Definite Improvement In Business Throughout Canada Has Been Going On

BANK OF MONTREAL ANNUAL MEETING

Sir Charles Gordon, President, reviews world-wide conditions. Standing out clearly is the definite improvement which steadily continues in Great Britain. London has regained her position as the financial centre of the world. Definite improvement in business in Canada evident throughout greater part of year.

Jackson Dodds, Joint General Manager, in reviewing Annual Statement states that Bank now has over one million deposit accounts in Canada. Of total assets of $768,500,000 the liquid assets are $492,500,000, equal to 71.15 per cent of liabilities to the public. Canada's banking system has weathered a world-wide storm unprecedented in history.

On the motion of Mr. H. R. Drummond, Sir Charles Gordon, G.B.E., was requested to take the chair.

Mr. Ross H. McMaster moved, seconded by Mr. W. B. Blackader, that Mr. Arthur Browning and Mr. Henry Rawlings be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the Meeting. This was carried unanimously.

THE PRESIDENT'S ADDRESS

Sir Charles Gordon, President, in addressing the shareholders, said in part:

Gentlemen—

You have before you the report of your Directors for the year ended October 31st, as well as the statement of profits in that period, together with the statement of assets and liabilities, all of which I trust you will find satisfactory having in view the exceptional conditions which have prevailed.

The year has been a difficult one, but in the later months business in general has shown evidences of a return to more normal conditions, and I am glad to say that this has been reflected in the affairs of your Bank.

During the year your Board of Directors have supervised the Bank's affairs with the greatest of care, and I have no hesitation in assuring you that in our opinion the provision made for bad and doubtful debts is ample to cover all losses for which the strictest prudence would make allowance.

THE ECONOMIC SITUATION

During the year strange and startling events have occurred in the field of finance and economics, particularly in the United States. Beginning with a run on banks in the State of Michigan which necessitated the closing of these institutions, the panic rapidly became country-wide, causing in the month of March the unprecedented and until then unbelievable situation of every bank in the United States temporarily suspending payment. To this alarming condition, combined with severe trade depression and large unemployment, may be attributed the measures of the Congress and the drastic plans for reconstruction launched by President Roosevelt, and presently in process of execution. The United States went off the gold standard at a time when the country held upwards of $4,000,000,000 of the metal, and repudiated contractual obligations of bonds issued in terms of gold. A deliberate policy designed to depreciate the value of the American dollar has been pursued to the point of depreciation in terms of gold of nearly 40%, in expectation that commodity prices would rise in the domestic market in close proportion to the drop in the dollar, an expectation not yet realized.

Other measures wide in scope, involving an immense expenditure of public money, have been taken to revive business and put men back to work, among them bonusing of farm products in compensation for reduced production, loans for building construction, loans to railways to provide equipment, loans to assist in mortgage payments, and all-embracing codes to regulate the conduct of industry and trade, hours of labour, scale of wages and rate of profits.

Strange to say, although some of the most far-seeing men in the United States have pointed out that there must be a resumption of trade with other countries if prosperity is to be restored to the United States, this seems to have been entirely lost sight of. Although it was expected that the United States would join with other countries at the World Monetary and Economic Conference to discuss the stabilization of exchange and the modification of tariffs, it was considered by President Roosevelt that any discussions along these lines would interfere with his policy for domestic recovery. It would be unbecoming in me to comment upon this policy, novel in part and not lacking in courage. We can, however, wish it successful fruition because prosperity in so vast, so largely populated and so highly developed a country as the United States must radiate to Canada and could not fail to be helpful to the world at large. Meanwhile, it may be said that many of the problems which are now confronting the United States, such as unemployment relief, old age pensions, allowances to those who served in the war and many other social problems, have already been faced by Great Britain and are working out there in a satisfactory manner.

In Europe the situation has been rendered obscure by a rapid succession of events. The disappointing results of the World Conference, Germany's abrupt termination of the Conference on Disarmament and notice of withdrawal from the League of Nations, the War Debts dilemma and uncertainty concerning possible consequences of the experiments of the United States, have all combined to retard economic and financial reconstruction.

