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National Canadian Bank





National Canadian Bank

ESTABLISHED IN 1874 • HEAD OFFICE: MONTRÉAL
90th ANNUAL GENERAL SHAREHOLDERS' MEETING

Highlights

	1964	1963
Assets	\$962,630,605	\$905,783,325
Deposits	899,079,478	844,730,099
Loans	558,768,979	520,710,807
Net Profit	4,079,504	3,705,256
Earnings per Share	3.40	3.22
Capital	12,000,000	11,977,978
Rest Account	45,000,000	43,920,719



Board Of Directors

Chairman of the Board
HON. F. PHILIPPE BRAIS, Q.C. *, Montréal

President
LOUIS HÉBERT*, Montréal

Vice-Presidents
ARISTIDE COUSINEAU*, Montréal
GEORGE T. DONOHUE, Québec
HENRI OUMET*, Montréal

Pierre Beauchemin	Montréal
Wilbrod Bherer, Q.C. *	Québec
Joseph Blain, Q.C.	Montréal
André Charron, Q.C.	Montréal
Maurice Chartré, C.A.	Montréal
Georges O. Clermont	Montréal
Étienne Crevier	Montréal
George A. Daly	Montréal
Roger Deserres*	Montréal
Gaston Élie	Montréal
Marcel Faribault	Montréal
Henri Ferron, C.A.	Three Rivers
Hon. Jean Raymond, Q.C.	Montréal
Ulric Roberge	Montréal
Renault St-Laurent.	Québec
Alfred Tourigny, Q.C.	Montréal
Gérard White, C.A.	Québec

*Member of the Executive Committee

Head Office

Louis Hébert	President
André Lacasse	General Manager
René Leclerc	Deputy General Manager
J. N. Gosselin	Assistant General Managers
J. T. Turcotte	
M. Gervais	
L. Lavoie	
O. Couture	
G. Perreault	Superintendents
A. Boutet	
J. E. Poirier	
M. Forest	
L. P. Deschênes	General Secretary
Y. Desjardins	Managers Credit Department
J. E. Tremblay	
R. Asselin	Chief Inspector
G. Dagenais	Chief Accountant
L. Morin	Investment Department
A. Tremblay	Personnel Department
R. DeLeeuw	Foreign Department
M. Bouchard	Advertising Department
C. Lorange	Legal Department
L. Laprade	Office Manager
J. L. Guimond	Bank Premises Department
M. Desrochers	Stock Transfer Department
P. Guimond	



The President's Address

The Economic Growth Recorded Last Year Is Expected To Continue in 1965

Last February, Mr. Ulric Roberge who, unfortunately, had been unable, on account of ill-health, to preside over the last annual general meeting, requested the Board to relieve him of the presidency which he had held since December 16, 1960. As I reiterate the deep regret with which his decision was accepted, I wish to testify how dedicated he was to the Bank throughout his long career and to tell him how happy we are to retain him as a member of the Board. When asked to succeed him without further ado, I must say that I was deeply moved as I accepted such a heavy burden. Mr. André Lacasse was appointed General Manager.

Honorable F. Philippe Brais, Q.C., the Vice-President of the Bank, became Chairman of the Board.

On April 24, Mr. André Charron, Q.C., executive Vice-President of Corporation de Valeurs Trans-Canada, was elected member of the Board. His assistance is deeply appreciated.

General Outlook

The progress of institutions such as banks is closely linked to that of the economy.

This is why, each year, we feel bound to pause a while in order to get our bearings and to wrest from the mass of statistics the general trends of the economy in order to better orient our future action.

1964 came to an end amid a wave of prosperity which extended to practically every sector of the economy. In the course of the year, the Gross National Product increased approximately 8%. Exports reached a record figure and, stimulated by increasing demand, new investments were substantially ahead of last year's figures. This expansion occurred smoothly because of a remarkable stability in prices and a flexible monetary policy and brought a noticeable decrease in unemployment. But there is the other side of the medal. Our balance of payments is still contingent upon the influx of foreign capital. Such a condition is not without certain dangers.

Employment

Employment definitely improved in 1964. According to official statistics, there were 190,000 more jobs at the end of September than at the same date the previous year, while the labour force had increased by only 150,000.

Thus unemployment had decreased by the end of September to 3.1% of the available labour force, the lowest figure recorded since 1956. This index varies according to age, sex, marital status and region. For instance, the rate of unemployment is greatest for persons between the ages of 14 to 19: 58,000 unemployed or 7.5%. Is it not somewhat paradoxical that so many young people should be idle when the economy is in full progress? This is undoubtedly due to the lack of preparation shown by too many youths as they reach the age to start earning a living. A survey which was made at the beginning of 1960 reveals that unemployment then reached a rate of 30% for those under 25 years of age who had not

finished primary school, 14% for those who had done a few years of secondary school and 4.5% for those who had finished secondary schooling. Though this survey was made at a time when unemployment was rather high in Canada, it nevertheless provides a rather significant index which the Government of Quebec has heeded in the educational reforms which it has undertaken.

As a matter of fact, it cannot be tolerated that, in a country which is undergoing such rapid industrialization, the youth should reach the labour market with no other preparation than that which stems from grade four or five. If it is necessary to build schools, colleges or universities, it is all the more so to train masters who will provide youth with the means of developing their intellectual and moral qualities while, at the same time, leaving them free to choose their studies and their career.

Prices

Wholesale prices showed a stability which is all the more remarkable since it coincided with an increase in industrial production of 8% over 1963, and consumer prices showed a relatively small increase of 1 to 2% for the same period. This stability increases our competitive position with respect to most Western European countries where prices are mounting rapidly. With respect to the United States, where prices have remained stable, we continue to profit by the devaluation of our dollar which makes our products more attractive to foreign buyers.

Investments

The rate of increase of industrial production during the first half of the year gave rise to an improved outlook for investments during the present year. The amount of 10 billion dollars which was arrived at after a survey among industrialists at the beginning of the year will be largely exceeded. This, at least, is what a later survey seems

to indicate. If this forecast comes true, the increase of investments with respect to 1963 will reach 16%, the highest annual rate of increase since 1956. But it must be remembered that these investments, expressed in constant dollars, would barely exceed those of 1956 and 1957 and that, with respect to the Gross National Product, they would represent 23.5% instead of 26.3% in 1956 and 27.3% in 1957.

The expected increase for manufacturing industries alone is 425 millions with respect to 1963 or slightly more than 31%. Tobacco, textiles, paper and transportation equipment show the highest percentages of increase.

In the new concept of the modern budget, the word "investment" is becoming increasingly important; it has even led to an adjustment of the federal budget which now distinguishes between the ordinary administrative budget, the social budget and the economic or investment budget. Thus, the government may be considered the first industrialist, the first banker and the chief customer of the country.

Building

Today, the building industry plays such a role in the economy of the nation that it receives special attention.

Two measures which were taken by the Federal Government have had a profound effect on the evolution of this industry in 1964; these are the \$500 premium which is granted for winter construction of certain types of dwellings and the extension of the 11% sales tax to building materials. This tax, as is well known, was to be applied in three steps, in July 1963 and in April and December 1964. The cumulative effect of these two measures on the building trade, during the first quarter, resulted in an

intense activity and led to a decrease of unemployment which usually tends to increase at this time of the year. As might have been foreseen, however, building slowed down considerably during the second quarter, but for the year as a whole the increase will probably compare with that of the other sectors of the economy. The premium will have had the desired effect to spread the building activity over the whole year. The government seems to be satisfied with the results obtained for it has decided to pursue the same policy during the present season.

In the light of the criticism which the premium elicited from the parties involved, one may ask if this measure was justifiable and if it offered the best possible solution to the problem of seasonal unemployment. Obviously, winter is not a suitable season for building. If one is to believe certain builders, the premium barely compensates for the added costs incurred during winter. The premium is therefore an illusion. To be fully profitable, such a measure should be restricted to areas which are barely touched by the rigors of winter. Elsewhere, this costly stimulus could be considered anti-economic, in the sense that it would only serve to compensate for a decrease in production which is due to climatic conditions.

Moreover, extending the sales tax to building materials may carry the risk of slowing down the industry because of the 5 to 6% increase in prices which it entails, for materials represent approximately 50% of building costs. This tax, which is applicable at stipulated dates, stimulated the building industry in 1964; but, on the other hand, as it implies a rise in prices, it may well have a long-range effect of restricting the market.

One cannot easily explain why the government insists upon applying the second and



third stages of this tax for, since the beginning of last year, the federal budget has shown a surplus. Furthermore, it seems odd that at a time when the American government is reducing taxes, Ottawa should be establishing new ones which have an unfavourable bearing on a vital sector of the Canadian economy.

Foreign Trade

In 1964, our exports increased noticeably, especially in the case of raw materials and newsprint which were in greater demand, particularly in the United States. Poor wheat crops in USSR enabled us to sell more of our surplus wheat. Finally, our sales of capital goods increased steadily thanks to the Export Credit Insurance Corporation which opened markets which, hitherto, had been closed to us owing to a lack of long-term credit facilities. This Crown Corporation not only guarantees the payment of our exports but also provides long-term financing in the case of capital goods which require large credits.

Our imports also increased. The higher rate of economic activity gave rise to a considerable increase in our purchases of capital goods and consumer goods so that the favorable balance of trade was only 160 millions for the first half of 1964 and did not offset the deficit incurred by invisible items which, for the same period, amounted to 678 millions.

The Price of Economic Growth

The balance of current accounts is therefore largely unfavourable in spite of a considerable increase in exports. If we were able to balance foreign accounts without depleting our reserves, it was due to a steady influx of foreign capital. Thus, our net foreign debt increased from 4 billions in 1945 to 17.9 billions in 1961. The country, no doubt, is more heavily indebted than at the end of the war when our commitments represented but one-third of the Gross National Product compared with 48% in 1961. But this percentage is in no way excessive. There were times, especially during the 1929-33 slump, when foreign indebtedness was much greater than the Gross National Product.

The danger we discern lies not so much in the size of the debt as in the aims of foreign capital. In 1945, direct investments accounted for less than one-third of all investments; in 1961, they represented one-half of all investments. One knows that foreign companies make direct investments in their subsidiaries or in order to secure a controlling interest in Canadian businesses. It is therefore this kind of investment which exerts an influence on the economy.

As four-fifths of direct investments come from the United States, any reference to foreign control of our economy must neces-

sarily mean American control. American interests are concentrated in three large sectors: oil and natural gas, mines and manufactures in which, in 1961, they held respectively 60, 52 and 45% of the capital stock. In certain industries, this concentration is even greater. This is the case in the automotive industry in particular where they control more than 95% of the companies.

American control of such important economic sectors is not without certain disadvantages. These make themselves felt in different ways, accordingly as they concern the development of raw materials or manufacturing.

