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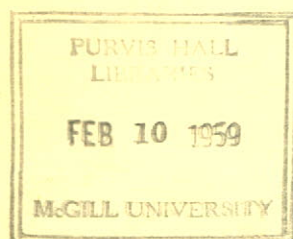


National Canadian Bank

BANQUE
CANADIENNE NATIONALE

84th ANNUAL REPORT

FINANCIAL YEAR 1958



NATIONAL CANADIAN BANK

ESTABLISHED IN 1874 • HEAD OFFICE: MONTREAL

BOARD OF DIRECTORS

CHARLES ST-PIERRE, *President*

ULRIC ROBERGE, *Vice-President*

HON. WILFRID GAGNON, *Vice-President*

PIERRE BEAUCHEMIN

HON. F. PHILIPPE BRAIS, Q.C.

ARISTIDE COUSINEAU

GEORGE A. DALY

AUGUSTE DESILETS, Q.C.

HON. J. M. DESSUREAULT

GEO. T. DONOHUE

A. J. MAJOR

HENRI OUMET

J. A. PRUD'HOMME, Q.C.

JEAN RAYMOND, Q.C.

HEAD OFFICE

ULRIC ROBERGE

General Manager

J. A. DULUDE

J. L. DAVIGNON

J. N. GOSSELIN

LOUIS HÉBERT

Assistant General Managers

LOUIS ROUSSEAU

General Inspector

E. BEAUREGARD

RODRIGUE ST-ONGE

Managers, Credit Department

RENÉ LECLERC

Chief Inspector

ANDRÉ LACASSE

Chief Accountant

L. ALLARD

Manager, Foreign Department

LÉON LORRAIN

General Secretary

Eighty-fourth Annual General Meeting of the Shareholders of

N A T I O N A L C A N A D I A N B A N K

Record of proceedings of the Eighty-fourth Annual General Meeting of the Shareholders held on Tuesday, 13th January, 1959, at twelve o'clock, at the Head Office of the Bank, Place d'Armes, Montreal.

Among those present were: Messrs Lionel Allard, Vincent Barré, Maurice Bazinet, Pierre Beauchemin, J.-T. Beaudin, Geo. Beaudry, Raymond Beaudry, Geo.-R. Beaulieu, E. Beauregard, Romain Bédard, Jacques Bélanger, C.A., Léopold Bernier, L.-P. Bertrand, Marc M. Bienvenu, Joseph Blain, Q.C., Mrs Lucille P. Blais, Messrs J. A. Blondeau, Stéphane Boily, R. Bourassa, Lucien Bouthillier, Hon. F. Philippe Brais, Q.C., Messrs J. N. Caron, Rod. Casgrain, O. Castonguay, Léo Champagne, J. D. Cormier, P. Emile Courtois, C. A., Aristide Cousineau, Etienne Crevier, Paul A. Cusson, Geo.-A. Daly, Art. Dansereau, J. L. Davignon, R. De Leeuw, Auguste Desilets, Q.C., J. Donat Desrosiers, Hon. J. M. Dessureault, Messrs Léo M. Dionne, Geo. T. Donohue, Théo, Fafard, Jean Paul Fortin, G. A. Fréchette, Hon. Wilfrid Gagnon, C.B.E., Messrs. Eugène Garceau, M.D., Pasquale Gattuso, Edgar Genest, Maurice Gervais, Roger Girard, J. N. Gosselin, L. P. Guay, Paul Guimond, J. Edgar Guimont, Louis Hébert, Joseph Hurtubise, L. Henri Juneau, Raymond Labelle, Rémi Labelle, André Lacasse, L. J. Lacourse, Paul Lambert, Roger Lampron, Yvon Lazure, René Leclerc, A. L'Ecuyer, Maurice Lemelin, J. R. Lemire, Léon Lorrain, C. A. Lussier, L. A. Maheux, A. J. Major, J. Hector Mallette, J. E. Mercille, Oscar Mercure, John Midlige, Luc Morin, Albert Naud, Aurélien Noël, C.A., Mrs. Aurélien Noël, Messrs S. Normandin, Henri Ouimet, J.-René Ouimet, Paul Parent, Gérard Parizeau, Château-guay Perrault, Q.C., Germain Perreault, Fernand Picard, M. Pierpaoli, C. M. Piuze, Q.C., J. E. Poirier, Guy Poliquin, J. R. Paul Pratt, J. A. Prud'homme, Q.C., Jean Raymond, Q.C., Ulric Roberge, Claude Rouleau, P. E. Rousseau, Jean-Paul Roy, Alfred St-Cyr, G. St-Onge, R. St-Onge, Ch. St-Pierre, J. S. Samson, Léo Scharry, G. H. Séguin, N.P., Edgar

