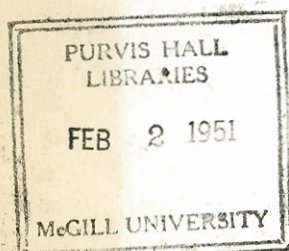


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NATIONAL CANADIAN BANK

(BANQUE CANADIENNE NATIONALE)

SEVENTY-SIXTH
ANNUAL REPORT
NOVEMBER 30, 1950



NATIONAL CANADIAN BANK

Established 1874

Head Office: MONTREAL

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

Assets, \$439,550,113.49

**SEVENTY-SIXTH
ANNUAL REPORT
NOVEMBER 30, 1950**

NATIONAL CANADIAN BANK

BOARD OF DIRECTORS

BEAUDRY LEMAN, *Chairman of the Board*

CHARLES ST-PIERRE, *President and Managing Director of the Bank*

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

HON. J. NICOL, *Vice President*

L. J. ADJUTOR AMYOT

GEO. T. DONOHUE

ARMAND CHAPUT

HON. WILFRID GAGNON

ARISTIDE COUSINEAU

A. J. MAJOR

AUGUSTE DESILETS, K.C.

HON. ALPHONSE RAYMOND

HON. J. M. DESSUREAULT

LEO G. RYAN

HEAD OFFICE

ULRIC ROBERGE - - - - - *General Manager*

J. A. DULUDE }
P. DE L. TACHÉ } - - - - - *Assistant General Managers*
J. L. DAVIGNON }

J. N. GOSSELIN }
GEORGES BEAUDRY } - - - - - *Superintendents*

E. BEAUREGARD }
RODRIQUE ST-ONGE } - - - - - *Managers, Credit Department*

LOUIS ROUSSEAU - - - - - *Chief Inspector*

LOUIS HÉBERT - - - - - *Chief Accountant*

L. ALLARD - - - - - *Manager, Foreign Department*

LÉON LORRAIN - - - - - *General Secretary*

NATIONAL CANADIAN BANK

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

Record of Proceedings at the Seventy-Sixth Annual General Meeting of the Shareholders held on Tuesday, 9th, January, 1951, at twelve o'clock noon, at the Head Office of the Bank, Place d'Armes, Montreal, Canada.

Among those present were: Messrs. J. M. Arpin, Pierre A. Badeaux, K.C., Pierre Beauchemin, J. T. Beaudin, Georges Beaudry, Geo. R. Beaulieu, Georges E. Beaupré, Paul A. Béique, B. Bélanger, J. A. Blondeau, L. Bouthillier, Paul H. Brault, J. A. Brouillette, Rodolphe, Casgrain, O. Castonguay, Armand Chaput, G. Charuest, Philippe Clerk, Georges Constantin, Arthur Courtois, Aristide Cousineau, Arthur Dansereau, J. L. Davignon, Alfred Demers, J. V. Desaulniers, Auguste Desilets, K.C., Donat Desrosiers, Hon. J. M. Dessureault, Messrs. George T. Donohue, J. A. Dulude, Georges Dupuis, Charles Duranceau, Hon. Wildrid Gagnon, Messrs. Alex. Gérin-Lajoie, K.C., J. N. Gosselin, Paul Guimond, Louis Hébert, Joseph Hurtubise, R. Kirouac, Yvon Lamarre, Charles Laurendeau, K.C., L. Lauzier, Antoine L'Ecuyer, Beaudry Leman, Jules Lemire, Mrs. Marguerite L. Lemonde, Messrs. Lionel Leroux, N.P., Marc Leroux, N.P., Léon Lorrain, C. A. Lussier, Hector Mackay, N.P., L. A. Maheux, A. J. Major, F. M. Marcotte, Emile Massicotte, N.P., J. E. Mercille, René Morin, N.P., Hon. Jacob Nicol, Messrs. Aurélien Noël, J. A. Paquette, J. H. Paré, René Paré, Gérard Parizeau, Châteauguay Perrault, K.C., J. E. Poirier, J. Alex. Prud'homme, K.C., J. Aldéric Raymond, Hon. J. Olier Renaud, Messrs. Ulric Roberge, Louis Rousseau, P. E. Rousseau, Achille Roy, Leo G. Ryan, D. St-Georges, Rodrigue St-Onge, Charles St-Pierre, Anselme Samoisette, Pierre de L. Taché, Eugène Tarte,

Arthur Tremblay, J. E. Tremblay, Léopold Trottier, Paul Vaillancourt, Maurice Vallée, Geo. P. Vinant.