It would be quite natural for an American company which controlled its sources of

companies. Most of these, as a matter of fact, wield a whole arsenal of technical and advertising facilities which Canadian industrialists are far from possessing. The latter are thus obliged, if they do not wish to be outdistanced, to follow in the wake of their American competitors. The same problem, for that matter, arises in the relations between Canadian companies, the larger ones frequently seeking to absorb the smaller ones. But when Canadian companies come under the control of American companies, it is the latter which decide their trade policies. Since these policies are inspired by their own interests only, they tend to restrict the production of their subsidiaries to the Canadian market alone. These companies would undoubtedly consider it disloyal to allow competition on their home market or on foreign markets, except in Commonwealth countries where some of



raw materials to try to develop them in relation to its own needs. Therefore, at the first sign of recession in the American economy, this company would quite likely reduce production in its subsidiary rather than seek new outlets in other countries as any Canadian company would tend to do. Moreover, as in most instances these are manufacturing companies, the raw material is often exported to the United States rather than processed here, thus seriously hampering the growth of Canadian industry.

As for the American hold on our manufacturing industry, the danger is greater still because of the very size of the American

them enjoy the benefits of preferential tariffs.

Nevertheless, it would not be expedient to restrict the influx of American capital to Canada, for the remedy would be worse than the disease, because the growth of the country would be slowed down considerably. Canadian capital, as everyone knows, is still quite inadequate to meet all requirements.

However, before Canadian nationalistic sentiments against what some may consider a hold on our economy, lead to measures which could be harmful to both parties in-

volved, American companies with subsidiaries in Canada should seek more than ever before to reconcile their interests with those of Canada. Is not the integration of their subsidiaries with the Canadian economy the best means of achieving this?

The Gordon Commission recommended that American companies appoint Canadians to their boards and allow Canadians to subscribe part of their capital stock. Several American companies did not wait for this suggestion to "canadianize" their subsidiaries. But there remains a lot to be done before the latter obtain their autonomy, the sole status compatible with Canadian sovereignty. Pressures by American companies to forbid their Canadian subsidiaries to export their products to Cuba or continental China can hardly be justified.

The Monetary Situation

The easy money that prevailed during 1964 was one of the chief factors of the economic growth of Canada. After a relatively slow increase during the second half of 1963, general loans in the private sector showed a rapid rise during the first half of 1964. From February to August, they increased by more than one billion dollars or approximately 14%, while, during the same period, deposits increased nearly 5%.

In order to meet the requirements of the private sector, chartered banks had to modify the structure of their assets. They reduced their holdings of Treasury bills by some \$150 million and their holdings of Federal Government bonds, by \$200 million. These changes could be made because federal budget surpluses during the first two quarters permitted a reduction of outstanding Treasury bills by some \$100 million, while the Bank of Canada increased its own holdings of Treasury bills to the same extent.

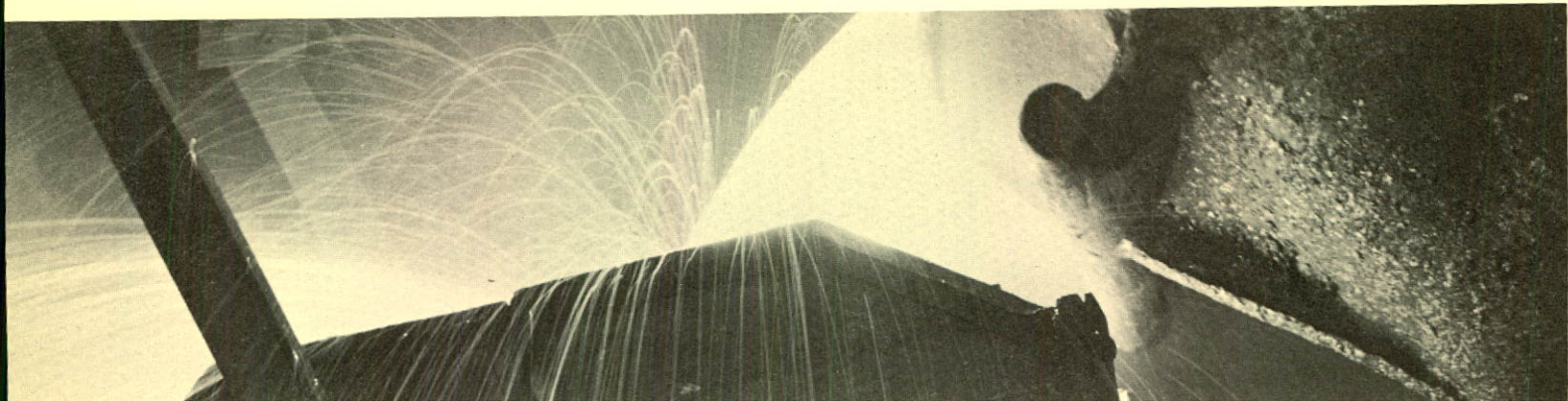
American funds also helped sustain the level of liquidities. During the first two quarters alone, short term capital flowing from the United States amounted to \$300 million. On the other hand, payments made by the United States in September for the Columbia River Project added appreciably to the volume of liquidities.

Thus, owing to an abundance of liquidities, the interest rate of the Bank of Canada was relatively stable. The increase, in November, from 4 to 4 $\frac{1}{4}$ % was due to the rise of 2% in the Bank of England's rate which was caused by prevailing conditions, when eleven other countries, including Canada, opened a credit of \$3 billion on behalf of Britain in order to protect the pound sterling against manoeuvres of speculators.

The American Contingency

To state that the economy of Canada is linked to that of the United States is to utter what has become a truism. Everyone knows that the country with which we do 62% of our trade is our biggest customer, absorbing more than half our exports. Consequently, any change of conditions in the United States is bound to affect our own economy.

The present period of expansion, which has been enduring for the past four years, is the longest which the United States have known since World War II, yet it does not show any signs of weakening. The increase of the Gross National Product was, in October, 7.1% greater than in October, 1963. Because of reserves in productive capacity and an increase in the margin of profit which stimulates investments, companies were able to meet an increased demand without exerting any inflationary pressure on prices. An abundant labour force also helped maintain price stability and the reduction of income taxes at the beginning of 1964 also



had an undoubted effect on the maintenance of the rate of growth.

Nevertheless, the balance of payments still remains unfavourable. The estimated deficit for the year 1964 amounts to two billion dollars. The equalizing interest rates tax will probably prove inadequate to stop the drain on reserves. To prevent any excessive outflow of capital, Washington will probably be led to further raise the discount rate which was set at 4%, November 23, and any new increase would most likely slow down expansion.

The Rapid Growth of Quebec

One may no longer repeat what the author of a famous novel wrote almost a century ago, "In Quebec, nothing must change". In the last few years, this province has evolved so rapidly that some have called this change a veritable renaissance.

The rate of increase of investments, that is 17.8% from 1963 to 1964, appears to be greater than anywhere else in Canada. The General Investment Corporation will undoubtedly accelerate this increase because one of its own objectives is to direct people's savings towards the industrial sector. The Corporation has invested in various branches of production, but its chief under-

taking is obviously the steel complex which is now underway. The establishment of this basic industry par excellence will give a new impetus to secondary industry which has already expanded considerably. However great our sales of raw materials during the first half of last year, the increase of manufactured or semi-manufactured exports was greater still.

Conditions are much less satisfactory in the agricultural sector. The march of farmers on Quebec, June 26, was an obvious sign that all is not well with the rural class. Statistics show that farmers' income for the first quarter of last year was lower than during the same period in 1963. This situation is all the more difficult to explain because our province buys an increasing quantity of foodstuffs from outside its borders. It is to be hoped that the general evolution which it cannot escape will enable agriculture to gradually improve its lot. The present economic and geographic concentration entails the elimination of less productive farms and the establishment of larger units in close proximity to large consumer markets. Agriculture is modernizing by means of the spreading of agricultural knowledge and a larger use of credit facilities.

We have still not drawn from tourism all that it can give. This is a highly lucrative industry which has been defined as interior exports. This old province has picturesque sites and vestiges of a historic past which we

have failed to capitalize upon. In spite of the progress already made, there is still much to be done. The creation of national parks and the improvement of the highway system are first steps in the right direction, but one must not stop there. The government could very well undertake, as has been done with success in other countries, or at least encourage, wherever necessary, welcome centers, hostels and restaurants. It would also be appropriate to educate people who come in contact with tourists and to remind them, when necessary, of the fable of the goose that laid golden eggs. It is especially necessary to restore the French appearance of Quebec instead of endeavouring to imitate the décor to which Americans are accustomed, for they go abroad, in their own words, "to see something different".

The reorganization of the Department of Trade and Commerce comes at an opportune moment to create a favourable atmosphere for the growth of Quebec. The new ministry has initiated several improvements, some of which are well underway, especially the inventory of the fourteen economic regions in order to document the Quebec Economic Advisory Board and the Quebec Economic Development Board, to prepare its plan, to organize trade missions and trade fairs, as well as specialized exhibitions, consultations and regional courses for the leaders of small and middle-sized businesses. But it is to be feared that the inadequacy of the budget of this department may seriously hamper the execution of its projects to which it would be advisable to add, in our opinion, the extension of the network of trade agencies in foreign countries. The opening of offices in Germany, Switzerland, Belgium and Italy would undoubtedly enable us to develop profitable relations with these countries.

The gradual achievement of the great projects of the Department of Trade and Commerce will open wide vistas for enterprising men and enable them to extend their field

of action.