Standish, Pierre-A. Thibaudeau, Paul Toupin, Alfred Tourigny, Q.C.,
J. E. Tremblay, Léonce Trépanier, J. T. Turcotte, Emile Vaillancourt,
Maurice Veilleux, Guy Villiard.

It was moved by Mr. J. Alex. Prud'homme, seconded by Hon. F. Philippe Brais that Mr. Charles St-Pierre be appointed chairman and Mr. Léon Lorrain 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 Shareholders' By-laws, (e) a copy of the record of proceedings at the Annual General Meeting held on January 14, 1958.

The Record of proceedings at the Eighty-third Annual General Meeting having been mailed to every shareholder, as evidenced by the certificate just read, it was moved by Mr. Châteauguay Perrault, seconded by Mr. Jacques Bélanger, and unanimously resolved that this Record of proceedings be taken as read and confirmed.

On motion by Mr. J. H. Mallette, seconded by Mr. S. Normandin, it was unanimously resolved that Messrs. Joseph Hurtubise and Aurélien Noël be appointed scrutineers.

The Chairman called upon the vice-president and general manager to read the Eighty-fourth Annual Report of the Board of Directors.

EIGHTY-FOURTH ANNUAL REPORT

Gentlemen,

Your directors have the honour to submit their report on the Bank's operations for the financial year ending November 30, 1958.

PROFIT AND LOSS ACCOUNT

	30th NOVEMBER	
	1958	1957
Profits for the year ended 30th November, after contribution to the Staff Pension Fund and after making transfers to inner reserves out of which full provision has been made for bad and doubtful debts and depreciation of investments . . .	\$ 5,003,834	\$ 4,567,573
Written off Bank Premises	740,791	656,983
Provision for Income Taxes	1,995,000	1,830,000
Net Profits after the foregoing deductions.	\$ 2,268,043	\$ 2,080,590
Dividends	980,000	840,000
Extra dividend, 30¢ per share	210,000	210,000
Amount carried forward.	\$ 1,078,043	\$ 1,030,590
Balance at credit of Profit and Loss Account, 30th November of previous year	755,058	724,467
	\$ 1,833,101	\$ 1,755,057
Transferred to Rest Account	1,000,000	1,000,000
Balance at credit of Profit and Loss Account, 30th November	<u>\$ 833,101</u>	<u>\$ 755,057</u>

REST ACCOUNT

Credit balance as of 30th November, 1957	\$ 21,000,000
Transferred from Profit and Loss Account	1,000,000
Credit balance as of 30th November, 1958	<u>\$ 22,000,000</u>