It was moved by Mr. Charles Duranceau, seconded by Mr. Achille Roy, that Mr. Charles St-Pierre be appointed Chairman and Mr. Léon Lorrain Secretary of the Meeting. The motion was unanimously carried.

The Secretary read: (1) Notice calling the Shareholders meeting, as published in the newspapers, (2) Certificates evidencing that the following documents had been forwarded to every shareholder, according to law: (a) Notice of 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 10, 1950.

The Record of proceedings at the seventy-fifth Annual General Meeting having been mailed to every shareholder, as evidenced by the certificate just read, it was moved by Mr. F. M. Marcotte, seconded by Mr. René Paré, and unanimously resolved that this record of proceedings be taken as read and confirmed.

On motion by Mr. J. Albert Blondeau, seconded by Mr. Gérard Parizeau, it was unanimously resolved that Messrs. Joseph Hurtubise and Paul Vaillancourt be appointed scrutineers.

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

SEVENTY-SIXTH ANNUAL REPORT

Gentlemen,

Your Directors have the honour to submit their report on the Bank's operations for the financial year ending November 30, 1950.

PROFIT AND LOSS ACCOUNT

30th NOVEMBER, 1950

Profits for the year ended 30th November, 1950, after making appropriations to Reserves for Contingencies out of which accounts full provision for bad and doubtful debts has been made.....		\$ 1,790,743.82
Less:		
Provision for Federal and Provincial Taxes.....	\$ 417,693.48	
Contribution to Staff Pension Fund.....	300,000.00	
Written off Bank Premises.....	407,411.73	\$ 1,125,105.21
Net Profits after the foregoing deductions.....		\$ 665,638.61
Dividends.....		560,000.00
Amount carried forward.....		\$ 105,638.61
Balance at credit of Profit and Loss Account, 30th November, 1949.....		545,789.82
Balance at credit of Profit and Loss Account, 30th November, 1950.....		<u>\$ 651,428.43</u>

LOUIS HEBERT,
Chief Accountant

ULRIC ROBERGE,
General Manager

CHARLES ST-PIERRE,
President

BALANCE SHEET

30th NOVEMBER, 1950

ASSETS

Subsidiary coin held in Canada.....	\$ 1,375,348.22	
Subsidiary coin held elsewhere.....	105.57	
Notes of Bank of Canada.....	15,195,433.00	
Deposits with Bank of Canada.....	33,486,072.89	
Cheques on other banks.....	16,617,024.45	
Government and bank notes other than Canadian.....	313,843.78	
Due by banks and banking correspondents elsewhere than in Canada.....	4,149,975.63	\$ 71,137,803.54
Canadian Government direct and guaranteed securities maturing within two years, not exceeding market value.....	33,675,548.52	
Other Canadian Government direct and guaranteed securities, not exceeding market value.....	76,759,397.01	
Provincial Government direct and guaranteed securities, maturing within two years, not exceeding market value.....	4,514,086.61	
Other Provincial Government direct and guaranteed securities, not exceeding market value.....	38,478,942.55	
Canadian municipal securities, not exceeding market value..	17,605,938.56	
Public securities other than Canadian, not exceeding market value.....	349,203.85	
Other bonds, debentures and stocks, not exceeding market value.....	15,603,187.58	
	186,986,304.68	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....	3,556,008.49	190,542,313.17
		\$261,680,116.71
Current loans and discounts in Canada, estimated loss provided for.....	151,990,731.97	
Current loans and discounts elsewhere than in Canada, estimated loss provided for.....	300,792.97	
Loans to cities, towns, municipalities and school corporations.....	17,716,616.23	
Non-current loans, estimated loss provided for.....	25,985.80	170,034,126.97
Liabilities of customers under acceptances and letters of credit as per contra.....	966,341.01	
Bank premises at not more than cost, less amounts written off.....	6,761,959.39	
Other assets.....	107,569.41	7,835,869.81
		<u>\$439,550,113.49</u>

