

NATIONAL CANADIAN BANK

(BANQUE CANADIENNE NATIONALE)



SEVENTY-THIRD
ANNUAL REPORT
NOVEMBER 29, 1947

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NATIONAL CANADIAN BANK

Established 1874

Head Office: MONTREAL

Paid-up Capital and Reserve Fund, \$14,000,000.00

Assets, \$382,778,886.87

SEVENTY-THIRD
ANNUAL REPORT

1947

NATIONAL CANADIAN BANK

BOARD OF DIRECTORS

BEAUDRY LEMAN, *Chairman of the Board*

C.-E. GRAVEL, *President of the Bank*

CHAS. LAURENDEAU, K.C., *Vice President*

HON. JACOB NICOL, *Vice President*

L. J. ADJUTOR AMYOT

AUGUSTE DESILETS, K.C.

HON. C. P. BEAUBIEN

HON. J. M. DESSUREAULT

ARMAND CHAPUT

A. J. MAJOR

LEO G. RYAN

HEAD OFFICE

CHAS. ST-PIERRE - - - - - *General Manager*

J.-A. DULUDE	}	- - - - -	<i>Assistant General Managers</i>
ULRIC ROBERGE			
P. DE L. TACHÉ			
J. L. DAVIGNON			

J. N. GOSSELIN	}	- - - - -	<i>Superintendents</i>
GEORGES BEAUDRY			

E. BEAUREGARD	}	- - - - -	<i>Managers, Credit Department</i>
RODRIGUE ST-ONGE			

LOUIS ROUSSEAU - - - - - *Chief Inspector*

A. COURTOIS - - - - - *Chief Accountant*

LÉON LORRAIN - - - - - *General Secretary*

224 Branches — 307 Agencies

NATIONAL CANADIAN BANK

SEVENTY-THIRD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NATIONAL CANADIAN BANK

Record of Proceedings at the Seventy-third Annual General Meeting of the Shareholders held on Thursday, 8th January, 1948, at twelve o'clock noon, at the Head Office of the Bank, Place d'Armes, Montreal, Canada.

Among those present were: Messrs. L. J. Adjutor Amyot, Georges Beaudry, L. E. Beaulieu, K.C., Geo. E. Beaupré, Paul Béique, J. A. Blondeau, P. E. Bonnier, Lucien Bouthillier, J. H. Brodeur, J. A. Brouillette, Armand Chaput, Emile Chaput, Arthur Courtois, J. L. Davignon, J. V. Desaulniers, Auguste Desilets, K.C., Hon. J. M. Dessureault, Dr Eudore Dubeau, Messrs. J. Hector Dubois, J. A. Dulude, Georges Dupuis, Louis Dussault, Francis Fauteux, K.C., Rosario Genest, K.C., A. Gérin-Lajoie, K.C., J. N. Gosselin, C. E. Gravel, Paul Guimond, Joseph Henrico, Joseph Hurtubise, Raymond Hurtubise, Yvon Lamarre, Charles Laurendeau, K.C., Antoine L'Ecuyer, Alfred Legault, Jules Lemire, Jules Livernois, Léon Lorrain, C. A. Lussier, A. J. Major, F. M. Marcotte, J. E. Mercille, J. Mercier, René Morin, n.p., Hon. Jacob Nicol, Messrs. Alfred H. Paradis, René Paré, Châteauguay Perrault, J. E. Poirier, J. Alex. Prud'homme, K.C., Ulric Roberge, Louis Rousseau, P. E. Rousseau, Léo Roy, L. J. Ryan, Dr. J. P. St-Germain, Messrs. Rodrigue St-Onge, Charles St-Pierre, P. de L. Taché, Arthur Terroux, J. A. Trudeau, Maurice Trudeau, K.C., Paul Vaillancourt.

It was moved by Mr. Alfred Legault, seconded by Mr. Arthur Trudeau, that Mr. C. E. Gravel be appointed Chairman and Mr. Léon Lorrain Secretary of the Meeting. The motion was unanimously carried.

The Secretary read: (1) Notice calling the Shareholders meeting, as published in the newspapers, (2) Certificates evidencing that the following documents had been forwarded to every shareholder, according to law: (a) Notice of the meeting, (b) A form of proxy, (c) Statement recording the attendance of the Directors at Board meetings, (d) Copy of the record of proceedings at the Annual General Meeting held on January 8, 1947.