ANDRÉ LACASSE,
Chief Accountant

ULRIC ROBERGE, CHARLES ST-PIERRE,
General Manager President

**NATIONAL
CANADIAN
BANK**

BALANCE SHEET

Assets

30th NOVEMBER

	1958	1957
Gold and coin.	\$ 1,485,991	\$ 1,482,939
Notes of and deposits with Bank of Canada	56,347,947	52,826,347
Government and bank notes other than Canadian	715,956	782,626
Deposits with other banks	4,432,807	3,491,638
Cheques and other items in transit, net	39,124,984	47,018,895
	<hr/>	<hr/>
	\$102,107,685	\$105,602,445
Government of Canada direct and guaranteed securities, at amortized value	\$188,336,329	\$155,743,512
Canadian provincial government direct and guaranteed secu- rities, at amortized value	34,006,682	23,774,080
Other securities, not exceeding market value	33,205,876	30,705,416
	<hr/>	<hr/>
	\$255,548,887	\$210,223,008
Call and short loans to brokers and investment dealers, secured.	10,903,380	12,444,083
	<hr/>	<hr/>
	\$368,559,952	\$328,269,536
Other current loans, less provision for estimated loss	\$329,563,001	\$310,606,239
Mortgages and hypothecs insured under the National Housing Act, 1954	18,871,280	14,606,187
Non-current loans, less provision for estimated loss	40,279	46,937
	<hr/>	<hr/>
	\$348,474,560	\$325,259,363
Bank premises at cost, less amounts written off	\$ 9,607,230	\$ 9,006,436
Customers' liability under acceptances, guarantees and letters of credit, as per contra.	2,005,095	1,763,932
Other assets	418,946	54,664
	<hr/>	<hr/>
	\$ 12,031,271	\$ 10,825,032
	<hr/>	<hr/>
	<u>\$729,065,783</u>	<u>\$664,353,931</u>



Liabilities

30th NOVEMBER

	1958	1957
Deposits by Government of Canada	\$ 20,283,846	\$ 16,231,392
Deposits by Canadian provincial governments	3,084,147	3,474,223
Deposits by other banks.	4,235,563	2,763,625
Personal savings deposits payable after notice, in Canada, in Canadian currency	418,022,305	380,840,643
Other deposits.	249,832,587	224,514,858
	<u>\$695,458,448</u>	<u>\$627,824,741</u>
Acceptances, guarantees and letters of credit	\$ 2,005,095	\$ 1,763,932
Other liabilities	1,769,139	6,010,201
	<u>\$ 3,774,234</u>	<u>\$ 7,774,133</u>
Capital paid up	\$ 7,000,000	\$ 7,000,000
Rest account	22,000,000	21,000,000
Balance of Profit and Loss Account	833,101	755,057
	<u>\$ 29,833,101</u>	<u>\$ 28,755,057</u>
	<u>\$729,065,783</u>	<u>\$664,353,931</u>

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

ANDRÉ LACASSE, ULRIC ROBERGE, CHARLES ST-PIERRE,
Chief Accountant General Manager President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above statement of assets and liabilities as at 30th November, 1958, 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, 1958, and is as shown by the books of the Bank.

MAURICE CHARTRÉ, C.A. of Chartré, Samson, Beauvais, }
Bélair, Côté, Marceau et Associés } Auditors
JEAN VALIQUETTE, C.A. of Anderson & Valiquette }

Montréal, 12th December, 1958.

The results of operations for the financial year ended November 30, 1958, show that the Bank made substantial progress. Assets, deposits, loans and profits are at an all-time high.

Profits, having increased by \$436,260 over the previous year, amount to \$5,003,833. After provision of \$1,995,000 for taxes and of \$740,790 for depreciation on bank premises, net profits add up to \$2,268,043, as compared with \$2,080,590 in 1957. They are the equivalent of \$3.24 per share, against \$2.97 a year ago.

The dividend rate having been risen from 12 to 14 per cent, payments to shareholders, including a special dividend of 3%, totaled \$1,190,000 against \$1,050,000 the year before. After transfer of \$1,000,000 to rest fund, which now stands at \$22,000,000, undivided profits, comprising the previous year's balance, amount to \$833,100.

Deposits, showing an increase of \$67,633,707, mount up to the sum of \$695,458,448. At a time when the practice of economy is all-important, it is gratifying to note that personal savings deposits, having increased by \$37,181,662, are at the record figure of \$418,022,305.

Total assets, up by \$64,711,852, aggregate \$729,065,783. Cash assets total \$102,107,685 and quick assets, showing a gain of \$40,290,416, amount to \$363,559,952 or 52.86% of liabilities to the public.

Current loans and discounts, showing an increase of \$18,956,762 stand at \$329,563,000. Mortgages insured under the National Housing Act amount to \$18,871,280, as compared with \$14,606,187 the preceding year. The value of the Bank's portfolio of securities rose during the year from \$210,223,000 to \$255,548,887.