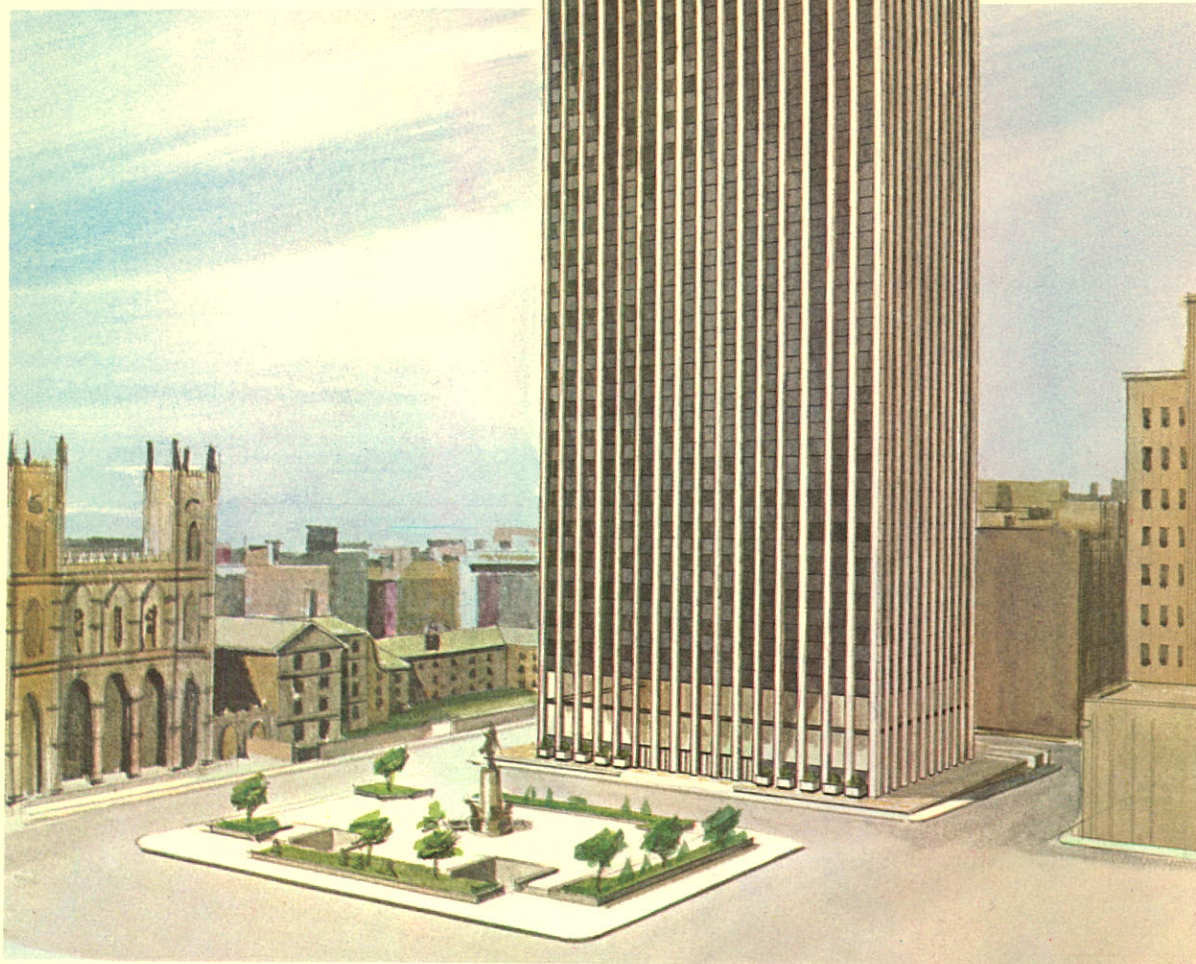
Outlook

There is every reason to believe that the present economic expansion of our country will be sustained throughout the new year. Most economists expect the Gross National Product to increase by about 5%. It seems that Canada will continue to benefit from the general growth of business in the United States where a further reduction of taxes will undoubtedly act as a stimulant.

Foreign trade, however, remains a source of worry. Our record sales of wheat to USSR in 1964 will not recur and the 15% surtax imposed by the United Kingdom on certain imports will probably have an unfavourable bearing on our foreign trade. However, we may expect our exports to the United States and certain countries of the Third-World to increase somewhat owing to the help of the Export Credit Insurance Corporation.

With respect to Quebec, the outlook is most optimistic. The giant project now underway at Manicouagan, the construction of the Trans-Canada highway and various other projects which are under study at the Roads Department will assure the continued growth of the economy of the province. If one adds to this the installation of the General Motors' plant at Ste-Thérèse and of the Renault-Peugeot assembly plant at St-Bruno, one may expect a greater activity to which the establishment of the steel complex will give a fresh impetus. Finally, as Expo '67 nears, Montreal has become the center of intense activity: the Metro is advancing at great speed, large hotels and apartment buildings are being erected and, soon, the pavilions of Expo '67 will rise on an enlarged St. Helen's Island. One may therefore justifiably view the future optimistically and hail the great progress in which our Bank will participate all the more actively since its business is largely concentrated in the Province of Quebec.

Le grand projet...



The rapid and continued growth of our business has led us to acquire, in the last fiscal year, the piece of land adjacent to our Head Office Building and also the Transportation Building erected thereon.

The Bank and its subsidiary, La Compagnie Immobilière BCN Limitée, therefore own the entire block bounded to the east by Place d'Armes, to the north by St. James Street, to the west by St. François Xavier Street and to the south by Notre Dame Street.

A survey recently made among the tenants of the Transportation Building has indicated a reasonable possibility of cancelling the existing leases. We regret the inconvenience that the project will involve and, to all concerned, we wish to express our gratitude for the understanding and the collaboration which have been accorded us.

We are now in a position to issue the first announcement of the agreement entered into, in the last few days, with the Société Immobilière Place d'Armes Limitée, whom we consider qualified to bring the project to a successful conclusion. We are granting to that company an emphyteutic lease maturing in 66 years, with the undertaking by the lessees to construct a building which will be designated as

"Édifice de la Banque Canadienne Nationale". That building, of a rectangular design, will measure 147' on the sides facing Place d'Armes and St. François Xavier Street and 102' on those facing St. James and Notre Dame Streets. The plans call for recesses on three sides and for a plaza on St. François Xavier Street. The necessary space will be provided for the Bank's present and future requirements. At the expiration of the lease, the ownership of the building will automatically revert to the Bank. The architects and engineers who have prepared the initial plans are working on the details of the new project.

The édifice, conceived along modern techniques offering every convenience, will have 32 storeys and will provide parking commodities, the first underground floor being destined to commercial use.

This important building, of stone construction, will rise to 432' above the historic Place d'Armes. Its lines will harmonize with those of that part of the city which remains the business centre in Montreal. The realization of the project will contribute to maintain the high level of activity of that old financial quarter of the Metropolis and will enable the Bank, the most important financial institution of French Canada, to fulfill still better the foremost role which it has always held among our ethnical group.

Profit And Loss Account

Net profits for the year ended 30th November, 1964, after contribution to the Staff Pension Fund, depreciation of bank premises, provision for income taxes and after making transfers to inner reserves out of which full provision has been made for bad and doubtful debts and depreciation of investments.....	\$ 4,079,504
Dividends.....	<u>2,879,793</u>
Amount carried forward.....	\$ 1,199,711
Balance of Profit and Loss Account, 30th November, 1963.....	466,443
	<u>\$ 1,666,154</u>
Transferred to Rest Account.....	1,000,000
Balance of Profit and Loss Account, 30th November, 1964.....	<u>\$ 666,154</u>
Provision for income taxes \$4,785,000	

Rest Account

Balance as at 30th November, 1963.....	\$43,920,719
Premium on capital stock subscriptions.....	79,281
Transferred from Profit and Loss Account.....	<u>1,000,000</u>
Balance as at 30th November, 1964.....	<u><u>\$45,000,000</u></u>

Balance Sheet

As At 30th November 1964

ASSETS		
Gold and coin.....	\$ 2,054,943	
Notes of and deposits with Bank of Canada.....	68,570,892	
Government and bank notes other than Canadian.....	1,286,717	
Deposits with other banks.....	5,398,572	
Cheques and other items in transit, net.....	<u>68,485,070</u>	\$145,796,194
Government of Canada direct and guaranteed securities, at amortized value.....	\$180,405,125	
Canadian provincial government direct and guaranteed securities, at amortized value.....	12,903,103	
Other securities, not exceeding market value.....	<u>46,072,272</u>	
	\$239,380,500	
Call and short loans to brokers and investment dealers, secured.....	<u>35,425,991</u>	274,806,491
		<u>\$420,602,685</u>
Other current loans, less provision for estimated loss....	\$501,373,757	
Mortgages and hypothecs insured under the National Housing Act, 1954.....	21,936,230	
Non-current loans, less provision for estimated loss.....	<u>33,001</u>	523,342,988
Bank premises at cost, less amounts written off.....	\$ 14,036,984	
Shares of and loans to corporations controlled by the Bank.....	1,999,500	
Customers' liability under acceptances, guarantees and letters of credit, as per contra.....	2,554,857	
Other assets.....	<u>93,591</u>	18,684,932
		<u><u>\$962,630,605</u></u>

LIABILITIES

Deposits by Government of Canada.....	\$ 34,031,784	
Deposits by Canadian provincial governments.....	9,932,908	
Deposits by other banks.....	7,676,170	
Personal savings deposits payable after notice, in Canada, in Canadian currency.....	485,554,198	
Other deposits.....	361,884,418	\$899,079,478
Acceptances, guarantees and letters of credit.....	\$ 2,554,857	
Other liabilities.....	3,330,116	5,884,973
Capital authorized:		
2,500,000 shares of \$10 each.....	<u>\$ 25,000,000</u>	
Capital paid up (1,200,000 shares of \$10 each).....	\$ 12,000,000	
Rest account.....	45,000,000	
Balance of Profit and Loss Account.....	<u>666,154</u>	<u>57,666,154</u>
		<u>\$962,630,605</u>

Note—The assets and liabilities of Banque Canadienne Nationale (France), a branch operating as a subsidiary, are included in the above Balance Sheet.

LOUIS HÉBERT
President

ANDRÉ LACASSE
General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above statement of assets and liabilities as at 30th November, 1964, and compared it with the books and accounts of the National Canadian Bank, at the head office, and with the certified returns from the branches. We have verified the cash and the securities of the Bank at the head office at the close of the financial year as well as at another date during the year.

We have obtained all the information and explanations 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, in our opinion, presents fairly the financial position of the Bank as at 30th November, 1964 and is as shown by the books of the Bank.

Auditors

JEAN LACROIX, C.A.
of Samson, Bélair, Côté, Lacroix et Associés
Montréal, December 16, 1964

FRANK T. DENIS, C.A.
of Peat, Marwick, Mitchell & Co.

Compagnie Immobilière BCN Ltée

Statement as at 30th November, 1964

ASSETS

Cash in bank.....	\$ 200,432
Building and rights in an emphyteutic lease, less depreciation.....	1,842,768
	<u>\$2,043,200</u>

LIABILITIES

Provision for income taxes.....	\$ 22,500
Capital stock authorized:	
20,000 shares of \$100 each.....	<u>\$2,000,000</u>
Capital paid up:	
20,000 shares of \$100 each.....	<u>\$2,000,000</u>
Surplus.....	<u>20,700</u>
	<u>2,020,700</u>
	<u>\$2,043,200</u>

Note: The capital stock issued by the above Company, with the exception of the directors' qualifying shares, is wholly owned by the National Canadian Bank and is carried on the books of the Bank at \$1,999,500.