The Record of proceedings at the seventy-second Annual General Meeting having been mailed to every shareholder, as evidenced by the certificate just read, it was moved by Mr. J. A. Trudeau, seconded by Mr. Alfred Legault, and unanimously resolved that this record of proceedings be taken as read and confirmed.

On motion by Mr. J. Livernois, seconded by Mr. A. H. Paradis, it was unanimously resolved that Messrs. J. A. Trudeau and Joseph Hurtubise be appointed scrutineers.

The Chairman called upon the General Manager to read the Seventy-third Annual Report of the Board of Directors.

SEVENTY-THIRD ANNUAL REPORT

Gentlemen,

Your Directors have the honour to submit their report on the Bank's operations for the financial year ending November 29, 1947.

PROFIT AND LOSS ACCOUNT

29th NOVEMBER, 1947

Profits for the year ended 29th November, 1947, after making appropriations to Reserves for Contingencies out of which accounts full provision for bad and doubtful debts has been made.....				\$ 1,174,430.46
<i>Less:</i>				
Provision for Dominion and provincial taxes	\$	318,300.44		
Contribution to Staff Pension Fund.....		150,000.00		
Written off Bank Premises.....		177,159.23	645,459.67	
Net Profits after the foregoing deductions.....			\$	528,970.79
Dividends.....				507,500.00
Amount carried forward.....			\$	21,470.79
Balance at credit of Profit and Loss Account, 30th November, 1946.....				436,159.35
Balance at credit of Profit and Loss Account, 29th November, 1947.....			\$	<u>457,630.14</u>

A. COURTOIS,
Chief Accountant

C. ST-PIERRE,
General Manager

C.-E. GRAVEL,
President

BALANCE SHEET

29th NOVEMBER, 1947

ASSETS

Subsidiary coin held in Canada.....	\$ 1,107,979.09	
Notes of Bank of Canada	12,337,760.50	
Deposits with Bank of Canada	31,130,536.03	
Notes of and cheques on other banks.....	11,161,306.39	
Government and bank notes other than Canadian.....	377,987.00	
Deposits with and balances due by other chartered banks in Canada.....	2,091,810.89	
Due by banks and banking correspondents elsewhere than in Canada.....	2,569,355.28	\$ 60,776,735.18
Dominion Government direct and guaranteed securities maturing within two years, not exceeding market value..	36,491,357.25	
Other Dominion Government direct and guaranteed securities, not exceeding market value.....	59,888,682.04	
Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value..	5,178,517.15	
Other Provincial Government direct and guaranteed securities, not exceeding market value.....	39,498,193.74	
Canadian municipal securities, not exceeding market value..	16,560,839.59	
Public securities other than Canadian, not exceeding market value.....	603,671.21	
Other bonds, debentures and stocks, not exceeding market value.....	11,480,245.00	
	\$169,701,505.98	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....	4,171,919.81	173,873,425.79
		\$234,650,160.97
Current loans and discounts in Canada, estimated loss provided for.....	131,220,517.38	
Loans to cities, towns, municipalities and school corporations.....	8,823,551.09	
Non-current loans, estimated loss provided for.....	14,641.11	140,058,709.58
Liabilities of customers under acceptances and letters of credit as per contra.....	1,861,153.29	
Real Estate other than Bank premises.....	28,857.90	
Mortgages on real estate sold by the Bank.....	435,069.38	
Deposit with the Minister of Finance for the security of note circulation.....	39,901.08	
Bank premises at not more than cost, less amounts written off.....	5,283,857.59	
Other assets.....	421,177.08	8,070,016.32
		<u>\$382,778,886.87</u>