During the past financial year, the Bank opened two branches and converted three agencies into branches.

The Directors take pleasure in acknowledging that the members of the staff contributed to a great extent to the further progress of the Bank through the praiseworthy devotedness and loyalty with which they performed their duties.

ADDRESS OF THE PRESIDENT

During the past year, the Directors recorded with regret the demise of Hon. Alphonse Raymond, one of the vice-presidents of the Bank, who died on June 6. The late Mr. Raymond had been a member of the Board since 1949 and his cooperation was all the more helpful because of his wide business experience. Mr. Jean Raymond, Q.C. succeeded him as a director.

Last month, the Board had to accept the resignation of Mr. Charles Laurendeau, vice-president, who could not continue in office on account of ill health. Mr. Laurendeau had been a Director for the past thirty-five years during which his services to the Bank were most valuable. Mr. Henri Ouimet succeeded him on the Board of Directors.

The slowing down of economic activity became more pronounced during the past year. Up to the month of October, the index of industrial production, when compared with the previous year, was showing a drop which was particularly marked in mining and manufacturing. But the recession did not extend to every segment of the economy; it was not as serious as might have been feared, and there is reason to believe that the new year will witness a reverse trend.

Various sustaining economic factors were at work. Investments, while not keeping up the same pace, were still very important, and industrial plants completed in 1957 made up in part for a decline in production in other sectors. In spite of unemployment, there was a steady demand for all kinds of goods because of an increase in public expenditures as well as in the income of consumers at large. According to an official estimate, the personal disposable income will have exceeded \$20.5 billion and should reach \$21 billion this year. The home market has broadened. The contribution of immigration, although smaller than in the past few years, and above all a high birth-rate raised the population to over 17 million people. Construction contracts awarded amounted to the highest total ever recorded. Export trade showed a slight gain.

The Dominion Bureau of Statistics, taking as a basis the results of the first half of the year, forecast that the gross national product will have reached \$32 billion in 1958, which would represent a gain of about 2 per cent over 1957. However, we should not forget that these statistics take into account the federal government expenditures which, in many cases, do not contribute to production.

THE DIFFICULTIES OF AGRICULTURE

An increase in cattle exports and in the output of the dairy industry contributed to maintain farm income at about the same level as in 1957. It must be borne in mind, however, that the production of many commodities is being sustained through support prices.

The Government's agricultural marketing policy aims at stabilizing farm income, but worthy as its purpose may be, if that policy is carried too far, it will eventually destroy its own objective. The Government, whose aid stimulates production to the point of creating growing surpluses of various farm products, buys these and, as it often occurs, has no alternative but to sell them at a loss on foreign markets.

Obviously, this policy, which results in an ever increasing charge on the federal budget, cannot be carried on indefinitely. The Minister of Agriculture himself admitted that much. If such commodities as butter, skim milk powder, poultry and eggs continued to be produced at their present rates, said he, they will create in the very near future an impossible marketing and price situation. Prices presently set cannot be maintained if farmers produce far more of a commodity so supported than can possibly be sold in Canada or on the export market.

The consequences of price support programmes are all the more serious as these are being applied in many countries. Spokesmen for the International Federation of Agricultural Producers, at a recent meeting in Brussels, declared that, without questioning their expediency, we must realize that such programmes played a major role in producing surpluses and hampered the expansion of trade in farm products. On the other hand, the United Nations Food and Agriculture Organization is studying various national price support policies with a view to co-ordinate their various provisions.

Meanwhile, the Federal Minister of Agriculture, who rightly objects to the control of farming by the Government, expressed the hope that the interested parties themselves will prevent the worsening of conditions by reducing voluntarily the production of unsaleable commodity surpluses. It might be possible to diversify farm production to a greater extent in order to make it more suitable for the actual market demand.

In Canada as in every other industrial country, the difficulties of agriculture arise in a large measure from the lack of balance between the income of the rural community and that of city dwellers. The disparity should lessen as time goes on. The farmer's lot is markedly better than it was only a generation ago and prospects are hopeful.