LIABILITIES

Capital paid up.....	\$ 7,000,000.00	
Reserve Fund.....	7,000,000.00	
Balance of Profit and Loss Account.....	651,428.43	
Dividends declared and unpaid (including dividend payable 1st December, 1950).....	159,587.16	\$ 14,811,015.59
Deposits by and balances due to Federal Government.....	9,610,130.29	
Deposits by and balances due to Provincial Governments....	3,807,777.69	
Deposits by the public not bearing interest.....	104,494,632.79	
Deposits by the public bearing interest, including interest accrued to date of statement.....	301,165,481.43	
Deposits by and balances due to other chartered banks in Canada.....	3,099,843.43	
Deposits by and balances due to banks and banking corres- pondents elsewhere than in Canada.....	1,533,409.45	423,711,275.08
Acceptances and letters of credit outstanding.....		966,341.01
Other liabilities to the public.....		61,481.81
		<u>\$439,550,113.49</u>

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

LOUIS HEBERT,
Chief Accountant

ULRIC ROBERGE,
General Manager

CHARLES ST-PIERRE,
President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have checked the cash and verified the securities of the Bank at the Chief Office as at 30th November, 1950, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1950, according to the best of our information and the explanations given us, and is as shown by the books of the Bank.

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

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

Montreal, 14th December, 1950.

The financial report of your Bank for the year ended November 30, 1950, shows further progress, the extent of which can best be seen by making some comparisons with the figures for the preceding year.

Profits, revealing an increase of some \$416,000 as compared with the previous financial year, amount to \$1,790,743. They have been distributed as follows: provision for Federal and Provincial taxes, \$417,693, as against \$362,590; contribution to the staff pension fund, \$300,000 as compared with \$150,000 in 1949; amortization of Bank's premises, the amount of which has been raised from \$243,844 in 1949 to \$407,411 in 1950 owing to amendments which have been made in the Income Tax Act regarding the method of amortization of buildings and other fixed assets; dividends, \$560,000. The credit balance of Profit and Loss Account increased from \$545,789 to \$651,428.

Deposits reached the all-time high of \$423,711,275. Government deposits amounted to \$13,417,908; non-interest bearing deposits by the public have risen from \$98,025,749 to \$104,494,633, and interest-bearing deposits by the public, which have increased by more than five and a half millions, are at the unprecedented total of \$301,165,481.

Savings deposits have shown during the last ten years an uninterrupted progress which is due to the increase in both the number of clients and the amount of deposits. It is all the more interesting to note that Canadians are remaining faithful to the traditional practice of saving, because thrift, which has been termed a social virtue, is one of the most effective means of defence against inflation.

Total assets of the Bank, showing an increase of nearly nine and a half millions in the year just passed, aggregate the record sum of \$439,550,113. Cash assets total \$71,137,804, as compared with \$67,721,108 in the preceding year, and are equal to 16.79% of liabilities to the public.

The amount of current loans and discounts, which has increased by more than 20 million dollars during the last year, has risen to the record figure of \$152,291,525. Loans to municipalities have more than doubled, being \$17,716,616 as compared with \$8,367,232. This remarkable expansion of the Bank's credit operations has naturally brought some change in the distribution of its assets. This explains why investments have decreased during the year from \$210,836,117 to \$186,986,305. Hence quick assets are at \$261,680,117 as compared with \$281,923,915 at the end of the previous financial year; they are equal to 61.75% of liabilities to the public, as against 67.93% in 1949 and 65.31% in 1948.

During the past year, the Bank has opened a branch at St. Joseph d'Alma (Lake St. John); it has opened two others in Montreal; one at 2395 Rosemont Boulevard and the other at 1995 Bélanger Street East; it has closed its branch at Ponteix (Saskatchewan); it has established agencies at 3490 Dandurand Street and at 9100

Lajeunesse Street, in Montreal, and another at Ste-Rose (Dorchester), and it has converted into branches its agencies at Montreal-North and St. Vincent de Paul. The Bank maintains at the disposal of its clients and the public 547 offices: namely, 239 branches and 308 agencies, as well as a subsidiary in Paris.