LIABILITIES

Capital paid up.....	\$ 7,000,000.00	
Reserve fund.....	7,000,000.00	
Balance of Profit and Loss Account.....	457,630.14	
Dividends declared and unpaid (including dividend payable 1st December, 1947).....	151,034.75	\$ 14,608,664.89
Notes of the Bank in circulation.....		686,152.00
Deposits by and balances due to Dominion Government.....	11,785,045.99	
Deposits by and balances due to Provincial Governments....	1,308,543.90	
Deposits by the public not bearing interest.....	80,239,849.66	
Deposits by the public bearing interest, including interest accrued to date of statement.....	267,556,997.70	
Deposits by and balances due to other chartered banks in Canada.....	3,116,952.73	
Deposits by and balances due to banks and banking corre- spondents elsewhere than in Canada.....	1,559,014.08	365,566,404.06
Acceptances and letters of credit outstanding.....		1,861,153.29
Other liabilities to the public.....		56,512.63
		<u>\$382,778,886.87</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We beg to report to the Shareholders of Banque Canadienne Nationale that we have checked the cash and verified the securities of the Bank at the Chief Office as at 29th November, 1947, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 29th November, 1947, according to the best of our information and the explanations given us, and is as shown by the books of the Bank.

We have obtained all the information and explanations required by us, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

MAURICE CHARTRE, C.A.,
of Chartré, Samson, Beauvais, Gauthier, & Cie }
JEAN VALIQUETTE, C.A., } Auditors.
of Anderson & Valiquette }

Montreal, December 20, 1947.

C.-E. GRAVEL,
President

C. ST-PIERRE
General Manager

A. COURTOIS
Chief Accountant

Profits for the year as shown by the Profit and Loss Account amount to \$1,174,430, as compared with \$1,135,313 in 1946. They were allocated as follows: provision for Dominion and Provincial Taxes, \$318,300; contribution to the staff pension fund, \$150,000 as against \$140,000 the previous year; amortization of bank premises, \$177,159; dividends, \$507,500. The credit balance of the Profit and Loss Account stands at \$457,630.

Deposits form the highest total which has yet been reached, that is to say, \$365,566,404, although Government deposits decreased from \$27,855,429 to \$13,093,590. Interest-bearing deposits show an increase of \$17,989,338, amounting to \$267,556,998.

Total assets of the Bank, having risen by \$3,822,657, stand at \$382,778,886, a record figure. Cash assets total \$60,776,735, equal to 16.59% of liabilities to the public. Quick assets amount to \$234,650,161, representing 64% of liabilities to the public.

Current loans and discounts aggregate the unprecedented total of \$131,220,517. They represent, in comparison with the previous year, a rise of \$38,016,668, or 40.78%, which is ascribable not only to the general expansion of bank credit needs of commerce and industry, but also to the steady increase in the number of the Bank's borrowing customers. The amount of loans to commerce and industry, on September 30th last, stood at \$72,695,000 equal to 54.11% of total current loans and discounts, whereas, for all banks, at the same date, this category of loans was equivalent to 47.54% of the total.

The present price level compels us to draw the attention of manufacturers and traders to the fact that they must supervise closely the volume and the nature of their stocks, and that it is more necessary than ever to see to it that their situation is kept in such a state of liquidity as to allow them to face the eventuality of a serious depreciation in the value of their inventories.

During the past year, the Bank opened a second branch in Granby, in the west end of the city, and a fourteenth branch in Quebec City, in the Sillery district. It converted into branches its agencies in the following places: 1199 Fourth Avenue, Limoilou, Quebec, Chicoutimi Basin, Cabano, Ste-Anne des Monts, Charlesbourg, Ferme-Neuve and St-Prosper (Dorchester County) and at St. George West as well as at St. Zacharie in Beauce County. It now maintains at the disposal of its customers and the public 531 offices, of which 224 are branches and 307 agencies.

The staff of the Bank have performed their duties, sometimes exacting, with diligence and devotion. Hence it is with pleasure that the Board of Directors has voted, in addition to the annual increase in salaries, a bonus of 8% to each member of the staff, thereby testifying how much it appreciates the work they have accomplished during the past year.

"I am sure, declared Mr. Gravel, we all miss Mr. Beaudry Leman, Chairman of the Board, and our colleague Hon. C. P. Beaubien, who were both prevented from attending this meeting on account of ill health.

"In November last, added Mr. Gravel, Mr. Beaudry Leman deemed it necessary to resign as President of the Bank and, to their great sorrow, the Directors had to accept his resignation. Mr. Leman, who has been connected with the Bank for the last thirty-six years, was elected President eleven years ago. He contributed in no small measure to the progress of our institution which you have witnessed from year to year. My colleagues have requested me to assume the presidency of the Bank. I accepted this responsibility, knowing that I could rely on the whole-hearted collaboration of the Directors as well as on the loyal co-operation of the members of the staff."