France strives to balance her budget and cling to gold; Germany struggles to adjust herself to a new form of government, with the attitude of both countries further complicating settlement of the grave political and economic problem of disarmament. Standing out clearly, however, is the definite improvement which steadily continues in Great Britain. That country's faith in simple, well-proved methods has once more been justified. Britain's credit stands as high as ever and London has regained her position as the financial centre of the world. Once more, at great sacrifice on the part of the British taxpayer, the budget was balanced. Government funding operations have effected important economies which, with a decided improvement in revenue and decreased expenditure, have given rise to legitimate expectations of a surplus for the current fiscal year and of some lightening of the onerous burden of taxation. With industries reviving under tariff protection, steadily decreasing unemployment and rising exports, Great Britain carries on while doing her best to aid in solving the grave international problems of the day.

ROYAL COMMISSION ON BANKING AND CURRENCY

In the affairs of Canadian banking during the year, the outstanding feature has been the investigation conducted by a Royal Commission on Banking and Currency under the chairmanship of Lord Macmillan, the purpose being to prepare a report and recommendations to assist Parliament in anticipation of the decennial revision of the Bank Act.

I will not take up your time by going into the question of a Central Bank very fully, but I would say that in considering the advantages or disadvantages it is of first importance that the banking system in operation should be taken into account, and in this connection it is well to remember that two of the members of the Royal Commission were Canadians thoroughly versed in the banking and economic conditions of this country. These two members are not in accord with the rest of the Commission in their findings. Their intimate knowledge of the affairs of the country and of the present system no doubt influenced them in their conclusions.

Two matters which must be taken into consideration are—first, the cost of setting up and operating such an institution, which cost could not but be passed on to the public; and second, the probability that the bank would always be under the control of a political party and that its cost of operation and the control of credit would therefore be subject to political influences. We have before us the example of the Canadian National Railways, the cost and operation of which have got out of control largely because of political influences. In the United States they have a Central Bank, the Federal Reserve. It was expected when this was established that it would be operated without political influences being exercised upon it, but one has only to look at the huge expenditures which have been sanctioned by Washington and which must be carried out by the Central Bank and the Reconstruction Finance Corporation, which is virtually a subsidiary of the Central Bank, to see how little the elimination of political influence is to be relied upon. There seems to be only one conclusion which can be arrived at with regard to the situation at Washington and that is, that the national debt of the United States, which three years ago stood at sixteen billions of dollars and now stands at about twenty-two billions, will reach a colossal sum before the present programme is carried to fulfilment. The same thing might happen in Canada.

TRADE AND INDUSTRY IN CANADA.

Turning to the field of trade and industry, it is not a matter of opinion but of statistical fact that during the past year in practically every country of importance there has been a revival of business—in some countries a remarkable revival. Canada has shared in that revival, trade, both internal and external, having progressively improved since February, when the low point in recent years was reached. Complete returns for seven consecutive months since that time are available, and they show that these seven months have been months of recovery. As indicating the extent of this recovery I cannot do better than refer to figures which were issued in October by the Dominion Bureau of Statistics, these being the latest available, show in seven months a gain in business of 35.5% and a gain in manufacturing of 65.2%.

A most serious situation has developed in our western provinces, owing to the fact that hundreds of millions of dollars have been spent on railways, branch lines and other means of transportation, also upon elevators for the handling of the western grain crops, these expenditures all being based on the assumption that the full surplus of the crop of wheat would always be readily marketable abroad at a fair price. Not only have these expenditures been entered into, but legislative buildings, educational establishments and widespread programmes involving public commitments have also been embarked upon on the same assumption. Owing to the gradual closing of markets in those countries which took the large surplus of wheat that Canada had available for sale abroad, Canada now finds itself with heavy stocks of wheat which have been increasing from year to year, until at November 10th they stood at something in excess of 250,000,000 bushels. As it becomes more and more clear that it would be unwise to depend so largely upon wheat in the future, it is of the utmost importance that concerted efforts be undertaken to diversify production and broaden the development in the western provinces.