AUDITORS' REPORT TO THE SHAREHOLDERS

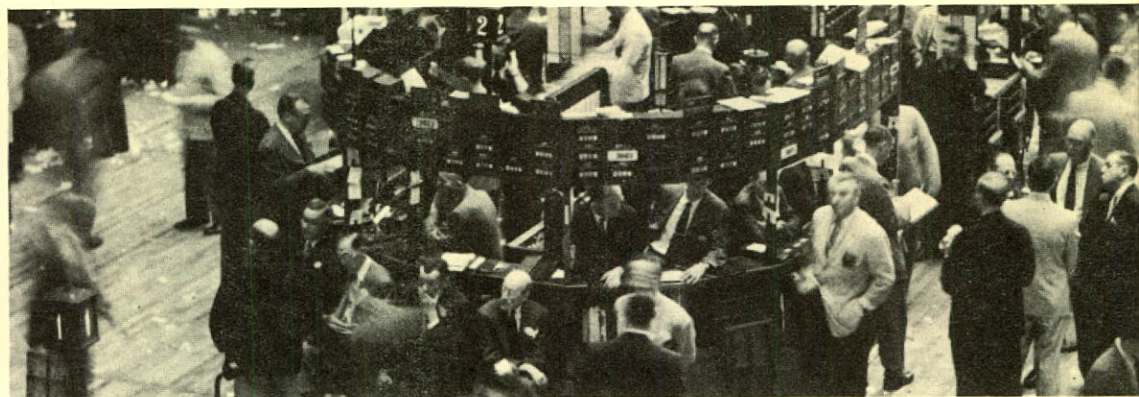
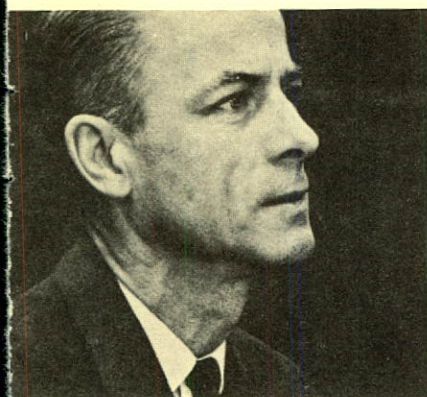
We have examined the above statement of assets and liabilities as at 30th November, 1964 and compared it with the books and accounts of the Compagnie Immobilière BCN Ltée.

We have obtained all the information and explanations we have required and, in our opinion, the above statement is as shown by the books of the Company and presents fairly the financial position of the Company as at 30th November, 1964.

Auditors

JEAN LACROIX, C.A.
of Samson, Bélair, Côté, Lacroix et Associés
Montréal, December 16, 1964

FRANK T. DENIS, C.A.
of Peat, Marwick, Mitchell & Co.



General Manager's Remarks

Results of Operations for the Year 1964 Show New Records

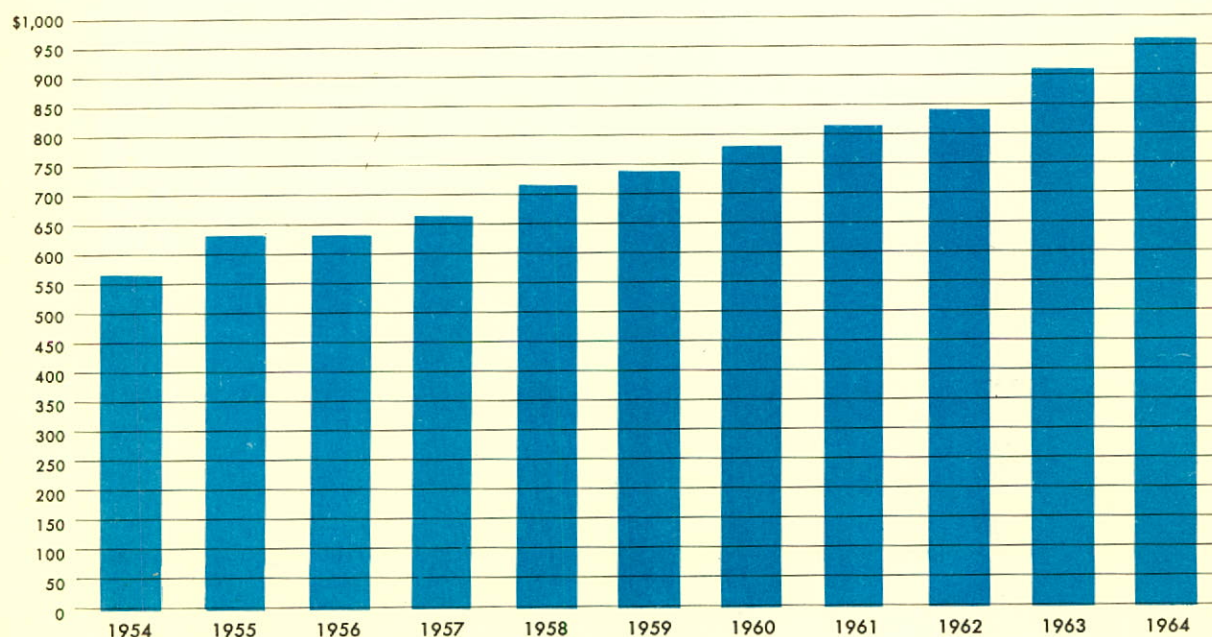
As you have seen, operations for the last financial year achieved excellent results and the Bank once again enjoyed a successful year.

Net profits increased by \$374,247 to attain \$4,079,504, after provision for income taxes

amounting to \$4,785,000. They equal \$3.40 per share against \$3.22 the previous year. The Bank paid its shareholders \$2,879,793 in dividends, or \$2.40 per share instead of \$2.30 as in 1963. Undistributed profits amount to \$666,154 after the transfer of \$1,000,000 to the Rest Account which now

(000,000 omitted)

ASSETS



stands at \$45,000,000.

Deposits showed an increase of \$54.3 million, reaching a new high of \$899,079,478. Personal savings deposits rose from \$464,074,069 to \$485,554,198.

Assets increased by \$56,847,280 to reach \$962,630,605, the highest figure ever attained at the end of a financial year. Liquid assets amount to \$145,796,194 and quick assets, to \$420,602,685. These two totals represent respectively 16.11 and 46.48% of the Bank's liabilities to the public. The portfolio of securities, part of which was transferred to loans, amounts to \$239,380,500.

Current loans and discounts show an increase of \$24,916,132 and thereby attain the highest total ever reached, \$501,373,757. Mortgage loans insured under the National Housing Act show a decrease of \$1,188,650 and amount to \$21,936,230.

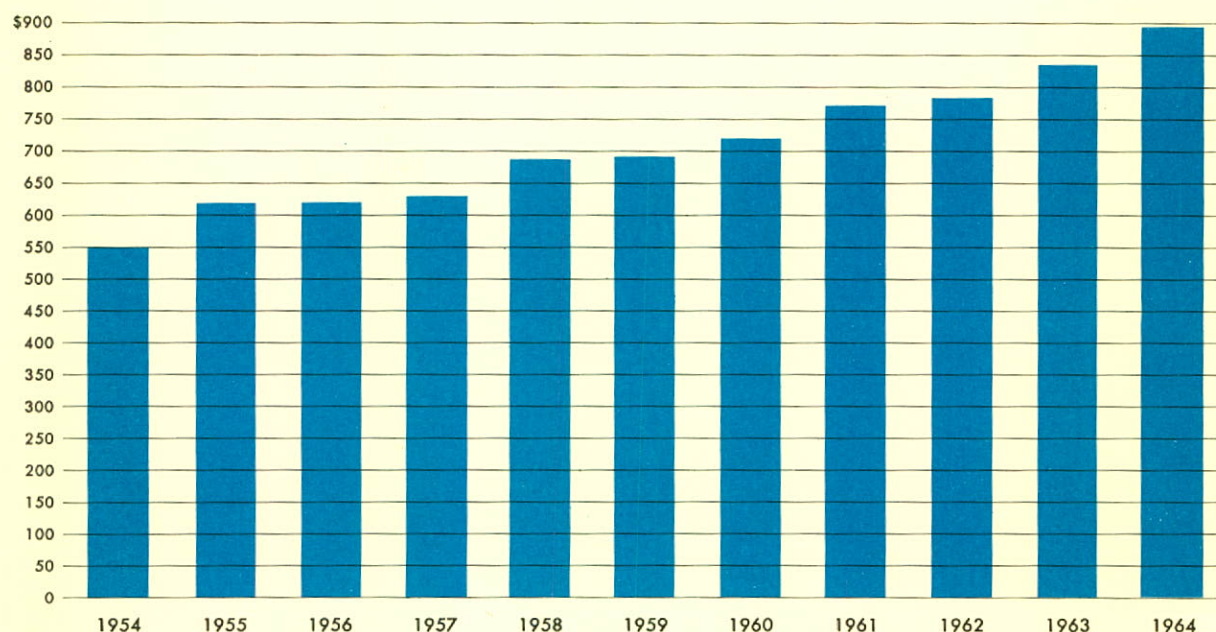
It seems appropriate to emphasize particu-

larly what the Bank is doing in various domains to help individuals and small and middle-sized businesses. In accordance with the Quebec Farm Improvement Loans Act, the Bank has granted thus far more than 16,500 loans totalling \$31,704,000. Thus, our Bank alone has granted more than 45% of all loans in this category. At the end of the last financial year, these loans amounted to \$23,316,000 compared with \$18,354,000 the previous year. Since the Small Businesses Loans Act went into effect, the Bank has made 44% of all loans in this category in the Province of Quebec. Loans granted by the Bank under this Act in Quebec, Ontario and Manitoba have risen during the year from \$8,476,000 to \$9,477,000. Personal instalment loans reached \$28,699,000 against \$19,871,000 on November 30, 1963.

Two years ago, when referring to the financial standing of a large number of municipalities and especially school boards in the Province of Quebec, we stated that these public bodies would be faced with an accumulation of deficits if they did not take immediate action to balance their budgets.

(000,000 omitted)

DEPOSITS



This situation only worsened in 1963. However, it must be pointed out that during 1964 several of these bodies, especially school boards, did seek additional resources in order to restore their finances. Thus, loans by our Bank to these bodies did not exceed \$79,000,000 during the last financial year, except on November 30, 1964, when they reached \$83 million compared with a high of some \$80 million in 1963 and of \$70 million in 1962. It must be pointed out that 25% of the loans granted by all banks were made by our Bank.