The progress of mechanization and the improvement in farming methods will reduce progressively the cost of production, while the rapid growth of the world's population and a gradual betterment in living conditions of the under-fed peoples will open new outlets.

THE WHEAT PROBLEM

The past year was not very favorable to field crops. The production of oats and barley showed an increase over 1957, but the wheat harvest, estimated at 368 million bushels, was 25 per cent below the average of the five previous years. In spite of this reduction and of our large exports of wheat in 1958, the carry-over is slightly bigger than a year ago. Last November, it reached some 375 million bushels. The United States, Argentina and Australia also have huge stocks for which they are seeking outlets, while many countries of Western Europe are developing their own production.

We are thus confronted with a world-wide problem and nothing indicates that it may be solved in the near future. In Canada, as well as in the United States and elsewhere, price supports and other protective measures are adding to difficulties by inducing over production. Moreover, the marketing methods of the United States, such as barter and the acceptance of settlement in foreign currencies, have the effect of supplanting us on certain markets where it may not be easy to regain a footing later.

While there is a glut of wheat in certain parts of the world, in other regions peoples are under-fed. The United Nations Food and Agriculture Organization is anxious to remedy this paradoxical situation. The president of its Council will submit at an early date a proposal for the launching of a world-wide campaign against hunger.

Our country is directly interested in this project. Humanitarian considerations may enable us to dispose of the surpluses for which world markets provide no outlet.

THE BUILDING TRADE

Building operations were one of the most favorable elements of the situation in 1958. The total of construction contracts awarded during the first ten months of the year topped, for the first time, \$3 billion; it even exceeded by \$110 million the total for the whole year 1957.

However, the notable activity that prevailed in the building trade was unevenly distributed. Engineering undertakings remained steady, showing merely a decline of

one per cent, as a consequence of large public works under construction. But in the industrial category, there was a drop of 40 per cent due to a slowing down of investments in industry. The total increase over the previous year resulted from a rise of 30 per cent in business buildings and, above all, from a 70 per cent leap in residential contracts attributable to credit facilities granted for such purposes. More than 103,600 dwellings were started during the first eight months of the year and it was anticipated that some 153,000 units would have been completed in 1958.

FOREIGN TRADE

The external trade of Canada is keeping up a good pace. For the first ten months of 1958, our exports amounted to \$4,071 million, an increase of some \$25 million over the same months of the previous year. The decline in our exports of crude oil, iron ore and most base metals and of wood-pulp and newsprint was offset by a growth in our sales of uranium, farm implements, aircraft and cattle and in our sales of wheat on long-term credit. Our imports, having decreased by 9.8 per cent, stood at \$4,313 million. Thus the unfavorable balance of trade dropped from 733 to 242 million dollars.

Our trade with the United States, for the same period, showed imports at \$2,990 million and exports at \$2,402 million. The falling off of business in both countries brought about diminutions of some \$37 million in the United States purchases in Canada and of \$431 million in our purchases in the United States. Our adverse balance of trade was reduced from 983 to 589 million dollars.

It should be pointed out, however, that the increases in our exports were confined to a few products and a few markets. It depends solely on gains of 36 and of 49 million dollars, respectively, in our sales to the United Kingdom and to the other nations of the Commonwealth, our exports to the rest of the world having receded.

It is, therefore, of the utmost importance that we develop our present markets, while seeking new ones, in order to diversify our foreign outlets to the greatest extent possible. The Ottawa Conference, in 1932, was concerned with closer relationship within the Commonwealth. The Conference which was held last year in Montreal studied the means of extending our trade not only with that group of nations, but with the whole free world.

This new outlook is undoubtedly a better means to promote our external trade. Most Commonwealth countries, excluding the United Kingdom, while providing some

outlet for Canadian manufactures, are competitors rather than customers, our country being also a producer of raw materials and foodstuffs. During the first ten months of 1958, the Commonwealth, with the exception of the United Kingdom, absorbed less than 5.85 per cent of our total exports.