Engineering and building construction has been hard hit by the depression. The rapid pace of this industry before 1930 resulted in over-building, and an extensive revival cannot be expected until new demand is created. Government's are not in financial position to undertake erection of public works, nor to proceed with important engineering projects. The industries wholly or partly dependent on construction are many, and the number of skilled artisans large.

Our railways continue to struggle against adverse conditions. The National line has been from its inception a drain upon the public treasury. Its debt is upwards of two and a quarter billion dollars. Interest on the National Railways bonds in the hands of the public, plus interest on moneys representing outlays by the Dominion Government on behalf of the National Railways, together with the operating deficit of the railway, amount to approximately the sum of $100,000,000 annually. The pioneer transcontinental line, the Canadian Pacific, an enterprise in which Canadians have pride by reason of the sagacity, efficiency and ability of the management since its inception, an enterprise which has contributed more to the development and progress of Canada than any other agency, has been confronted with the unfair competition of the State-owned road to the disadvantage of both without compensating public benefit. In this circumstance amalgamation would seem to be the course of common sense. Parliament has deemed otherwise. The legislation of last Session sought a compromise between competition and amalgamation by means of enforced co-operation, and some measure of economy has thereby been effected. The entity of each system, however, remains with dual services, dual executives, dual operating staffs, where one would suffice, and the opportunity to cut cost to bedrock has not been availed of. One may hope that co-operation will be firmly pressed to its extremest limit in the interest of the taxpayers.

In considering the problem of our railways we should bear continually in mind that they are the largest single employer of labour in Canada, that many allied trades flourish when our railways flourish, and that, therefore, if only for selfish reasons, each of us should consider this his individual problem and assist to the extent that he can in its solution.

FOREIGN TRADE

In respect to Canada's foreign trade, significant is the fact that in every month since April exports have been substantially larger in value than in the corresponding month of 1932, and the same can be said of imports since June last. A particularly gratifying feature is the reversal in the balance of foreign trade. Three years ago, in the twelve months ending with October, imports exceeded exports by $98,466,000, whereas in the twelve months ending with October of this year exports exceeded imports by $125,726,000. This reversal in the trade balance of $224,000,000 in three years has been of incalculable advantage to Canada, a debtor country, in maintaining its credit and the relative stability of its currency. The swing of trade to Empire countries, a movement encouraged and fostered by the compacts made at the Imperial Economic Conference in Ottawa last year, has been marked. The percentage of Canada's trade with British countries in the fiscal year 1930 was 34% of the whole, while in 1933 it was 46.9%. The tariff concessions now being given by Great Britain to a number of important Canadian primary products have proved of definite benefit, as has also the rise in sterling. Lastly, in this connection may be mentioned the fact that in the seven months to October last dutiable imports declined $24,249,000, while free imports increased $6,826,000 compared with the corresponding period last year, indicating greater industrial activity in Canada, since free goods comprise raw materials for domestic manufacture.

GOVERNMENTS—FINANCE

Taxation, Federal, Provincial and Municipal, continues to press heavily upon all kinds of business and all classes of people. Statistically the situation is startling, expenditure by these governments having increased from $297,129,000 in 1914 to $1,052,623,000 in 1931, or by 254%, while in the same period the increase in population was 35%. Falling revenues necessitate new levies to meet fixed charges on inordinate debt, and budgets remain unbalanced. Demands upon our various governments do not abate. Care of the unemployed is costly. Yet, some slight improvement may be noted. Governments have cut down controllable expenditure, revenues are rising and cheaper money has enabled debt conversion into lower rate interest bearing bonds to be made. There has been a diminution in the number of unemployed. Rigid economy of all governments must, however, persist until the present oppressive weight of taxation is lifted, if Canadian trade and industry are to flourish. In connection with governmental financing may be mentioned the reetry of the Dominion Government into the London money market last August with a loan, handled in that centre by your Bank, of £15,000,000 which was largely over-subscribed, and the successful placing of a domestic Dominion loan of $225,000,000 in October, of which $170,000,000 was in the nature of a conversion.