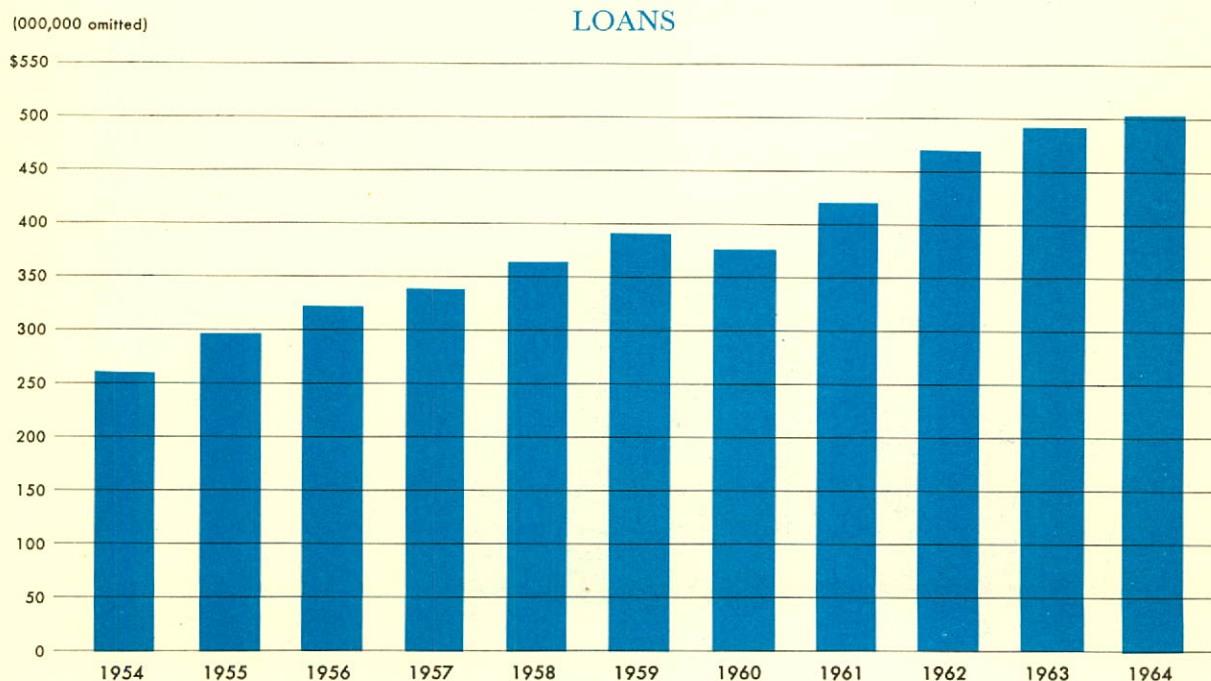
It is to be feared that certain school boards may be demanding additional loans owing to the unavoidable delays in the approval of their budgets which prevent an early sending of tax assessments, thereby depriving them momentarily of the funds they require for their administration.

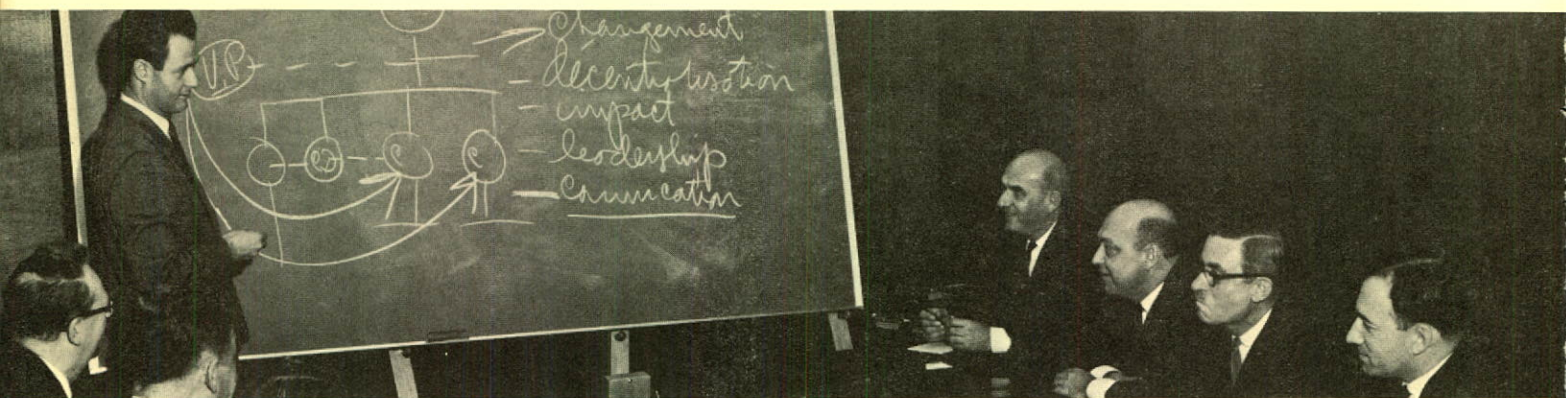
We feel it necessary to insist on this point and to reiterate that we are firmly convinced that these public bodies should act without delay and take the necessary steps to balance their budgets and, in some in-

stances, to cope with accumulated deficits. If nothing is done to improve the present position of these bodies, how will it be possible to carry out such major projects as "Operation 55" which requires investments amounting to some \$300,000,000?

Last year, the Bank opened eight branches: 5350 Bélanger Street East and 6390 Sherbrooke Street West in Montreal; 8200 Châtillon Avenue in Ville d'Anjou; 4599 Rang des Sources, Dollard des Ormeaux; 250 Sir Wilfrid Laurier Boulevard, Beloeil; 505 Boulevard des Laurentides, Pont-Viau, 260 Montigny Street, Saint-Jérôme and 161 des Chênes Street West, Quebec; the following agencies were converted into branches: St. Hubert, Vaudreuil Village, St. Constant, Thetford Mines, 917 Notre-Dame Street North and 2119 de Salaberry Street, Bordeaux. The Bank operates 611 offices in Canada and one in Paris.

The directors wish to pay special tribute to the devotion and loyalty of the Bank's personnel. Our staff has always been equal to the task and is largely responsible for the





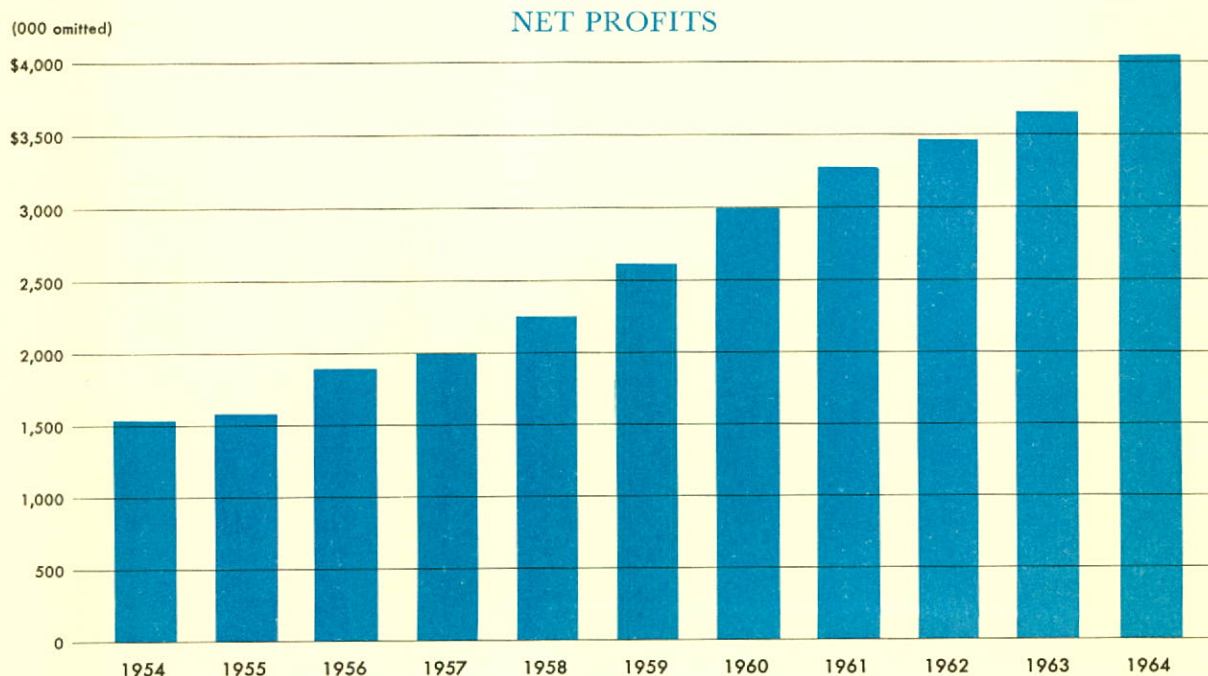
progress achieved during the past year. Each and every employee, fully cognizant of the fact that he is in the service both of the Bank and its clientèle, has been keenly desirous to fulfil at all times the numerous duties accruing from this twofold allegiance.

Management is doing its utmost to improve and maintain the high standards of its personnel. Courses in administration which, for some years now, have been given to department heads and officers will now be extended to branch managers and their closest collaborators. It is our aim to give

our employees a general and professional training well adapted to present needs and designed to increase efficiency throughout the organization.

The main event of the year, insofar as chartered banks are concerned, was without doubt the publication of the Porter Commission's Report, the recommendations of which, if they are adopted, will certainly have considerable influence on the financial world.

It is a pleasure to point to some of the Com-



mission's recommendations, especially those aimed at rendering more flexible certain provisions that account for the Bank Act's rigidity, particularly in respect to liquid reserves, the ceiling on interest rates on loans and the debarring of banks from the mortgage loan market, all of which constitute a needless brake on the growth of banks.

The provision restricting interest rates to 6% makes it impossible to grant certain loans which would warrant a higher rate and compels many businesses to seek other sources at higher rates. For instance, the presence of banks in the mortgage field would tend, through the free play of competition, to regulate interest rates in that sector.

Many financial institutions are now performing functions which are properly banking operations, yet they are not subject to the stipulations of the Bank Act. If the provisions of a revised Bank Act were applied to these financial institutions, a more equitable form of competition would

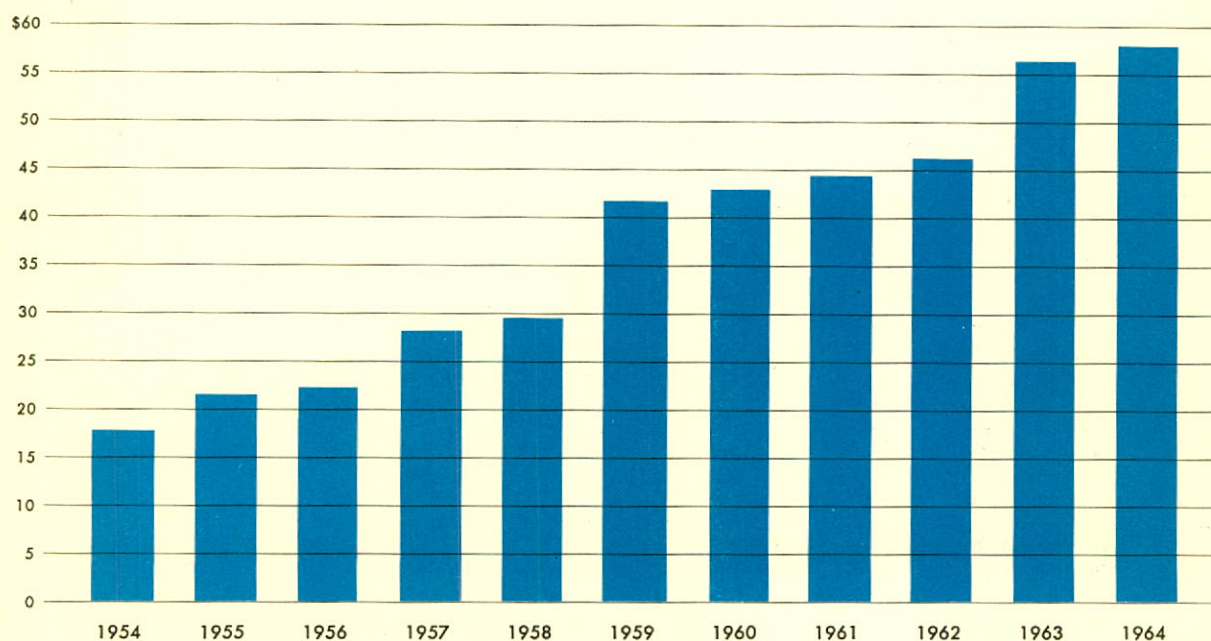
ensue to the benefit of the community.