On motion by Mr. Jules Livernois, the Meeting extended to the new President, Mr. C. E. Gravel, the congratulations and the best wishes of the Shareholders.

It was moved by Mr. Joseph Hurtubise, seconded by Mr. A. H. Paradis, and unanimously resolved, that the Meeting deeply regrets the absence of Mr. Beaudry Leman, Chairman of the Board, and of the Hon. C. P. Beaubien, a Director of the Bank, and sincerely wishes that they make a prompt and complete recovery.

The Chairman called upon the Secretary to read the Chairman of the Board's Address.

THE CHAIRMAN OF THE BOARD'S ADDRESS

Gentlemen,

The comments on last year's operations, together with the figures pertaining to the previous year, which the General Manager, Mr. Charles St. Pierre, has just submitted, disclose satisfactory progress and a sound condition.

In conformity with past usage, I take leave to make a few remarks on matters of general purport.

Agricultural Production

The most recent official estimate of the 1947 wheat crop indicates a yield of 340,800,000 bushels as against 413,700,000 in 1946. With the amount of the carry-over from the previous year and after deduction of Canada's own requirements, the 160 million bushels which Canada has contracted to sell Great Britain will only leave a balance of some 30 million bushels saleable in other markets. Due to inclement weather, agricultural production was in general lower than in 1946. Farmers, however, have found a measure of compensation

in the rise of agricultural prices, the index of these having increased from 100 for the basic period 1935-39 to more than 200 as of September last.

Economic Activity

The mining industry has enjoyed during the past year a well sustained activity. The gold mines have seen, however, a slackening of their operations on account of increased operating costs whilst their product remained at a fixed price. Forestry operations have been spurred by an increasing domestic and foreign demand. The building trades, particularly as regard housing, have not as yet caught up with the needs. The recovery which was hoped for has been hampered by the scarcity of certain materials and the high cost of building, to which should be added the restrictions placed on the import of structural steel from the United States.

As regards the manufacturing industry, almost all branches have maintained or increased their output. In consequence the employment index reached in October a new peak. Trading has been very active, the value of sales having increased substantially although this is due largely to an increase of prices.

One would be laboring under a delusion, however, if these favorable indications were interpreted as signs of a stable prosperity. Optimism should be tempered with a critical examination of the facts. We have made but little progress in paying off the cost of the war. A great many of the marts of the world whose influence bears heavily on the economy of Canada, are in the doldrums. We have found it necessary, in order to maintain the volume of our export trade, to grant to many of our foreign clients credits to a sum-total of about $1\frac{1}{2}$ billion dollars.

Foreign Trade

The external trade of Canada will have reached in 1947 a record figure of about 5 billion dollars as compared with 4,266 millions in 1946.

In the course of the first 10 months of 1947, our sales to the United Kingdom rose from 490 to 631 millions of dollars, whereas our purchases from Great Britain declined from 175 to 151 millions. However, this favorable balance of trade amounting to about 480 millions is to a large extent illusory, inasmuch as our sales to England were largely covered by credits we had granted. During the same period, our exports to our neighbours to the south amounted to 841 millions, which was an increase of 121 millions over the figures for the same months of 1946, but our imports from the United States, having increased by 549 millions, reached a total of \$1,660 millions. We have to face an excess of imports over exports of 819 million dollars for a period of 10 months only.

Canada's Debit Trade Balance with the United States

It now appears glaringly evident, in face of our heavy debit trade balance with the United States, that some measures of restraint were not only desirable but inevitable. This country, with a population of some twelve and a half million people, spread out from the Atlantic to the Pacific, should not insist upon being able to purchase the great variety of goods which are made available in a wealthy and populous country like the United States. We can maintain a high standard of living in Canada without having access to all that is produced in the United States.