ENCOURAGING SIGNS

In what I have said, I would not have you think I have struck a depressing note. It is much to know that practically the world over trade is better than a year ago, and that in Canada, for the better part of this year, definite improvement in business has been going on. From personal observation I can say that a number of businesses of which I have an intimate knowledge are showing marked improvement. The word of cheer I give you is that business comprehensively is better and that there are some sound reasons to believe that the betterment will expand. (Applause.)

THE GENERAL MANAGERS' ADDRESS

The Chairman then called upon Mr. Jackson Dodds, as Joint General Manager, to read the Address of the Joint General Managers which was in part as follows:

Mr. Chairman and Gentlemen:

On behalf of Mr. Bog and myself I have the honour to present to you the one hundred and sixteenth annual Balance Sheet of the Bank.

Following are the principal changes in the Balance Sheet:

Our Total Assets now amount to $768,500,000 against $769,200,000 a year ago, a decrease of $700,000.

Quick Assets, comprised of cash, call loans, bank balances and high-grade securities, aggregate $492,500,000, or 71.15% of Liabilities to the Public, compared with 63.46% last year.

Reserves in actual cash total $78,300,000, or 11.31% of Liabilities to the Public. The Bank's traditional policy of maintaining a strong position continues to be followed in the interest of our depositors and in order that we may at all times be open to take on desirable new borrowing accounts, large or small, without curtailing our ability to meet the legitimate needs of present customers.

Call Loans at $43,900,000 show an increase of $18,700,000. Those in Canada are up $2,500,000. Others are up $16,200,000.

Our Deposits in Other Banks, $25,400,000, are lower by $6,300,000.

Investments, not exceeding market value, amount to $317,000,000, as compared with $267,000,000 last year, an increase of $50,000,000. Dominion and Provincial Government Securities are up $61,000,000, and Railway and other Bonds and Stocks $3,000,000. Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian are down $14,000,000.

Current Loans in Canada (including advances to Municipalities) total $236,000,000, a decrease of $45,000,000. Under this heading are advances to producers of primary products, to manufacturers and to customers engaged in all branches of commerce, and the reduction reflects the lessened requirements of borrowers in these classes.

Current Loans elsewhere aggregate $11,800,000, a decrease of $6,000,000.

Bank Premises are shown at $14,500,000, the same figure as in 1932.

In valuing our assets ample reservations have been made for contingencies, bad and doubtful debts and depreciation of securities.

Capital and Rest remain unchanged at $36,000,000 and $38,000,000 respectively.

Deposits total $634,700,000, a decrease of $1,000,000. Notice Deposits are down $15,000,000 and Demand Deposits $2,000,000. Dominion and Provincial Government balances are up $16,000,000.

The interest rate on Savings Deposits was reduced from 3% to 2½% as from 1st May last by all the Banks.

We have over one million deposit accounts in Canada, which bears testimony to the Bank's long-established policy of maintaining a strong position and to the quality of the service rendered. The reduction in total Notice Deposits is evidence that many are obliged to draw on their savings, which have proved a boon to them in these times of reduced income.

Advances under the Finance Act, $9,000,000 represent our share of the $35,000,000 special borrowing by all the Banks in November, 1932.

Balances due to Banks are $6,600,000, a decrease of $6,400,000.

Profits are shown at $4,005,000, as compared with $4,663,000 last year, a decrease of $658,000. The balance carried forward is $1,585,000, an increase of $340,000.

CONDITIONS IN CANADA.

When we met twelve months ago we looked back upon a year about which the best that could be said was that it was past; there was little to encourage hope for the year which is now under review. Notwithstanding the apprehensive outlook, it can now be said that improvement has taken place. It would be a greater satisfaction to be able to say that it was shared in by all alike. Unfortunately this is not the case, but if conditions elsewhere do not interfere, we may look forward to more general improvement. Canada, whose foreign trade is the fifth largest in the world, cannot be expected to return to prosperity until world trade is resumed on normal lines. Every country appears to be striving for an excess of exports over imports, but this will remain a mathematical impossibility. Meanwhile the greatest creditor nation in the world will not accept payment of debts owing her, in the only form that they can be paid, namely, in goods or services, and her money market is practically closed to outside borrowers.