There is one important element of the Bank's assets which does not appear in the balance sheet, because it would be impossible to appraise it in figures. The further progress shown during the last financial year can doubtless be attributed in large measure to the loyalty of the staff which, in the performance of its duties, has always shown itself conscious of its responsibilities towards both the clients and the Bank.

ADDRESS OF THE PRESIDENT

Gentlemen,

As you are aware, Mr. C. E. Gravel, who had been President of the Bank since November 1947, resigned on September 1st, 1950, because he could not devote the time necessary to the discharge of his duties. A director of the Bank for seventeen years, Mr. Gravel always gave of his best in the Bank's service, and this was testified by his colleagues while expressing their regrets at the time when he deemed it advisable to retire.

You are likewise aware that the Directors have elected me President of the Bank and that, as successor to Mr. Gravel on the Board, they have appointed Mr. Aristide Cousineau, prominent financier and businessman, who has been willing to place his experience and his competence at the disposal of the Bank in the progress of which he has shown an active interest over many years.

Economic Conditions

The year 1950 was a period of great economic activity. During the first three months, it appeared that the situation was tending to become stabilised. A certain slowing-down was making itself felt in several fields of industry and unemployment was beginning to reappear. The regression witnessed in the general movement of business in the United States had doubtless some effect on the slackening of business activity evident in Canada.

But, in both countries, we soon witnessed a revival of business which has shown an ever greater acceleration. When the economic indices of the last few months are available, we shall probably find that the value of the national production has reached a record figure. It should not be forgotten, however, that the increase in values which will be evidenced by statistics will be attributable, in large measure, to the general rise in prices.

The yield from field crops has been higher than in 1949. The wheat crop, the volume of which is estimated at 465 million bushels, is larger than the average of the last ten years. However, in the Western Provinces, adverse weather conditions have damaged wheat and barley to such an extent that the value of the chief products of field crops shows, according to a preliminary estimate, a decrease of 4% in comparison with the previous year. Nonetheless, it reached \$1,483 million.

Mining displayed great activity, especially the extraction of metals such as copper, lead, zinc and nickel which are in great demand and whose prices show a marked increase. The nickel mines, which are the world's chief supplier, registered the highest output ever reached in times of peace. Upward movements are to be noted also in the production of gold, silver, asbestos, coal and oil. Last year was, for the mining industry, a remarkable period of development. Besides the extensive work in progress in the Western oil fields and in Ungava and the operation of titanium mines on the North Shore of the St. Lawrence, a hundred or more companies have begun during the last year to prospect and even to put into production new concessions. Drilling, apart from oil wells, has been more extensive in 1950 than in 1949.

The production of hydro-electric power has made substantial progress during the past year. Installations completed during 1950 have added 800,000 horse-power to Canadian hydro-stations, the capacity of which now reaches nearly 12 million h.p. Important developments are being pushed ahead in Quebec and Ontario, in Manitoba, in Alberta and in British Columbia. This expansion in production is justified not only by the growth of industry, but also by the extension during the last several years in farm electrification.

The building trades throughout the year have enjoyed a great activity which has stimulated the production not only of *construction materials but of many manufactured products* as well. Most factories and plants are working at full capacity or nearly so, and employment is more plentiful than it has ever been even in war time. The turnover of wholesale and retail trade is being maintained at a high level.

The national economy has shown a remarkable expansion during the last five years. It is estimated that Canadian and foreign capital invested in productive enterprises since 1945 reaches the sum of twelve billion dollars. During the past year, these investments may have amounted to nearly four billions. It is of interest to note that these considerable sums are not being invested only in the development of the natural resources of the country. In the last five years, there have been established throughout Canada over a thousand manufacturing concerns distributed among fifteen branches of industry, four-fifths of which belong to Canadians.

The Progress of Quebec

It is common knowledge that 1950 has been a prosperous year for our Province, which has accounted for a large part of the economic progress of the country during the last five years, and prospects doubtless are more promising today than ever.