The people of Canada have been living beyond their means. It is a meagre consolation to recognize that many other countries have followed a similar course. Our expenditures in the United States remind one of a person living in a town having a population of five or ten thousand inhabitants and expecting to find in the local general store all the varieties of goods which are available in the stores of cities having a population of a million or more people. We have been inclined to keep up with our neighbours to the south both as regards what we wanted for ourselves and desired to give to others worse off than we were. It soon became evident that we could not keep this up indefinitely and that it was necessary to come to a halt. The public should be made to realize that it is preferable to have fewer goods, provided they are of good quality, than a great variety of articles imported from abroad and apt to cause serious dislocations in Canada's economic condition. The remedy to the inconveniences we have to face does not lie in the devaluation of our currency neither is it to be found in foreign loans or credits. An ounce of moderation, discipline and self-restraint applied *now* may well save a pound of austerity *later on*.

Export Trade and Some of its Drawbacks

Canada in the past has laid great stress on its exports and it may appear presumptuous to question what has been considered axiomatic for many years. Over one-third of the total production of Canada must find outside markets. As regards the products of our mines, such as lead, zinc, copper, nickel, asbestos, of our forests and of our fisheries, the percentages run up to some 90%. This means that to the extent that we depend on outside markets, our revenue is not only conditioned by our own internal situation but also by the economic, monetary, political and social status of other countries. Is this situation a safe, sound or stable one? Are not the risks involved very great and should we not exercise great care in planning our destiny? Are we blind to the fact that one of the great elements of economic strength of the United States is to be found in its own domestic market which can absorb about 90% of the national output? National economies based upon a large volume of imports with a corresponding volume of exports have to contend nowadays with serious difficulties. There does not seem to be any cause of

gratification in the knowledge that we are providing food-stuffs and raw materials to other countries and placing ourselves on a plane with the Belgian Congo.

If Canada had sold its production at current prices on world-wide markets, during the last two years, the problem of holding an adequate amount of American funds would not have developed into the headache which is now plaguing our Government and our people. The granting of credits on a large scale has simply brought outside purchasers in competition with our own people, and even the United States, with its huge production, is not immune from the effects of similar policies. Both borrowers and lenders are displeased at the outcome.

The aforementioned conditions account for the tendency to abandon the granting of credits on a lavish scale. It would appear more realistic to consider firstly the essential requirements of our population; secondly, to examine carefully what may be saleable abroad in order that this country may honor its obligations to other countries; thirdly, as regards any surplus that may be available, it would seem the part of wisdom to ignore monetary and financial deals and to revert to the tenets of christian ethics.

Customs Tariffs

Let us glance at the elements which make up the revenue of the Federal Government. For the year 1945-46 the total revenue amounted to \$2,435,000,000, comprising about \$1,450,000,000 of direct taxes and \$821,000,000, in indirect taxes. There is no evidence that the Federal Government contemplates a considerable reduction in its total income. Whatever shrinkage appears in the indirect taxes, such as customs and excise dues, will have to be made up by an increase in direct taxation. Such action would immediately foster opposition from some of the Provinces. We hear a great deal about the advantages of lowering tariff barriers in order to encourage a freer exchange of goods and services throughout the world. What has not been clearly set forth is how and to what extent Canada will be enabled to increase its own use of the raw materials produced in this country and to develop its manufacturing industry in a manner that will make us less dependent upon others.

The So-Called Dollar Shortages

We hear and read a great deal nowadays about dollar shortages affecting many countries. Many misapprehensions exist in regard to this matter. There is no actual shortage of currency in the United States nor in Canada; moreover credit facilities are abundant in both countries.

Canadian statistics reveal a considerable increase in monetary instruments, comprising currency and deposits in the chartered

banks. Money instruments have passed from \$1,160,000,000 in 1913 to \$7,397,000,000 in 1947.

In the United States, money instruments have risen from \$24,-428,000,000 in 1914 to \$184,194,000,000 in 1947.

To talk of dollar shortages under the circumstances would seem to be a misnomer. Money and money instruments, not only in the United States and in Canada, but in France, England and in a great many other countries, have increased enormously. The shortages are not to be found in the realm of money. The real shortage, doubtless due to two world-wars and to other circumstances, is to be sought in the shortage of wealth in the form of the necessities of life.

The Chairman of the Federal Reserve Board of the United States testifying before Congress a few days ago stated that in his opinion there were just too much money in circulation. Whereas, he stated, between 1940 and 1946 the hard cash in the United States had increased from \$40 billions to \$106 billions, production had risen by only 186% over the 1935-39 average.