The wheat crop for all Canada is estimated by the Bureau of Statistics at 271,821,000 bushels, as compared with 428,514,000 bushels last year. It has been a disappointing year in agriculture, and until the debt-paying and purchasing power of farmers is restored domestic business generally cannot regain normal activity.

Commodity prices, which declined persistently throughout 1932 and the first two months of 1933, showed some recovery in March and this recovery continued to July, since when there has been a minor recession.

Manufactured goods appear to have held most of their midsummer gains. Average prices have remained through the depression closer to 1926 levels than have the average prices of raw materials.

Prices of farm products sank to a critically low level at the end of 1932, showed substantial improvement in 1933, but have receded from the peak of July. In September, farm prices were below one-half of the 1926 level.

This disparity in price movements imposes a crushing burden on agriculture, particularly on the grain producer.

Largely as a result of measures arising from the Imperial Conference at Ottawa, prices of animal products not only showed improvement since February last, but have risen fairly substantially since July. This is a welcome development, and it is hoped that Canada's participation in the valuable market for bacon and ham in the United Kingdom may continue to increase. Full advantage of this and other export opportunities offered can be secured only by careful study of British markets with a view to supplying what is desired, in reasonable quantities and at the right time.

Canada's trade within the British Empire increased by $23,500,000 during the year ended 30th September, while the balance in Canada's favour was over $30,000,000 greater than during the previous twelve months.

On the other hand, our trade with the United States, during the same period decreased by $105,000,000. For years past our purchases of goods from them have far exceeded their purchases from us, but it is interesting to note that the disparity against Canada narrowed this year to $50,000,000, as against $92,000,000 in 1932.

While Canada's world trade decreased by $110,000,000, her favourable trade balance of $126,000,000 showed an increase of $84,000,000.

Tourist expenditures in Canada have been on a reduced scale.

Bank debits since April have been well over last year's figures, reflecting increased business turnover. Manufacturing activity is fairly satisfactory in the light of prevailing conditions, and particularly in the case of tobacco products and to a lesser extent, flour milling. Canada is the second largest manufacturing country in the British Empire. Whereas formerly England had to compete in this market with foreign countries only, she now has the domestic manufacturer to meet. British firms have been slow in considering the advisability of establishing subsidiaries in Canada, as compared with American corporations which have done so with profit.

Imports of wool, cotton and crude petroleum have been abnormally high. The export market for lumber has improved appreciably, largely as a result of the Imperial Economic Conference held in Ottawa in 1932. Newsprint exports to the United States have increased latterly, but the volume of trade and the prices will have to show substantial betterment before reasonable levels are restored.

Industrial employment at the beginning of November showed its seventh consecutive monthly increase.

Great activity continues in the mining of precious metals, and producing gold mines are earning high profits.

New construction is at a low ebb as we have an excess of physical equipment over the needs of our present population.

Commercial failures in Canada for the twelve months ending September numbered 2,213, with liabilities of $47,963,000. This compares with 2,427 failures, with liabilities of $49,684,000, during the previous twelve months.

IMMIGRATION

During the twelve months ending with August total immigration was 15,467, including 14,086 returned Canadians, compared with a total of 22,030 the previous twelve months which included 18,496 returned Canadians. Great Britain has a large surplus population to distribute over the Empire annually and funds are provided from public and private sources to asist in this distribution. It is apparent that Canada is not attracting her share of agricultural families, though we are in need of more people and have low-priced farms and free land suitable for mixed farming, where with helpful supervision the right type would soon become self-supporting.

CENTRAL BANK.

The postponed decennial revision of the Bank Act, which was due in 1933, will come before the next session of Parliament. In the meantime, Banking and Currency in Canada have been overhauled by a Royal Commission which visited every province of the Dominion and listened to the representations of any and all who wished to appear before them, including the banks.

The distinguished gentlemen who comprised the Commission performed their task with the utmost patience, tact and discretion, and their report contains a great mass of valuable data which will provide an authoritative source of reference.

Our banking system has weathered a world-wide storm unprecedented in history, and it remains to be seen whether or not it is to be allowed to continue to serve the needs of the country as in the past.