The value of field crops is estimated at 218 million dollars, as compared with 193 million dollars in 1949. The increase in production, which is general, has been especially marked in regard to oats, barley, buckwheat, potatoes and sugar-beets, the crop of which having reached 140,000 tons. It seems of some interest to point out that the sugar-beet industry, which for half a century had been the subject of several unsuccessful attempts in various parts of the Province, is now established at St. Hilaire. This agricultural industry, which has given rise to a new profitable crop, also contributes to the progress of cattle-breeding by supplying pulp for fattening purposes.

The mining industry is entering a period of unusual development. The production of all kinds of minerals shows, in comparison with 1949, an increase which has been particularly marked in the extraction of gold, silver, copper, zinc and asbestos. The development of the Ungava ironbeds and of the ilmenite deposits of Lake Allard and of Lake Tio will give further scope for the profitable operation of the sub-soil of our Province. It will indeed have widespread repercussions on the economy of Quebec.

Prospecting and borings are being carried on in various parts of the Province, notably at Chibougamau, where gold bearings have been reported, and in Gaspesia where copper deposits have been discovered.

The production of hydro-electric power has shown a further expansion during the past year. The Shawinigan power-house, on the Saint Maurice, is now working at full capacity and important development undertakings are under way at Beauharnois, on the Saguenay and on the Péribonka. More than half of the water-power resources available in Canada is located in our Province where it has been developed by private enterprise. Cheap power which Quebec places at the disposal of industry, besides promoting the exploitation of our natural resources, is attracting every year to our Province a great number of outside enterprises.

Foreign Trade

The value of Canada's foreign trade remains considerable. It reached, during the first nine months of last year, \$4,479 million. During the corresponding period of the previous year it was \$4,219 million. However, as our imports have risen by 186 millions and our exports by 74 millions only, our traditional favorable balance of trade has given place to an unfavorable balance of \$39 million.

While our trade, as in the past, has been carried on with the United States and Great Britain to an extent of about 80%, its distribution has been substantially changed. The value of our trade with the United States has increased by \$464 million, whereas the amount of our dealings with Great Britain has shown a decrease of \$131 million.

Statistics show a rise of \$55 million in our imports from the United States and of \$409 million in our exports. The great activity and the favorable state of affairs in Canada during the past year explain the upward trend in our purchases in the neighboring country, despite the exchange premium we had to pay. This premium has been reduced by about one-half since, on September 30th last, the Government abolished the stabilisation of the Canadian dollar, which decreased to that extent the price of things which we buy in the United States. Moreover, Ottawa has recently lifted the last restrictions on imports which had been imposed in November 1947, with the object of replenishing its reserves in gold and American funds. These two measures should likely stimulate our imports from the United States. It is, however, probable that the rationing of raw materials which rearmament will demand will affect the exportable surplus of goods designed for civilian needs. On the other hand, the expansion of our export trade with the neighboring Republic is ascribable to the growing requirements of industry, the stockpiling of strategic materials and the devaluation of our currency, which lowered the prices of all our products. Our trade with the United States will doubtless continue to develop because of the cooperation between the two countries in the defence of North America. But the progress resulting thereby will obviously be of a temporary nature. Hence, far from allowing ourselves to be deluded by the high figures statistics will register, we should endeavour to assure for ourselves more stable outlets.

Our sales to the United Kingdom have shown, during the same period, a diminution of \$181 million, whereas our purchases have risen by some fifty millions. Britain has long been our chief market. Our trade with her, in prewar days, resulted in a large surplus of exports which enabled us to settle the unfavorable balance of our trade with the United States. During the first nine months of last year, our export surplus was only \$54 million. The war and its consequences have considerably curtailed the resources of the United Kingdom. From 1938 to 1948, the value of her overseas investments declined from 3,545 to 1,960 million pounds sterling; in Canada alone, her investments dropped by more than half, from 420 to 162 million pounds. Thus, she has had to curb her imports to the greatest possible extent. When, in September 1949, the British Government devalued the pound by 30%, so as to prevent the depletion of its reserves in gold and dollars, the prices of our goods became well-nigh inaccessible.