These remarks are not intended as an academic argument but as an indication of where relief is to be found. It is useless to examine solely the symptoms of economic ills and to ignore the basic cause of the illness. Too many people confuse *cause* and *effect*. Fundamental deficiencies cannot be corrected by palliatives and make-shifts. There is a glut of currency throughout most of the world whereas there is a scarcity of real wealth in the form of goods and commodities.

The high cost of living would seem to be a convenient term to cover up what is in reality a depreciation of currencies. Monetary and price inflation should be recognized for what they are, and when countries travel over this mounting road, they may rest assured that the descent will be no less steep.

The Rise and Fall of Prices

Almost all students of economics recognize that the difficulties which beset the world are related to problems of insufficient production. The consideration of this matter has two distinct aspects, one is the immediate and pressing necessity of providing a minimum of food, shelter and clothing to millions of people in war-ravaged Europe, the other covers the long range repercussions on the countries which now provide food-stuffs and equipment to other countries.

The first aspect is the anomalous situation that increased production, let us say in Canada and the United States, whereas it should have brought about lower prices for the commodities therein produced, the delivery abroad of large quantities of goods has maintained a high level of prices on the domestic market. The present

high cost of living in North America is due in a measure to the shipment of North American goods to Europe. When criticism is heard of the fact that the credits and loans granted to Europe afford less goods, on account of their cost to foreign purchasers, it should be borne in mind that the people in the producing countries, in their capacity of consumers, also have to pay more for their own products.

The second aspect is the more distant effect which present policies will almost inevitably bring about. The economies of many countries in both North and South America are articulated to a high level of costs of labor, materials, commodities, etc. It must be assumed that the production of Europe will gradually return to normality. What will happen then to agricultural and industrial production in the Americas, artificially stimulated by demands of a temporary character? The lending countries must bear in mind that as conditions improve abroad their own situation may become less favorable. The higher the price level of commodities is jacked up on the domestic market, the greater the danger of a downward readjustment. These remarks in no wise imply that we should do less to help our fellow-men but that we should carefully curb our optimism and not allow ourselves to be led into the belief that boom-times are a permanent fixture of the post-war world.

Appointment of Mr. Gravel to the Presidency

As you already know, the Board of Directors recently appointed Mr. C. E. Gravel President of the National Canadian Bank, after accepting my resignation for reasons of health.

It is needless to add that it was with deep regret that I came to this decision. Throughout the thirty-six years of my association with the Bank I have nothing but praise for the co-operation I have received from the outstanding business men who have successively occupied positions on the Board of Directors. I also take great pleasure in acknowledging that the general manager, the members of the Committee of management, the branch managers and all members of the staff have at all times extended a helpful and loyal collaboration. You will readily understand wherefore I should entertain a sense of loss at the thought of giving up active connection with fellow-workers whose unfailing devotion is beyond words of commendation. However, the Directors have asked me to accept the Presidency of the Board and I availed myself with pleasure of this opportunity of continuing my interest in the affairs of the Bank.

I am sure you will acknowledge that the Board of Directors has been most fortunate in securing the services of Mr. Gravel to occupy the important function of President. His wide experience, his public spirit, his high standing in the business world, qualified him eminently to fill this position whose responsibilities he showed some hesitation in accepting.

The scrutineers reported that 23,035 shares were present and 298,784 represented by proxy at the Meeting, a total of 321,819 shares.

It was moved by Mr. C. E. Gravel, seconded by Mr. Charles Laurendeau, and unanimously resolved, that the Seventy-third Annual Report of the Board of Directors be approved by the Shareholders.

Mr. J. H. Brodeur moved, seconded by Mr. Paul Vaillancourt, that the Shareholders congratulate the Directors of the Bank on the very good results of the financial year 1946-47 and on the further and important progress achieved during that period.

The motion was unanimously carried.

Mr. J. V. Desaulniers, seconded by Dr. E. Dubeau, moved that the Shareholders express their satisfaction and their gratitude to the General Manager, the officers, the branch managers and all the members of the staff whose activity and sense of duty have largely contributed to the progress disclosed in the report for the last financial year.

The motion was unanimously adopted.