The banks in Canada are owned by 48,271 shareholders, and have had entrusted to them the uninvested funds of over four million depositors. It is not unlikely that the views of depositors and shareholders as to the need for drastic changes in our system will be taken into consideration. So far as the institutions themselves are concerned, there are only ten of them, they are national in scope, and it is safe to say that they will accept, in a spirit of co-operation and goodwill, whatever decision may be reached in the general interest.

TAXATION.

Governmental bodies, of which we have in Canada besides the Federal and nine Provincial, over four thousand Municipal, do not all welcome advice from taxpayers as to the need for economy in spending. Many elected bodies seem to feel that if they do not spend enough to make themselves popular they will be ousted and replaced by less capable administrators who might spend more. Fortunately this may not be said of all governing bodies, but the growth of the tax burden to the point it has now reached, which is admittedly the limit of endurance, and in some cases beyond it, can mean one thing only, and that is drastic reduction in ordinary and special expenditures. Budgets must be balanced if credit and solvency are to be maintained.

This will involve the discontinuance of many outlays for services which have come to be looked upon as necessities, but which we cannot afford to pay for and must therefore do without. These do not include intelligent, and well administered expenditures for relief of the many who, through no fault of their own, are temporarily denied an opportunity to earn a living and must be helped as a matter of ordinary course in times like the present.

There is nothing in what has just been said that is not well known to members of governing bodies, and its purpose is to emphasize to citizens that in paying taxes (direct and indirect) they do not discharge their full obligation; there is still the important duty of insisting that the same care be exercised in the use of public moneys as taxpayers exercise in their own personal expenditures.

UNITED STATES

One of the most potent influences retarding recovery throughout the world has been uncertainty, for without some feeling of assurance as to what lies before them prudent business men avoid making future commitments. Particularly has this been evident in the United States, where, with all the equipment necessary, an abundance of capital, the widest diversification of products, and the largest domestic market of any country in the world, business has been at a low ebb. Various well-intentioned plans of a nature and on a scale never before permitted in a democratic country are being put into effect, accompanied by a promise to try out still others if necessary to goad business upgrade. The undertaking of such a colossal and unprecedented experiment is, of course, their own affair, and our earnest wish in Canada is, as it may well be, that success may be achieved. Failure would have an incalculable effect on the morale of the people if not liberally discounted in advance. Our proximity to the United States, and our close association in business, cause us to take more than a detached interest in the progress of events there.

A great many in the United States still think that continued patience and perseverance in clearing away the wreckage caused by the bursting of the boom would have been of more enduring benefit than a headlong pursuit of phantom prosperity.

It would be wholly incomprehensible if the United States, in spite of repeated examples, ancient and modern, of the final effects of currency inflation, permitted themselves to be dragged down. The measured doses that have been administered have already created a craving for more, and it will require a high order of courage and stamina to prevent a complete breakdown. So much has been written and said on the subject of currency inflation that it is not proposed to take up your time by repetition.

In March last, banking throughout the United States was summarily suspended. Since that date efforts have been made to resume the service, but there are still locked up in institutions, closed or operating on a restricted basis, deposits totalling $2,000,000,000, a sum in excess of the total savings deposits in Canada.

LONDON, ENGLAND

The situation in Great Britain is in refreshing contrast with that of a year ago. The pound had then reached its low of $3.14½ in terms of United States dollars. Today it once again enjoys the confidence of the world. Government funding and the low interest cost of the floating debt have resulted in important savings to the Treasury. The exchequer revenue and expenditure position as at 23rd November has improved £46,000,000 over a year ago. The adverse balance of trade for ten months to October 31st at £205,000,000 has been reduced by over £31,000,000. Industry in general is expanding under tariff protection and low interest rates. Unemployment is steadily decreasing and has lessened by over 448,000 in the past year. At the same time, the cost of living has increased little, prices of general commodities having risen some 4% only during the year.

