ST. PETER. | H. L. Austin..... | " |
| LIMOILOU..... | J. L. M. Furois.... | " |
| ST. ROCH..... | A. U. Matte..... | " |
| ST. SAUVEUR..... | J. Lavallee..... | " |
| UPPER TOWN..... | W. H. F. G. Warmington | " |
| RAWDON..... | J. A. Cantin..... | " |
| ROCK ISLAND..... | G. Petrie..... | " |
| ST. GEORGE EAST.... | J. E. Forget..... | " |
| ST. HYACINTHE..... | L. E. Vinet..... | " |
| ST. JOHNS..... | L. J. Robichaud.... | " |
| ST. PAUL L'ERMITE.. | J. C. Cormier.... | " |
| SHAWINIGAN FALLS.. | J. A. A. Morel.... | " |

BRITISH WEST INDIES

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| <p>ANTIGUA</p> <p>St. JOHN'S.....E. F. Birkett.....<i>Mgr.</i></p> <p>BAHAMAS</p> <p>NASSAU.....{ H. C. McLean.....<i>Mgr.</i> P. S. Potter.....<i>Asst. Mgr.</i></p> <p>BARBADOS</p> <p>BRIDGETOWN.....C. A. Gilliatt.....<i>Mgr.</i></p> | <p>DOMINICA</p> <p>ROSEAU.....V. J. Laughlin.....<i>Mgr.</i></p> <p>GRENADA</p> <p>St. GEORGE'S.....R. H. Johnson.....<i>Mgr.</i></p> <p>JAMAICA</p> <p>KINGSTON.....{ H. J. Evennett.....<i>Mgr.</i> G. V. S. Sharpe, <i>Asst. Mgr.</i> D. McIntosh....." "</p> <p>MONTEGO BAY.....W. A. Jemmott.....<i>Mgr.</i></p> | <p>MONTserrat</p> <p>PLYMOUTH.....R. White.....<i>Mgr.</i></p> <p>ST. KITTS</p> <p>BASSETERRE.....L. M. Evelyn.....<i>Mgr.</i></p> <p>TRINIDAD</p> <p>PORT OF SPAIN.....{ H. P. Urich.....<i>Mgr.</i> F. Lazzari.....<i>Asst. Mgr.</i></p> <p>SAN FERNANDO.....H. W. Whittles.....<i>Mgr.</i></p> |
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BRANCHES IN CENTRAL AND SOUTH AMERICA

| | | |
|---|--|---|
| <p>ARGENTINA</p> <p>BUENOS AIRES</p> <p>★ COR. SAN MARTIN & { Ed. G. Groning.....<i>Mgr.</i> BARTOLOME MITRE { W. A. Mosher, <i>Asst. Mgr.</i> CALLE CALLAO.....J. A. W. Birnie, <i>Actg. Mgr.</i> CALLE SANTA FE...J. Darre.....<i>Mgr.</i></p> <p>BRAZIL</p> <p>PERNAMBUCO (Recife) . . . A. R. Wright.....<i>Mgr.</i></p> <p>RIO DE JANEIRO.....{ S. McAlister....." " A. M. Christie, <i>Asst. Mgr.</i> R. J. Rogers....." "</p> <p>SANTOS.....J. I. Melville.....<i>Mgr.</i></p> <p>SAO PAULO.....{ C. G. Hayes....." " W. N. Frank, <i>Asst. Mgr.</i></p> | <p>BRITISH GUIANA</p> <p>GEORGETOWN.....{ A. D. Macgillivray, <i>Mgr.</i> E. A. Lyder, ..<i>Asst. Mgr.</i></p> <p>NEW AMSTERDAM.....V. H. Martin.....<i>Mgr.</i></p> <p>BRITISH HONDURAS</p> <p>BELIZE.....A. F. Masson.....<i>Mgr.</i></p> <p>COLOMBIA</p> <p>BARRANQUILLA.....B. T. O. Bradbury.. <i>Mgr.</i></p> <p>BOGOTA.....{ R. S. Scott....." " R. Glahome, ..<i>Asst. Mgr.</i></p> <p>CALI.....J. Riley.....<i>Mgr.</i></p> <p>CARTAGENA.....E. A. Lough....." "</p> <p>MANIZALES.....A. S. Hamilton....." "</p> <p>MEDELLIN.....R. J. McDonald...." "</p> | <p>PERU</p> <p>LIMA.....{ W. H. Duff.....<i>Mgr.</i> H. L. Mann.....<i>Asst. Mgr.</i></p> <p>URUGUAY</p> <p>MONTEVIDEO.....J. R. Peet.....<i>Mgr.</i></p> <p>VENEZUELA</p> <p>CARACAS.....D. M. Coburn.....<i>Mgr.</i></p> <p>CIUDAD BOLIVAR.....A. L. Escoffery....." "</p> <p>MARACAIBO.....M. W. Newell....." "</p> |
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BRANCHES IN GREAT BRITAIN

| | |
|------------------------|-------------------------------------|
| LONDON | { E. B. McInerney... <i>Mgr.</i> |
| ★ 6 Lothbury, E.C.2... | { G. B. Irvine... <i>Asst. Mgr.</i> |
| | { F. E. Watson. " " |
| WEST END | |
| 2 Cockspur St., S.W.1. | C. H. Hunt... <i>Rel. Mgr.</i> |

AGENCY IN UNITED STATES

| | |
|------------------|---------------------------------------|
| NEW YORK, | { N. G. Hart..... <i>Agent</i> |
| 68 WILLIAM ST... | { E. C. Holahan....." " |
| | { E. H. O. Thorne. <i>Asst. Agent</i> |
| | { N. C. Allingham.. " " |
| | { T. A. B. Anderson " " |

RECAPITULATION

BRANCHES IN CANADA AND NFLD:—

| | |
|---------------------------|-----|
| Alberta..... | 44 |
| British Columbia..... | 43 |
| Manitoba..... | 52 |
| New Brunswick..... | 21 |
| Nova Scotia..... | 61 |
| Ontario..... | 189 |
| Prince Edward Island..... | 5 |
| Quebec..... | 69 |
| Saskatchewan..... | 61 |
| Newfoundland..... | 8 |

Branches in Canada and Newfoundland..... 553

OTHER COUNTRIES:—

West Indies

| | |
|---|----|
| Cuba..... | 21 |
| Puerto Rico, Dom. Republic and Haiti..... | 9 |
| British West Indies..... | 11 |

Central and South America

| | |
|-----------------------------------|---|
| Argentina, Brazil, Uruguay..... | 8 |
| Venezuela and British Guiana..... | 5 |
| British Honduras..... | 1 |
| Columbia and Peru..... | 7 |

Europe

| | |
|-------------|---|
| London..... | 2 |
|-------------|---|

United States

| | |
|---------------|---|
| New York..... | 1 |
|---------------|---|

| | |
|--|-----|
| Branches in other countries..... | 65 |
| Branches in Canada and Newfoundland..... | 553 |

TOTAL BRANCHES (Jan. 31st, 1943)..... 618