The Chairman thanked the Shareholders who gave expression of their confidence and satisfaction to the Directors and to the personnel. The steady progress of our Bank, which is our common goal, added Mr. Gravel, will be effected through the co-operation of the Directors, of the members of the staff, who have so devotedly served the Bank, and of the Shareholders themselves.

The Secretary read letters from Mr. Maurice Chartré, C.A., of Chartré, Samson, Beauvais, Gauthier & Co. and from Mr. A. Ballantyne, of Peat, Marwick, Mitchell & Co., offering their services to the Bank as auditors for the fiscal year 1947-48.

Upon motion of Mr. J. Hector Dubois, seconded by Mr. Louis Dussault, it was unanimously resolved that Messrs. Maurice Chartré, C.A. and A. Ballantyne, C. A., be appointed auditors, for the fiscal year ending November 30, 1948, and that their remuneration be set at a total amount of \$12,500 to be divided between them according to the time devoted by each to the affairs of the Bank.

It was moved by Mr. Joseph Hurtubise, seconded by Mr. J. Arthur Trudeau, and unanimously resolved: That Mr. Beaudry Leman and Mr. Charles Laurendeau be authorized, together or severally, to act as attorney or proxy of Banque Canadienne Nationale at any and all meetings of the shareholders of Banque Canadienne Nationale (France) and to delegate their powers, as such, to any person or persons which they may nominate.

Mr. L. E. Beaulieu, K.C., moved, seconded by Mr. Francis Fauteux, K.C., that the Meeting proceed to the election of Directors

and that one ballot be cast evidencing the decision of the Meeting. This motion was unanimously carried.

A ballot was handed to the scrutineers who reported that the following Shareholders had been elected Directors of the Bank:

Mr. L. J. Adjutor Amyot
Hon. C. P. Beaubien
Mr. Armand Chaput
Mr. Auguste Desilets, K.C.
Hon. J. M. Dessureault
Mr. C. E. Gravel
Mr. Charles Laurendeau, K.C.
Mr. Beaudry Leman
Mr. A. J. Major
Hon. Jacob Nicol
Mr. Leo G. Ryan

The scrutineers' report was unanimously confirmed.

The Meeting then adjourned.

At a meeting of the Board of Directors of the Bank held immediately after the Annual Shareholders' Meeting, Mr. Beaudry Leman was elected Chairman of the Board; Mr. C. E. Gravel was elected President of the Bank, and Mr. Charles Laurendeau and Hon. Jacob Nicol were elected Vice Presidents.

Principal Correspondents of the Bank

UNITED STATES

NEW YORK:

Bankers Trust Company
Chase National Bank
Chemical Bank & Trust Co.
Guaranty Trust Company of New York
Irving Trust Company
National City Bank
New York Trust Company
Public National Bank & Trust Co.

BOSTON:

First National Bank
National Shawmut Bank

BUFFALO:

Marine Trust Company

CHICAGO:

Continental Illinois National Bank and Trust Co.

LOS ANGELES:

Security-First National Bank of Los Angeles

PHILADELPHIA:

Philadelphia National Bank

PITTSBURGH:

Mellon National Bank and Trust Company

ST. PAUL:

First National Bank

SAN FRANCISCO:

Bank of America National Trust & Savings Association

WASHINGTON:

Riggs' National Bank

BELGIUM

ANTWERP:

Banque de Commerce

BRUSSELS:

Banque de Bruxelles
Credit Lyonnais

SPAIN

BARCELONA:

Banco Espanol de Credito

FRANCE

PARIS:

Banque Canadienne Nationale (France)
Banque de Paris et des Pays-Bas
Comptoir National d'Escompte de Paris
Crédit Commercial de France
Crédit Lyonnais
Société Générale
Société Générale de Crédit Industriel et Commercial

ENGLAND

LONDON:

Barclays Bank Limited
Clydesdale Bank Limited
Comptoir National d'Escompte de Paris
Crédit Lyonnais
Société Générale de Crédit Industriel et Commercial

NETHERLANDS

ROTTERDAM:

Rotterdamsche Bankvereniging

ITALY

ROME:

Credito Italiano
Banca Commerciale Italiana
Banco di Roma

NORWAY

OSLO:

Christiania Bank og Kreditkasse

SWITZERLAND

BASLE:

Société de Banque Suisse

ZURICH:

Société de Banque Suisse

Other correspondents in all parts of the world.