The Porter Commission advocates the abolition of the commission charged by banks for the exchange of items payable in another locality. Now this commission represents payment for a service which banks render the public when they give immediate value for sums which they only recover after a certain delay and it merely compensates for the cost involved in this operation. If this commission, which is an important source of revenue, were abolished, compensation under some other form would have to be found. The banks are therefore justified when they object to the inclusion of such a provision in the new Act.

It would be a mistake to think that, each time the Bank Act comes up for revision, bankers are guided solely by mean and selfish motives. On the contrary, while chartered banks wish to preserve their well-established reputation of sound and efficient institutions, they wish, above all, to give the community the services it has a right to expect and to continue to fulfil the eminently social role which is theirs.

(000,000 omitted)

CAPITAL, RESERVE, PROFITS



RECORD OF PROCEEDINGS OF THE NINETIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD ON TUESDAY, 12th JANUARY, 1965, AT TWELVE O'CLOCK, AT THE QUEEN ELIZABETH HOTEL, 900 DORCHESTER WEST, MONTRÉAL.

Among those present were: Messrs. Claude Allaire, Edouard Arbour, Georges Arpin, J. M. Arpin, R. Asselin, Jacques Audette, Eugène Avon, Mrs. Hélène P. Baillargeon, Messrs. J. P. Baril, Vincent Barré, Jean Barrett, Claude Beauchamp, Henri Beauchamp, Pierre Beauchemin, J. T. Beaudin, R. Beaudry, Georges Beaulieu, Viateur F. Beaulieu, Esdras Beauregard, J. Médard Bélanger, Miss E. G. Bennett, Mr. Gottlieb Berchtold, Mrs. Maurice Bériault, Messrs. Maurice Bériault, J. S. A. Bernard, Léopold Bernier, J. Donatien Berthiaume, Normand Berthiaume, Paul Bertrand, Wilbrod Bherer, q.c., Gérard Binette, Ivanhoe Bissonnette, Notary, Mrs. Y. Bissonnette, Messrs. Joseph Blain, q.c., Marcel Blais, J. U. Blouin, Miss Thérèse Blouin, Mrs. Ulric Blouin, Messrs. P. E. Bonnier, Adrien Bordua, Georges Borduas, Roland Boulanger, Ralph Bourassa, Hon. Romuald Bourque, Hon. F. Philippe Brais, q.c., Mr. Jacques Brault, Miss Pierrette Brault, Messrs. André Breton, S. Brettingham, Gilles Brisebois, J. Camille Brisebois, Paul Brodeur, René Brosseau, Antoine Bruneau, Marcel Brunet, Napoléon Buteau, Eugène Cadieux, A. A. Cameron, Mrs. Juliette Cameron, Messrs. J. H. Cardinal, John A. Carmody, Yvon Carignan, Rodolphe Casgrain, O. Castonguay, Léo Champagne, Roland Champagne, Jean Chaput, André Charron, q.c., Georges Charuest, Léo Chauret, L. Chiasson, R. Christin, Marcel Clément, Gérard Cloutier, J. N. Cole, Georges Constantin, Gilles Corbeil, J. D. Cormier, Dollard Côté, Marcel Côté, Aristide Cousineau, Bruno Cousineau, Mrs. G. Q. Cousineau, Mr. O. Couture, Mrs. David Craig, Mr. Etienne Crevier, Mrs. A. Cusson, Messrs. Paul A. Cusson, George A. Daly, Chs. H. d'Amour, J. G. Deaudelin, J. G. Décarie, Laurent Décarie, Notary, Mrs. Laurent Décarie, Miss Irène Decoste, Messrs. Henri de Lanauze, R. De Leeuw, Guy Delorme, Jules Derome, Maurice L. Déry, Roger DeSerres, Mrs. Roger DeSerres, Dr. Edouard Desjardins, Messrs. J. P. Desjardins, Louis Desjardins, Yvan Desjardins, Notary, Antoine Desmarais, Henri Desnoyers, Marcel Desrochers, Hon. J. M. Dessureault, Mr. Robert Désy, Notary, Mrs. T. D. de Yturralde, Miss L. Déziel, Mrs. Cécile Diamond, Messrs. L. M. Dionne, George T. Donohue, Jean Duchesneau, Roland Dufour, Mrs. Louise L. Dufresne, Messrs. J. A. Dulude, H. Dunn, Mrs. Blanche L. Dupont, Suzanne Dupont, Messrs. Clément M. Dupras, Georges Dupuis, Charlemagne Duval, Mrs. Aline L. Elie, Messrs. Théo. Fafard, R. Ferland, Claude Ferron, Henri Ferron, c.a., Martin Forest, Donat Fortin, J. E. Fournier, J. A. Fréchette, Tancrède Gaboury, J. A. Gagnon, Mrs. J. A. Gagnon, Miss Marthe Gagnon, Mrs. M. V. Gareau, Messrs. Pasquale Gattuso, Roger Gélinas, Rosario Genest, q.c., Antoine Geoffrion, q.c., Charles Gernacy, Maurice Gervais, Gilles Giard, Gérard Gingras, Camille Girard, Roger Giroux, Yvon Godin, J. N. Gosselin, J. Parfait Gravel, Norman Greendale, C. E. Grenier, Georges Grenier, J. N. Emile Grenier, J. A. Grisé, Gaspard Guay, Lucien Guay, Jean Louis Guimond, Paul Guimond, Louis Hébert, R. H. Houde, Guy L. Hudon, René Labelle, Mrs. A. D. Labelle, Messrs. André Lacasse, Robert Lacasse, J. H. Lachance, Mrs. J. H. Lachance, Mr. Jean Lajeunesse, Mrs. Robert Lajoie, Messrs. J. P. Lalonde, Paul Lambert, Miss Gilberte Lamoureux, Mr. Roland Langevin, Mrs. Aimé Lapierre, Messrs. Robert Lapierre, Victor Lapierre, Aimé Laplante, Mrs. Jeannette B. Laprade, Mr. Lionel Laprade, Mrs. Marthe D. Laurin, Messrs. J. Arthur Lavallée, Paul Leblanc, René Leclerc, J. A. L'Ecuyer, Miss Gabrielle Leduc, Mr. L. Philippe Leduc, Mrs. Alice Lefebvre, Messrs. J. E. Lefebvre, J. Théo Legault, Notary, Miss Mariette Legault, Messrs. William Legault, H. P. Lemay, q.c., Misses Madeleine Lemieux, Rose Lemieux, Messrs. J. R. Lemire, Adrien Lemoignan, Mrs. Alma Lepage, Messrs. Roland Lepage, Marc Leroux, Notary, Raymond Leroux, Philippe Letarte, Miss Inez Linkletter, Messrs. Léon Lorrain, Jean Luc Lussier, Gérard MacDermott, Gustave Maher, Paul Maher, J. E. Maheu, c.a., Hector Mantha, Mrs. A. L. Marchand, Messrs. Roger Martel, Charles A. Martin, Mrs. Yvette L. Martin, Henriette Masson, Messrs. Jean Louis Matteau, Lambert Mayer, Louis Mercille, Guy Messier, Jean Monat, Dr. Massue Monat, d.d.s., Messrs. Luc Morin, Lorenzo Mousseau, Elzéar McNeil, Albert Naud, Notary, Aurélien Noël, c.a., Mrs. Gisèle V. Noël, Messrs. Sylva Normandin, J. P. W. Ostiguy, Jean Ouellet, Henri Ouimet, Miss Lucille Paquet, Mrs. Thérèse L. Paquet, Jeanne Paquin, Messrs. Gérard Parizeau, Alphonse L. Patenaude, Mrs. Rose Patenaude, Messrs. Robert Racicot, Jacques Rainville, Hon. Jean Raymond, q.c., Miss Marguerite Renaud, Messrs. Alcide Richer, F. Rinaldi, Ulric Roberge, P. E. Robert, Anatole Robichaud, André Robichaud, Miss Gilberte Rochon, Messrs. Charles Rolland, P. E. Rousseau, Antoine Roy, Guy Roy, Jean Pierre Roy, Léo Paul Saint-Amour, Alfred St-Cyr, D. St-Georges, Mrs. Simone D. St-Germain, Messrs. Rodrigue St-Onge, Oscar St-Pierre, Maurice Saillant, J. S. Samson, G. H. Séguin, Notary, Maurice Séguin, P. E. Senay, F. A. Senécal, Hon. Pierre Sévigny, Messrs. I. Sheinfeld, Irénée Sicard, Miss Gertrude Soulard, Messrs. Frank Spénard, Bernard Tailleur, Lucien Tessier, Ulric Tessier, René Thomas, Alfred Tourigny, q.c., Charles Tourigny, Paul Tourigny, R. Tousignant, D. L. Torrey, J. E. Tremblay, J. R. Tremblay, Maurice Tremblay, J. T. Turcotte, Laurent Valade, Omer Veillet, Ludger Venne, François Vézina, Gérard White.

It was moved by Mr. Louis Hébert, seconded by Mr. Aristide Cousineau, that Honorable F. Philippe Brais be appointed chairman and Mr. Yvan Desjardins secretary of the Meeting. This 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 Meeting, (b) a form of proxy, (c) Statement recording the attendance of the Directors at Board Meetings, (d) a copy of the Record of proceedings at the Annual General Meeting held on January 14, 1964.

The Record of proceedings at the Eighty-ninth Annual General Meeting having been mailed to every shareholder, as evidenced by the certificate just read, it was moved by Mr. Denys Pelletier, seconded by Mr. Massue Monat, and unanimously resolved that this Record of proceedings be taken as read and confirmed.

On motion by Mr. J. T. Legault, seconded by Mr. Pasquale Gattuso, it was unanimously resolved that Messrs G. H. Séguin and Sylva Normandin be appointed scrutineers.

The Chairman called upon the General Manager to read the Ninetieth Annual Report of the Board of Directors.

Mr. Léo Paul Saint-Amour moved, seconded by Mr. Robert Désy, that the Ninetieth Board of Directors' Annual Report be adopted.
The motion was unanimously carried.

It was moved by Mr. Guy L. Hudon, seconded by Mr. A. A. Cameron: That the shareholders express their entire satisfaction at the excellent results of the past financial year and convey to the distinguished members of the Board of Directors their heart-felt congratulations and their most sincere thanks.

This resolution was unanimously carried. Honorable F. Philippe Brais thanked the movers of the resolution and the assembly personally and on behalf of his colleagues.