Many obstacles are still hampering, in many countries, the progress of international trade, more particularly, the shortage of foreign currencies, exchange control, import quotas, bilateral conventions, agricultural protectionism and barter agreements under which, for instance, the United States exchanges surplus farm products for minerals many of which Canada could supply.

Most countries whose economy is based upon raw materials have a lessened purchasing power owing to lower prices. They must revise their plans for industrialization and modernization or spread execution of same over a certain period of time. They want to buy on the deferred payment system so that, now, the granting of long-term credit has to be taken into account by their prospective suppliers. The Canadian Manufacturers Association recommended to the Federal Government the formation of an institution to finance long-term credit, similar to those which are found in other countries. Private participation would be invited. The Association states, in its submission, that since the middle of 1956 Canadian industry lost, due to lack of credit facilities, export sales valued at more than \$200 million.

The world scene is shifting. Industrialization quickened by the world-wide post-war boom has changed customers of old industrial nations into competitors. The Common Market, which came into operation the 1st of January of this year, establishes differential tariffs that may cause some traditional relationships to deviate. The communist nations are intensifying their trade offensive. They sell a growing volume of aluminium, asbestos, copper, zinc, lead and other products not only in underdeveloped countries, but in Europe as well, and their prices and conditions are dictated by political motives rather than by economic considerations.

UNEMPLOYMENT

Unemployment, which had shown a steady decrease since last spring, began to rise again under the seasonal influence of autumn. The Government estimated at 361,000 the number of persons without jobs and seeking work in November. This was an increase of 48,000 over October and of 65,000 as compared with the same date of the previous year.

TAXATION AND INDUSTRY

The industrialization of Canada was hastened by the extraordinary activity prevailing during the past twelve years. It may be asked, however, whether it will continue at the same pace when more normal conditions return, as might be expected.

The post-war boom has developed manufacturing in a number of other countries as well. Now, in Canada production costs are heavy because the standard of living is about equal to that of the United States while a limited home market precludes mass production. Many branches of industry have to compete with foreign firms whose costs are lower as a consequence of a large volume of production or because of cheap labor. Thus, one of our main problems is the high cost of production which gives rise to growing difficulties for Canadian manufacturers at home as well as abroad.

The very latest improvements in machinery and methods will enable the Canadian industry to offset the advantages foreign competitors possess. The rapid progress of technology demands that industry amortize its equipment in a short period of time. If inadequate resources prevent it from making the required replacements soon enough, it will be left with obsolete machinery and, being unable to reduce its prices, it will be less and less in a position to meet foreign competition.

A lightening of taxation should then allow industry to reinvest a larger part of its profits. This would be particularly expedient with regard to the multiplicity of smaller and growing concerns which play such a vital role in economic development and most of which have to finance themselves, at least in a large measure.

The increasing requirements of the federal budget should not be irreconcilable with a reduction of taxes if Ottawa made a practice of saving. In November, 1957, the Prime Minister disclosed that the Government was considering the possibility of appointing a Royal Commission on economies in public spending. Since that time, the budget has been increasing unceasingly. Shouldn't the Government take up this project again so that it may be carried out without delay? This is a national problem the importance and the urgency of which no one will deny. The example set by the United States is challenging. The Citizens' Committee, who published the Hoover Report recently, asserted that the Commission already enabled the Government to save some \$7 billion.

OUTLOOK

Where do we stand at the beginning of this new year? Statistics for the last quarter

of 1958 will probably show that the lowest point of the recession is behind us. Conditions seem to be on the way to recovery, although there remains some unfavorable factors and despite the fact that the improvement is more noticeable in segments stimulated by government aid.

Obviously, it would be unwise to bank on an immediate resumption of economic expansion at the pace set by the post-war boom. The boundless development awaiting Canada cannot pursue its course on a sound basis without being interrupted by periods of stabilization and adaptation. It seems that, today, our country has reached one of these stages in its march forward. A considerable number of building projects are completed or nearing completion; some industries have momentarily overextended their plants, and it is questionable whether housing construction can be sustained much longer at the present level.