But the United Kingdom has appreciably improved its situation. It is estimated that London gold reserves are today twice as high as they were before devaluation. Britain and several other countries

of the sterling area are, moreover, finding an opportunity to increase their dollar reserves through the rearmament program of the Western Nations. They are supplying the United States with raw materials the prices of which are all the higher because Washington is engaged in enormous stock-piling while at the same time industry, so as to protect itself, is placing substantial orders.

We may therefore hope that our exports to the United Kingdom will win back before very long some of the ground which has been lost.

At the start of the century, three-quarters of our exports consisted in raw materials. Today, the situation is reversed: they do not represent more than a quarter of the value of our exports. And the manufactured or semi-manufactured goods which we sell have to face, on foreign markets, a competition which is all the keener because a great number of other countries have also developed their industries, and because several nations have renovated their industrial equipment during the last five years.

If the scarcity of dollars prevailing in Europe is liable to impede our exports, the rise in prices is doubtless an even more serious obstacle. A Federal Bureau of Statistics index shows that between 1946 and 1949 almost all our export goods have registered increases in price which range from 19 to 70 per cent. The lowering of cost prices in industry is a vital matter. It is of interest to all Canadians, because it is essential for the progress of our export trade, which is one of the mainstays of our national economy. In 1949, the exports of Canada represented nearly one fifth of the gross value of our country's production.

Freedom of Exchange

The stabilisation of the Canadian dollar brought with it serious disadvantages. The 10% devaluation imposed on our currency in relation to that of the United States, increased to that extent the prices of raw materials, equipment and fuels which Canadian industry has to import from the neighboring country. Furthermore, it added an appreciable sum to interest and dividends payable in New York. But this step had become necessary, in 1949, following the devaluation of the pound sterling, and in order to allow Canada to replenish its reserves in gold and American dollars which the unfavorable balance of our trade with the United States had depleted.

However, from the very first months of 1950, the rise in Canadian exports to the United States and, in consequence, the increase in its exchange reserves made it possible to foresee that this restrictive measure might perhaps be abolished in the near future. And so a great number of Americans bought Canadian securities to hold them until the end of stabilisation should bring about an appreciation of our dollar. It is estimated that capital transferred by American speculators to our country during the three-month period ending

September 30th last amounted at least to \$534 million. Had the Government re-established exchange parity between the two countries, American speculators would immediately have sold their securities and made a ten per cent profit. It has preferred to allow the play of supply and demand determine the rate of our dollar. This decision was doubtless a timely one.

Consequences of Rearmament

The diversion of industrial activity resulting from rearmament is likely to have repercussions on the country's economy all the more dangerous in that they will not be evident all at once. As often occurs in such circumstances—this was clearly seen from the start of the second World War—the abundance of employment and money will give the illusion of prosperity. But the situation is not the same as in 1939. Then, Canada was at war and the State was calling for a total and immediate effort from the country. Today, we are entering upon a long-term program the execution of which, according to all forecasts, will be spread over a period of several years. It would, therefore, be the part of wisdom to transform only gradually the normal economy into a war economy and to see to it that measures are not prematurely initiated lest these would weaken the country by taking away from civilian production both manpower and materials before armament industries can absorb them.

The present situation offers difficulties much more serious than that which, in 1940, caused the Government to intervene in order to slow down the race between prices and wages. Ten years ago, the country was emerging from a lengthy period of economic depression. Unemployment was rife while prices and wages were relatively low. When the war economy was established, it was possible to hire workers and to recruit soldiers without seriously interfering with civilian industry, and prices and wages were only returning to a more normal level.

Today, industry is working at full capacity or nearly so. The Federal Minister of Labor estimates that during the last ten years the labor force of industry has been increased by 400,000 men. Wages and prices are higher than ever.

The continued rise in the cost of living merely reflects the depreciation of money or, in other terms, inflation caused mostly by the cost of the last war. We are faced with a situation the gravity of which it would be dangerous to underestimate. Reliance is being placed on fiscal and monetary policies to check the further inflation the resumption of war industries will provoke.