It was moved by Mr. Châteauguay Perrault, seconded by Mr. Marc Leroux: The shareholders, having noted the efficiency with which the employees of the Bank acquitted themselves of their duties during the last financial year, extend their deep appreciation and thanks to the General Manager, Mr. André Lacasse, and to all employees.

This resolution was unanimously adopted and Mr. André Lacasse thanked the movers of the resolution and all shareholders, personally and on behalf of the members of the staff.

The scrutineers reported that 79,727 shares were present and that 759,700 represented by proxy at the Meeting, a total of 839,427 shares, or 69.9% of the capital stock.

WHEREAS the Board of Directors has recently changed the date at which the financial year shall end and that this shall be October 31 in future;
WHEREAS it would now be suitable to hold the annual general meeting of shareholders the second Thursday in December rather than the second Tuesday in January;

It was moved by Mr. Jean Lajeunesse, seconded by Mr. Paul A. Cusson that Article I of the By-Laws of the Shareholders of the Banque Canadienne Nationale be amended by replacing the words 'second Tuesday in January' by the words 'second Thursday in December'. This resolution was unanimously adopted.

The Secretary read letters from Mr. Jean Lacroix, C.A., of Samson, Bélair, Côté, Lacroix and Associates, and from Mr. Frank T. Denis, C.A., of Peat, Marwick Mitchell & Co., offering their services to the Bank as auditors for the financial year 1964-65.

Upon motion of Mr. Romauld Bourque, seconded by Mr. Denis Quintal, it was unanimously resolved that Messrs. Jean Lacroix, C.A., and Frank T. Denis, C.A., be appointed auditors for the financial year ending October 31, 1965, and that their remuneration be set at a total amount of \$25,000 to be divided between them according to the time devoted by each to the affairs of the Bank.

It was moved by Mr. Oscar St-Pierre, seconded by Mr. Q. H. D'Amour: That Mr. Louis Hébert or any other Director the Board may appoint be authorized to act as attorney or proxy of National Canadian Bank at any and all meetings of the shareholders of Banque Canadienne Nationale (France).

It was moved by Mr. Rosario Genest, seconded by Mr. Roland Dufour: That Mr. Louis Hébert or any other Director the Board may appoint, be authorized to act as attorney or proxy at any and all meetings of the shareholders of Compagnie Immobilière BCN Ltée. These propositions were unanimously adopted.

Mr. J. Émile Maheu moved, seconded by Mr. Léopold Bernier, that the undermentioned shareholders be elected directors of the Bank, and that one ballot be cast evidencing the decision of the Meeting:

Mr. Pierre Beauchemin
Mr. Wilbrod Bherer, Q.C.
Mr. Joseph Blain, Q.C.
Hon. F. Philippe Brais, Q.C.
Mr. André Charron, Q.C.
Mr. Maurice Chartré, C.A.
Mr. Georges O. Clermont

Mr. Aristide Cousineau
Mr. Étienne Crevier
Mr. George A. Daly
Mr. Roger DeSerres
Mr. George T. Donohue
Mr. Gaston Élie
Mr. Marcel Faribault
Mr. Henri Ferron, C.A.

Mr. Louis Hébert
Mr. Henri Ouimet
Hon. Jean Raymond, Q.C.
Mr. Ulric Roberge
Mr. Renault St-Laurent, Q.C.
Mr. Alfred Tourigny, Q.C.
Mr. Gérard White, C.A.

This motion was unanimously carried. The scrutineers presented the following report: The undersigned scrutineers at the Ninetieth General Meeting of the Shareholders of the National Canadian Bank, held at the Queen Elizabeth Hotel, in Montreal, January 12, 1965, declare that they have examined the ballot which had been handed to them and that the shareholders who have been nominated are elected directors of the Bank.

DATED AT MONTRÉAL, January 12, 1965.

(signed) G. H. Séguin
Sylva Normandin

The scrutineers' report was unanimously confirmed. The meeting then adjourned.

At a meeting of the Board of Directors, held immediately after the shareholders' meeting, Honorable F. Philippe Brais was elected Chairman of the Board, Mr. Louis Hébert was elected President of the Bank, and Messrs. Aristide Cousineau, George T. Donohue and Henri Ouimet were elected Vice-Presidents.

National Canadian Bank

321 Branches and 290 Agencies in Canada

Subsidiary in Paris, 37, rue de Caumartin

108 Branches in Montréal — 19 Branches in Québec City

Other Branches:

In Québec

Acton Vale
Alma
Amos
Arvida
Asbestos
Bagotville
Baie Comeau
Baie St-Paul
Beauceville East
Beauharnois
Beauport
Belœil (2)
Berthierville
Bic
Black Lake
Cabano
Cap-aux-Meules
Cap-de-la-Madeleine
Cap-de-la-Madeleine
West
Carleton-sur-Mer
Chandler
Charlesbourg
Châteauguay Centre
Chibougamau
Chicoutimi (2)
Chomedey (2)
Coaticook
Contrecoeur
Deschailons
Dolbeau
Donncona
Dorion-Vaudreuil (2)
Drummondville
Duvernay
Fabreville
Farnham
Ferme-Neuve
Forestville
Gaspé
Giffard
Gracefield
Granby (2)

Grand'Mère
Haute-Rive
Hudson
Hull (3)
Iberville
Ile Perrot
Joliette
Jonquière
Kénogami
La Guadeloupe
La Malbaie
L'Annonciation
La Pocatière
Laprairie (2)
La Sarre
L'Assomption
La Tuque
Lauzon
Laval-des-Rapides
Lévis
L'Islet
Longueuil (2)
Loretteville
Lorrainville
Louiseville
Magog
Malartic
Marieville
Matane
McMasterville
Métabetchouan
Montebello
Mont-Joli
Mont-Laurier
Montmagny
Nicolet
Normandin
Notre-Dame-du-Lac
Paspébiac
Plessisville
Pointe Gatineau
Pont-Viau (2)
Port-Alfred
Portneuf

Princeville
Rawdon
Rigaud
Rimouski (2)
Rivière-du-Loup (2)
Roberval
Rouyn
Roxton Falls
Ste-Adèle-en-bas
Ste-Agathe-des-Monts
St-Aimé
Ste-Anne-de Beupré
Ste-Anne-des-Monts
Ste-Anne-de-La-Pérade
St-Anselme
St-Camille (Bellechasse)
St-Casimir
St-Charles
St-Constant
Ste-Dorothée
St-Eustache
St-Félicien
St-Félix-de-Valois
St-Gabriel-de-Brandon
St-Georges (Beauce)
St-Hubert
St-Hyacinthe (3)
St-Jacques (Montcalm)
St-Jean
St-Jérôme (3)
St-Joseph (Beauce)
St-Jovite
St-Lambert
Ste-Marie (Beauce)
Ste-Martine
St-Ours
St-Pacôme
St-Pie (Bagot)
St-Prosper
St-Raymond
St-Rémi
St-Romuald
Ste-Rose
St-Sauveur-des-Monts

Ste-Scholastique
Ste-Thérèse
St-Tite
St-Vincent de Paul
Senneterre
Seven Islands
Shawinigan (3)
Sherbrooke (4)
Sorel
Terrebonne
Thetford-Mines (2)
Town of Laval West
Tracy
Trois-Pistoles
Three Rivers (2)
Valcourt
Val d'Or
Valleyfield (2)
Victoriaville
Ville de Brossard
Ville de Vaudreuil
Ville-Marie
Wakefield
Warwick

In Ontario

Casselman
Eastview (2)
Hawkesbury
L'Orignal
Ottawa (2)
Sturgeon Falls
Sudbury
Toronto
Vankleek Hill
Verner

In Manitoba

St-Boniface
St-Jean-Baptiste
St-Pierre
Winnipeg

Principal Correspondents of the Bank

Other correspondents in all parts of the world.

United States

New York:

Bankers Trust Company
Chase Manhattan Bank
Chemical Bank New York
Trust Co.

First National City Bank
Manufacturers Hanover
Trust Co.

Morgan-Guaranty Trust
Company of New York
Irving Trust Company

Boston:

First National Bank
National Shawmut Bank

Buffalo:

Marine Trust Company of
Western New York

Chicago:

Continental Illinois National
Bank and Trust Co.
First National Bank of Chicago

Los Angeles:

Security-First National Bank

Miami:

The First National Bank
of Miami

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

France

Paris:

Banque Nationale pour le
Commerce et l'Industrie

Banque de Paris et des
Pays-Bas

Comptoir National d'Escompte
de Paris

Crédit Commercial de France

Crédit Lyonnais

Crédit du Nord

Société Générale

Crédit Industriel et Commercial

England

Glasgow:

Clydesdale Bank Limited

London:

Barclays Bank Limited
Brown, Shipley & Co. Ltd.
Clydesdale Bank Limited

Comptoir National d'Escompte
de Paris

Crédit Lyonnais

Crédit Industriel et Commercial

Midland Bank Limited

Manchester:

Williams Deacon's Bank
Limited

Germany

Dusseldorf:

Deutsche Bank A.G.

Hamburg:

Commerzbank A.G.

Belgium

Antwerp:

Banque de Commerce

Brussels:

Banque de Bruxelles

Crédit Lyonnais

Banque de la Société Générale
de Belgique

Spain

Barcelona:

Banco Espanol de Credito

Banco Hispano Americano

Madrid:

Banco de Vizcaya

Banco Espanol de Credito

Banco Hispano Americano

Banco Ibérico

Netherlands

Rotterdam:

Rotterdamsche Bank N.V.