But the large public or private works being carried into execution or planned will irradiate activity in many branches of production. Siderurgy showed a significant revival during the past few months. The decrease in private investments should be compensated, to a great extent, by the rise in public spending.

The evolution of the Canadian economy will depend also on the condition of our main foreign markets, as our export trade provides one fifth of the national income. In the United States, where the recession was more severe than in Canada, the upturn is more rapid, so we may hopefully expect that our sales will soon regain lost ground. Cooperation between the two countries to the programme of armaments should open us new outlets. Great Britain and the other countries of Western Europe have not been affected, as might have been feared, by the slowing down of economic activity in the United States and their situation as a whole is quite satisfactory. It remains to be seen, however, whether the Common Market will have a favorable effect on our exports to Europe.

The scrutineers reported that 34,418 shares were present and that 372,623 represented by proxy at the Meeting, a total of 407,041 shares, or 58.1%.

It was moved by Mr. Emile Vaillancourt, seconded by Mr. J. A. Blondeau, and unanimously resolved that the Shareholders are gratified with the excellent results of the past financial year and with the further progress of the Bank and express their sincere congratulations to the President and the Directors.

Mr. St-Pierre thanked the movers of the resolution and the Shareholders, personally and on behalf of the members of the Board.

Mr. Charles St-Pierre moved, seconded by Hon. Wilfrid Gagnon, that the Eighty-fourth Board of Directors' Annual Report be adopted.

The motion was unanimously carried.

It was moved by Mr. G. H. Séguin, seconded by Mr. J. R. Paul Pratt, and unanimously resolved that the Shareholders highly appreciate the devotedness with which the general manager and the staff of the Bank performed their duties during the past financial year and wish to voice their profound gratitude.

Mr. Ulric Roberge thanked the movers of the motion and the Meeting on behalf of the Bank's staff as well as in his own name.

The Secretary read letters from Mr. Maurice Chartré, C.A., of Chartré, Samson, Beauvais, Bélair, Côté, Marceau and Associates, and from Mr. Jean Valiquette, C.A., of Anderson & Valiquette, offering their services to the Bank as auditors for the financial year 1958-1959.

Upon motion of Mr. Alfred Tourigny, seconded by Mr. J. D. Cormier, it was unanimously resolved that Messrs. Maurice Chartré, C.A., and Jean Valiquette, C.A., be appointed auditors for the financial year ending November 30, 1959, and that their remuneration be set at a total amount of \$18,000 to be divided between them according to the time devoted by each to the affairs of the Bank.

It was moved by Mr. Gérard Parizeau, seconded by Mr. P. Gattuso, and unanimously resolved that Mr. Charles St-Pierre or any other Director the Board may appoint, be authorized to act as attorney or proxy of Banque Canadienne Nationale at any and all meetings of the shareholders of Banque Canadienne Nationale (France).

Mr. Joseph Blain moved, seconded by Mr. J. R. Ouimet, 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	HON. WILFRID GAGNON
HON. F. PHILIPPE BRAIS, Q.C.	MR. A. J. MAJOR
MR. ARISTIDE COUSINEAU	MR. HENRI OUIMET
MR. GEORGE A. DALY	MR. J. ALEX. PRUD'HOMME, Q.C.
MR. AUGUSTE DESILETS, Q.C.	MR. JEAN RAYMOND, Q.C.
HON. J. M. DESSUREAULT	MR. ULRIC ROBERGE
MR. GEO. T. DONOHUE	MR. CHARLES ST-PIERRE

This motion was unanimously carried.

The scrutineers presented the following report:

The undersigned scrutineers at the Eighty-fourth Annual General Meeting of the shareholders of Banque Canadienne Nationale, held at its Head Office, in Montréal, January 13, 1959, 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 13, 1959.

(signed) JOS. HURTUBISE
AURÉLIEN NOËL

The scrutineers' report was unanimously confirmed.

At a meeting of the Board of Directors, held immediately after the shareholders' meeting, Mr. Charles St-Pierre was elected president and managing director of the Bank, and Mr. Ulric Roberge and Hon. Wilfrid Gagnon were elected vice-presidents.