The intervention of the authorities, whatever form it takes, could not put a brake on the rise in prices unless the public, more enlightened and more aware of the danger which is threatening it, cooperates with them by restricting its expenditures as fully as

possible. It is to be hoped that all governments—federal, provincial and municipal—endeavour to set an example of economy to the community.

The development of production is unquestionably the most effective means of fighting inflation. This objective will present serious difficulties at a time when rearmament is going to demand an ever greater mobilisation of man-power and materials. It is, however, not unattainable, provided management and labor leaders collaborate loyally so as to step up labor productivity, and provided the Government draws up its fiscal policy in such a way as to encourage both the investment of capital in manufacturing and the modernization of equipment.

In the state of profound uncertainty in which the world finds itself today, it is obvious that the utmost prudence is requisite from all. There are, however, good reasons for hope. Whatever prospects are today, we must not lose sight of the fact that Canada is a country in full development, that it has emerged from two world wars greater than before, and that its economic power and its tremendous reserves of natural wealth promise it a most brilliant future. We can, therefore, await with confidence the return of an era of genuine peace and prosperity.

The scrutineers reported that 26,650 shares were present and 315,460 represented by proxy at the Meeting, a total of 342,110 shares.

It was moved by Mr. Charles St-Pierre, seconded by Mr. Beaudry Leman, and unanimously resolved, that the Seventy-sixth Annual Report of the Board of Directors be approved by the Shareholders.

Mr. Emile Massicotte moved, seconded by Mr. Eugène Tarte, that the Shareholders are gratified with the results of the last financial year and with the substantial progress disclosed by the Report of the Board of Directors and wish to tender their congratulations to the President and the Directors of the Bank.

The motion was unanimously adopted.

The President, on behalf of the Board, thanked the movers of the resolution and the Meeting.

Mr. Paul A. Béique moved, seconded by Hon. J. Olier Renaud, that the Shareholders express their satisfaction and their gratefulness to the General Manager, the officials and the staff of the Bank who showed commendable diligence and devotedness in the discharge of their several duties, as witnessed by the development of the Bank's business.

The motion was unanimously adopted.

The General Manager thanked the movers of the resolution and the Shareholders for this testimonial which is highly appreciated by the staff of the Bank.

The Secretary read letters from Mr. Maurice Chartré, C.A., of Chartré, Samson, Beauvais, Gauthier & Co. and from Mr. Jean Valiquette, C.A., of Anderson & Valiquette, offering their services to the Bank as auditors for the fiscal year 1950-1951.

Upon motion of Mr. Paul H. Brault, seconded by Mr. Maurice Vallée, it was unanimously resolved that Messrs. Maurice Chartré, C.A., and Jean Valiquette, C.A., be appointed auditors, for the fiscal year ending November 30, 1951, and that their remuneration be set at a total amount of \$15,000 to be divided between them according to the time devoted by each to the affairs of the Bank.

It was moved by Mr. Georges P. Vinant, seconded by Mr. J. V. Desaulniers, and unanimously resolved: That Mr. Charles St-Pierre, Mr. Charles Laurendeau or the Honorable Jacob Nicol, each acting singly, 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. J. Alexandre Prud'homme moved, seconded by Mr. J. Aldéric Raymond, that the Meeting proceed to the election of Directors and that one ballot be cast evidencing the decision of the Meeting. This motion was unanimously carried.

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

Mr. L. J. Adjutor Amyot
Mr. Armand Chaput
Mr. Aristide Cousineau
Mr. Auguste Desilets, K.C.
Hon. J. M. Dessureault
Mr. Geo. T. Donohue
Hon. Wilfrid Gagnon
Mr. Charles Laurendeau, K.C.
Mr. Beaudry Leman
Mr. A. J. Major
Hon. Jacob Nicol
Hon. Alphonse Raymond
Mr. Leo G. Ryan
Mr. Charles St-Pierre

The scrutineers' report was unanimously confirmed.

Mr. Joseph Hurtubise declared that it was gratifying to see that his state of health had enabled Mr. Beaudry Leman to attend the meeting and, on behalf of the Shareholders, he wished him a prompt and complete recovery. Then, he offered his congratulations to the Directors on the fine building the Bank has erected on St. Catherine Street West, Montreal.