Italy

Naples:

Banco di Napoli

Palermo:

Banco di Sicilia

Rome:

Credito Italiano

Banca Commerciale Italiana

Banco di Roma

Banca Nazionale del Lavoro

Norway

Oslo:

Christiania Bank og Kreditkasse

Sweden

Stockholm:

Göteborgs Bank

Switzerland

Basle:

Société de Banque Suisse

Geneva:

Union de Banques Suisses

Zurich:

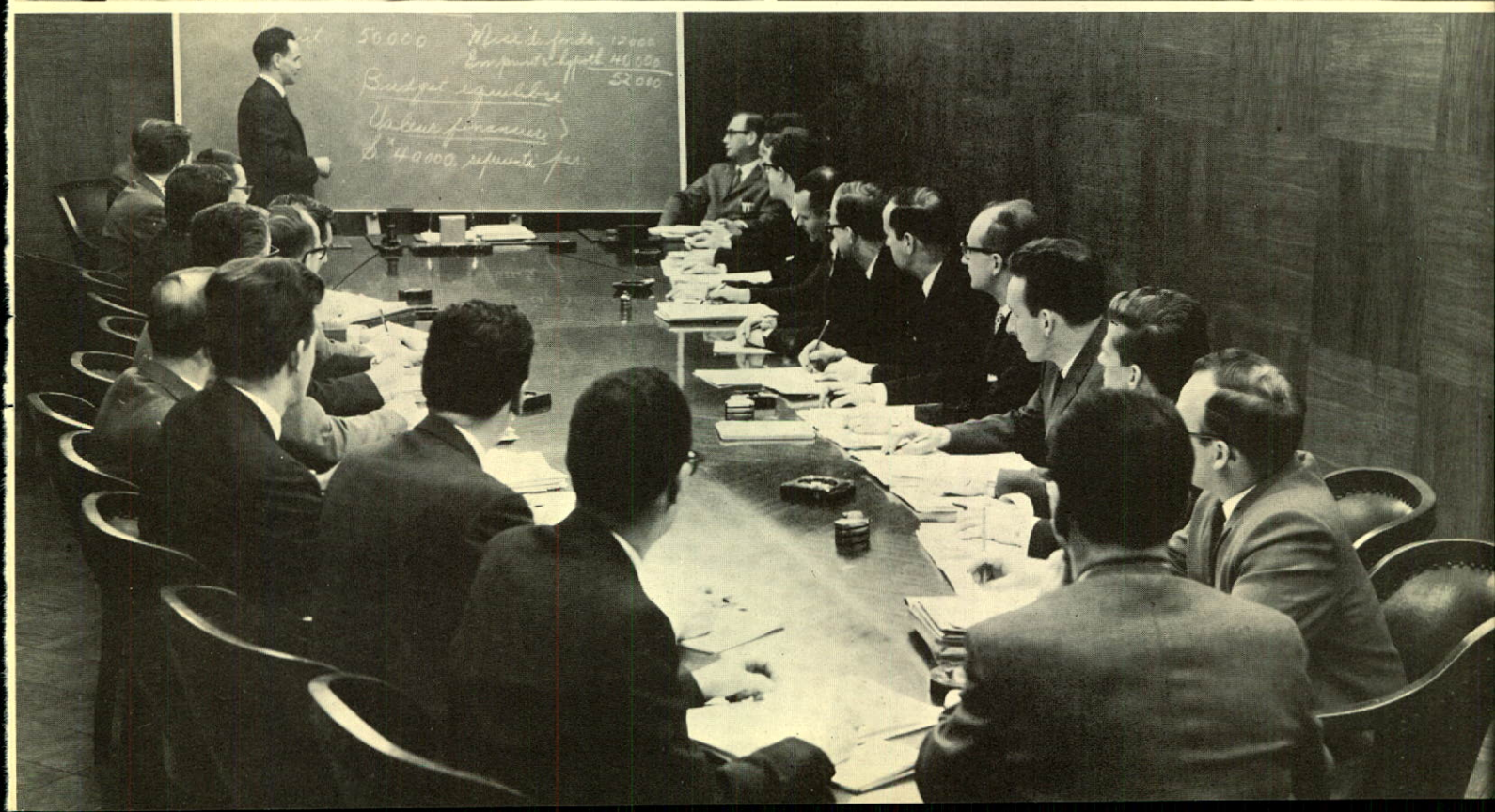
Société de Banque Suisse

Courses In Administration

CREDIT DEPARTMENT

By means of the well-known case method, employees become acquainted with the theory

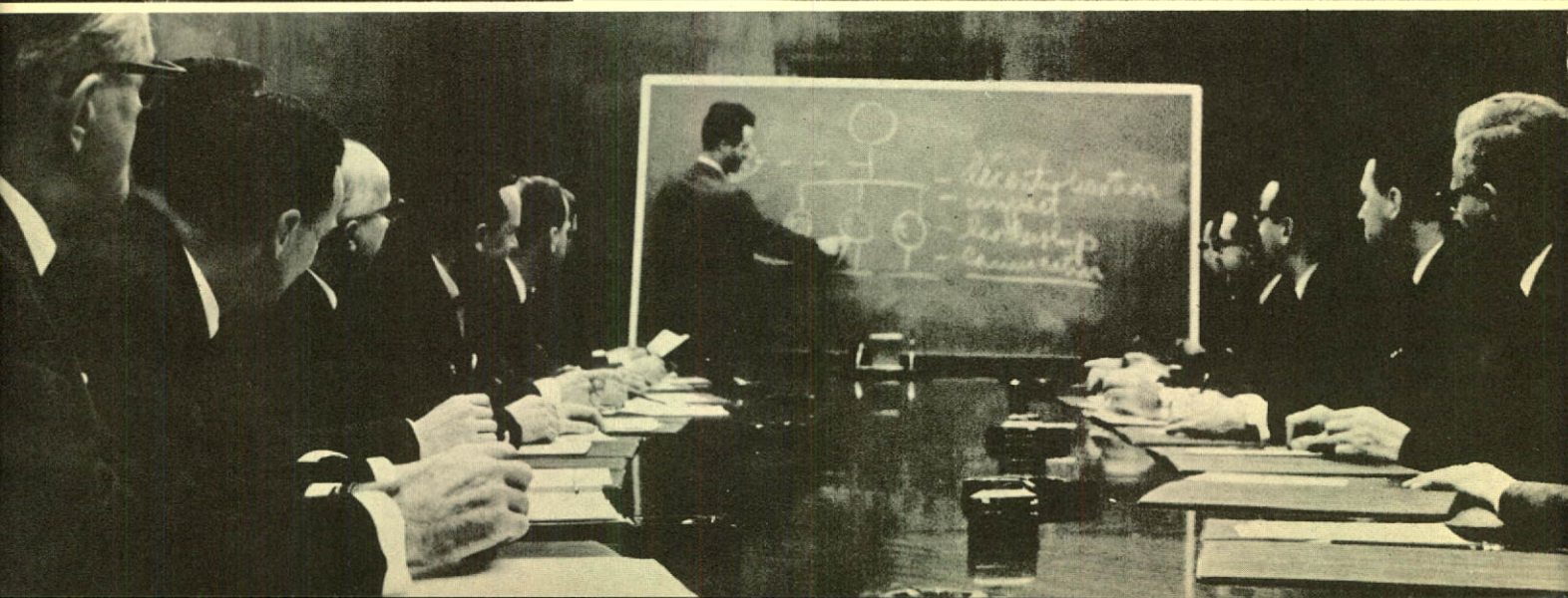
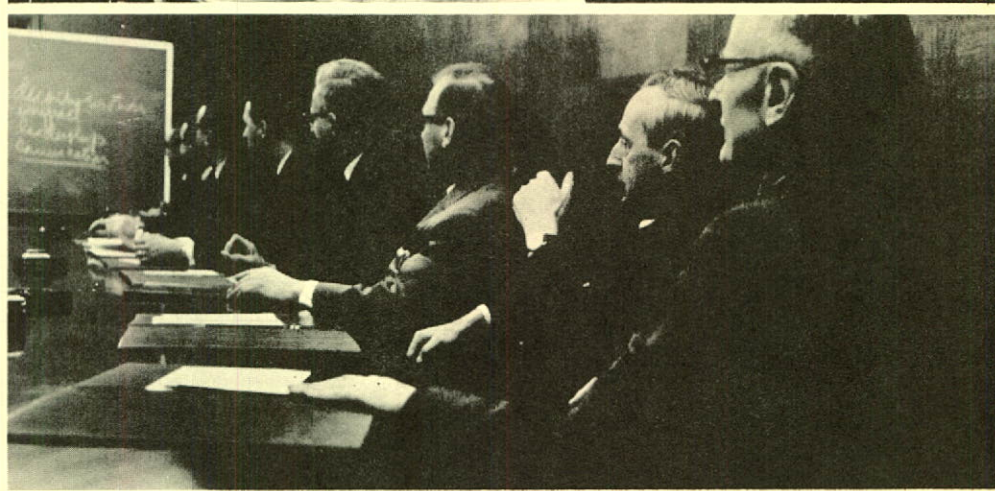
and practice of credit, and are thus trained to assume, in their best years, the tasks incumbent upon managers and other superior officers.

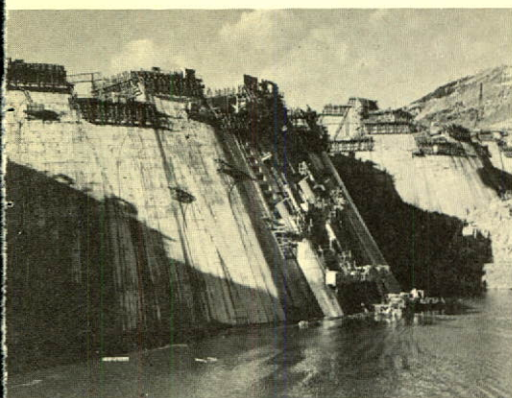


DEPARTMENT HEADS

In this rapidly changing world of ours, one must keep on studying. A member of École des Hautes Études Commerciales' teaching staff lectures to department heads: psychology

and management, administration, public relations, etc. are some of the topics discussed. The Bank is thus preparing management personnel worthy of the Challenge of the 20th Century.





Altitude "703"

135 miles beyond Baie Comeau rises Manicouagan 5, a huge dam which, when finished, will be 703 feet high. The engineers and builders responsible for the giant undertaking at Manicouagan-Outardes are doing a job of which Quebec may be justly proud.

Always ready to serve the public in the most remote areas of the country, the National Canadian Bank has overcome all obstacles in order to provide adequate banking facilities for the pioneers of modern Quebec. Thus, the Bank opened in the heart of forest, on sites 2 and 5 of the Manicouagan Project, two offices which come under the jurisdiction of the Baie Comeau branch which has been under the management of Mr. Gaston Bouchard for thirteen years. A third office will soon be opened at Outardes.

The roads leading to this virgin country are being improved constantly, but only a short time ago were completely impenetrable at times. To ensure the punctuality for which it prides itself, the Bank, on three different

occasions, used helicopters to deliver money to its isolated offices.

The Bank offers complete facilities in the Manicouagan-Outardes area. Twice monthly it issues the payroll for the employees of Hydro-Quebec and the contractors working for the latter. In addition, it receives deposits, issues money-orders and makes transfers. A special system was devised for the issuing of money-orders in order to facilitate remittance of money to the families of these employees.

With the co-operation of the representatives of Hydro-Quebec, the Bank has done its utmost to adapt its functions to the peculiar conditions faced by these builders.

The requirements of agriculture, a sector which remains at the root of our economy, are always taken care of by the Bank but, as the present growth of industry calls for greater assistance, it is not surprising that the Bank should innovate in this area in order to meet the needs of the hour. The Bank has been equal to the challenge of ALTITUDE "703" a typical example of the aspirations of Quebec as it marches onward.

On three different occasions, helicopters were used to bring the pay-roll to Manic 5



Man is harnessing mighty nature at Manic 2



Serving the Public ...

Baie Comeau Branch, P.Q.



1679 St-Marc Street, Shawinigan, P.Q.



Wakefield Branch, P.Q.



Sherbrooke & Benny, Montréal, P.Q.



Branch located at 285 Ste-Madeleine Blvd., Cap-de-la-Madeleine, P.Q.



Branch located at 1199 St-Jean Street, Quebec City, P.Q.