**NATIONAL
CANADIAN
BANK**

273 Branches and 315 Agencies in Canada

89 Branches in Montreal • 15 Branches in Québec City

Other Branches: **IN QUEBEC**

Acton Vale	Dorion-Vaudreuil	Lorrainville
Amos	Drummondville	Louiseville
Asbestos	Farnham	Magog
Bagotville	Ferme-Neuve	Malartic
Baie Comeau	Gaspé	Marieville
Baie St-Paul	Gracefield	Matane
Beauceville	Granby (2)	McMasterville
Beauharnois	Grand-Mère (2)	Métabetchouan
Belle-Rive	Haute-Rive	Montebello
Beloeil	Hudson	Mont Joli
Berthierville	Hull (3)	Mont Laurier
Bic	Iberville	Montmagny
Bienville	Joliette	Montréal Sud
Black Lake	Jonquière	Nicolet
Cabano	Kénogami	Normandin
Cap-aux-Meules	L'Abord à Plouffe	Notre-Dame-de-la Guadeloupe
Cap-de-la-Madeleine	La Malbaie	Paspébiac
Cap-de-la-Madeleine Ouest	L'Annonciation	Plessisville
Chandler	Laprairie (2)	Pont-Viau
Charlesbourg	La Sarre	Port-Alfred
Chibougamau	L'Assomption	Portneuf
Chicoutimi (2)	La Tuque	Princeville
Coaticook	Laval des Rapides	Rawdon
Contrecoeur	Lauzon	Rigaud
Deschaillons	Lévis	Rimouski (2)
Dolbeau	L'Islet	Rivière-du-Loup (2)
Donnacoona	Longueuil	Roberval
	Loretteville	

Rouyn	St Hyacinthe (2)	Ste Thérèse
Roxton Falls	St Jacques l'Achigan	St Tite
Ste Adèle	St Jean	St Vincent de Paul
Ste Agathe	St Jérôme	Senneterre
St Aimé	St Joseph de Beauce	Seven Islands
Ste Anne de Beaupré	St Joseph (Richelieu)	Shawinigan (3)
Ste Anne des Monts	St Jovite	Sherbrooke (3)
Ste Anne de la Pérade	St Lambert	Sorel
Ste Anne de la Pocatière	Ste Marie de Beauce	Terrebonne
St Anselme	St Martin	Thetford Mines
St Camille de Bellechasse	Ste Martine	Trois Pistoles
St Casimir	St Ours	Three Rivers (2)
St Charles	St Pacôme	Valcourt
St Eustache	St Pie de Bagot	Val d'Or
St Félicien	St Prosper	Valleyfield
St Félix de Valois	St Raymond	Victoriaville
St Gabriel de Brandon	St Rémi	Ville d'Alma
St George de Beauce	St Romuald	Ville Marie
	Ste Rose	Wakefield
	Ste Scholastique	Warwick

IN ONTARIO

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

IN MANITOBA

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

PRINCIPAL CORRESPONDENTS OF THE BANK

UNITED STATES

NEW YORK:

Bankers Trust Company
Chase Manhattan Bank
Chemical Corn Exchange Bank
First National City Bank
Guaranty Trust Company of New York
Irving Trust Company
New York 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 Canadienne Nationale (France)
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

LONDON:

Barclays Bank Limited
Clydesdale & North of Scotland 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 Espanol de Credito
Banco Hispano Americano

NETHERLANDS

ROTTERDAM:
Rotterdamsche Bank, N.V.

ITALY

NAPLES:
Banco di Napoli

ROME:
Credito Italiano
Banca Commerciale Italiana
Banco di Roma
Banca Nazionale del Lavoro

NORWAY

OSLO:
Christiania Bank og Kreditkasse

SWITZERLAND

BASLE:
Société de Banque Suisse

GENEVA:
Union de Banques Suisses

ZURICH:
Société de Banque Suisse

*Other
correspondents
in all parts
of the world*