Mr. Beaudry Leman voiced the Directors' gratitude to the Shareholders for their renewed expression of confidence and added that he greatly appreciated the good wishes uttered by Mr. Hurtubise.

The meeting then adjourned.

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

NATIONAL CANADIAN BANK

239 Branches and 308 Agencies in Canada

70 Branches in Montreal

15 Branches in Quebec City

OTHER BRANCHES

IN QUEBEC

Acton Vale
Amos
Bagotville
Baie Comeau
Baie St. Paul
Beauceville
Beauharnois
Belœil
Berthierville
Bic
Bienville
Cabano
Cadillac
Cap aux Meules
Cap de la Madeleine
Cap de la Madeleine Ouest
Chandler
Charlesbourg
Chicoutimi (2)
Coaticook
Contrecoeur
Deschaillons
Dolbeau
Donnacoona
Drummondville
Farnham
Ferme-Neuve
Gaspé
Gracefield
Granby (2)
Grand'Mère
Hudson
Hull (3)
Iberville
Joliette
Jonquières
Kénogami
La Malbaie
L'Annonciation
Laprairie
La Sarre
L'Assomption
La Tuque
Lauzon
Lévis
L'Islet
Longueuil

Loretteville
Lorrainville
Louiseville
Malartic
Marieville
Matane
Métabetchouan
Montebello
Mont Joli
Mont Laurier
Montmagny
Montréal-Sud
Nicolet
Paspébiac
Plessisville
Portneuf
Princeville
Rawdon
Rigaud
Rimouski
Rivière-du-Loup (2)
Roberval
Rouyn
Roxton Falls
Ste. Adèle
St. Aimé
Ste. Anne des Monts
Ste. Anne de Beaupré
Ste. Anne de la Pérade
Ste. Anne de la Pocatière
St. Anselme
St. Camille de Bellechasse
St. Casimir
St. Charles
St. Eustache
St. Evariste Station
St. Félixien
St. Félix de Valois
St. Gabriel de Brandon
St. Georges de Beauce
St. Hyacinthe (2)
St. Jacques l'Achigan
St. Jean
St. Jérôme
St. Joseph d'Alma
St. Joseph de Beauce
St. Joseph (Richelieu)
St. Lambert

Ste. Marie de Beauce
St. Martin
Ste. Martine
St. Ours
St. Pacôme
St. Pic de Bagot
St. Prosper
St. Raymond
St. Rémi
St. Romuald
Ste. Rose
Ste. Scholastique
Ste. Thérèse
St. Tite
St. Vincent de Paul
Senneterre
Sept Îles
Shawinigan Falls (3)
Sherbrooke (3)
Sorel
Terrebonne
Thetford Mines
Trois Pistoles
Trois-Rivières (2)
Valcourt
Val d'Or
Valleyfield (2)
Dorion-Vaudreuil
Victoriaville
Ville-Marie
Wakefield
Warwick

IN ONTARIO

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

IN MANITOBA

St. Boniface
St. Pierre
Winnipeg

Principal Correspondents of the Bank

UNITED STATES

NEW YORK:

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

BOSTON:

First National Bank
National Shawmut Bank

BUFFALO:

Marine Trust Company

CHICAGO:

Continental Illinois National Bank and Trust Co.

LOS ANGELES:

Security-First National Bank of Los Angeles

PHILADELPHIA:

Philadelphia National Bank

PITTSBURGH:

Mellon National Bank and Trust Company

ST. PAUL:

First National Bank

SAN FRANCISCO:

Bank of America National Trust & Savings Association

WASHINGTON:

Riggs' National Bank

BELGIUM

ANTWERP:

Banque de Commerce

BRUSSELS:

Banque de Bruxelles
Credit Lyonnais

SPAIN

BARCELONA:

Banco Espanol de Credito

FRANCE

PARIS:

Banque Canadienne Nationale (France)
Banque 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
Société Générale
Société Générale de Crédit Industriel et Commercial

ENGLAND

LONDON:

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

NETHERLANDS

ROTTERDAM:

Rotterdamsche Bank, N.V.

ITALY

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

ZURICH:

Société de Banque Suisse

Other correspondents in all parts of the world.