Money has been superabundant in the London market during the past year and low rates of interest continue. The Bank of England rate has held at 2% and the call money rate, which has been as low as ¼ of 1% is now about ¾ of 1% per annum. The rate for three months treasury bills has fluctuated between ¼ of 1% and the present 1%. Stock exchange securities in general and British funds, industrials and home rails in particular have appreciated considerably during the past few months. The market is held to be in a healthy condition, which, however, might become somewhat impaired should there be any substantial increase in the volume of foreign money seeking employment in London. Purchasers of gold continue willing to pay a substantial premium over the continental parity value of the metal for the privilege of having it in London.

Capital issues for the twelve months ending 31st October at £128,848,000 were some £24,000,000 greater than for the previous year. Restrictions still exist concerning the flotation of capital issues but exceptions continue to be made in favour of some empire requirements.

The extent of the depreciation of the dollar is beginning to be a cause of some concern to British exporters although they hoped that continued low prices of raw materials may remain an offset against unfavourable effects on British trade.

FRANCE

Conditions in France are in some respects less satisfactory than a year ago. A large budget deficit, already high taxation, and the difficulty of reducing public expenditure, face the country's fourth government of the year 1933. Owing to the depreciation of foreign currencies in relation to the gold franc, exports have been seriously affected and the visible adverse balance of trade at francs 8,703,000,000 (provisional figures) has increased during the ten months to 31st October by francs 444,000,000 over last year's actual figures. Unemployment has increased somewhat and income from tourists considerably reduced. On the other hand, crops have been good and general industrial production has improved some 15%.

Notwithstanding the large stocks of gold in the Bank of France and the wishes of government and public, doubts are expressed as to whether, in view of foreign withdrawals of gold which have already begun and possible internal drawings, France may not be forced to abandon the gold standard.

CONCLUSION

It is a wholesome and a healthy exercise to think optimistically, and the annals of this Bank, the history of former depressions and present indications fully support the confident hope that normal times will return. But we must not be unmindful that Canada's prosperity is dependent upon keeping her own house in order and on the ability and the willingness of other countries to purchase her products, for we are not without competition.

Natural correctives are working toward world recovery, but many artifical barriers still impede progress. Economic and financial disruption have been brought about to no small extent by the operations of Central Banks under political influence, by excessive tariffs and quotas, by exaggerated nationalism bordering on ancient tribalism, the stoppage of free migration of peoples, distrust and selfishness, by impatience, a loss of individualism on the part of citizens and their surrender of independence in many former democratic countries.

In contrast, Canada is fortunately circumstanced in that it is a young country, with an abundance of nature's gifts, with a hardy people, self-reliant and free of traditional hatreds, and with an inspiring past and a boundless future. (Applause).

REPORT ADOPTED

The Chairman then moved, seconded by Mr. H. R. Drummond, that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders.

The report was unanimously adopted.

THANKS TO THE OFFICERS

Sir William Stavert, K.B.E., then moved, seconded by Lt.-Col. G. L. Ogilvie, that the thanks of the meeting are hereby tendered to the President, the Vice-Presidents, and Directors for their attention to the interests of the Bank.

The Hon. Thomas Ahearn, P.C., moved, seconded by Mr. W. A. Black, "That the thanks of the Meeting are hereby tendered to the General Managers, the Assistant General Managers, the Superintendents, the Managers and other officers of the Bank, for their services during the past year."

The ballot for the appointment of Auditors and the election of Directors for the ensuing year was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. Charles A. Hodgson, C.A., and W. D. Glendinning, C.A., were duly appointed Auditors, and the following gentlemen elected Directors: The Honourable Thomas Ahearn, P.C., D. Forbes Angus, E. W. Beatty, K.C., W. A. Black, the Honourable Patrick Burns, the Honourable Henry Cockshutt, A. O. Dawson, H. R. Drummond, Sir Charles Gordon, G.B.E., Harold Kennedy, J. W. McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General the Hon. S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., C. F. Sise, W. N. Tilley, K.C., Sir Frederick Williams-Taylor.

The meeting then terminated.

At a subsequent meeting of the Directors, Sir Charles Gordon, G.B.E., was elected President and Mr. H. R. Drummond and Major-General The Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents.

The Executive Committee of the Board was appointed, consisting of Sir Charles Gordon, G.B.E., Mr. H. R. Drummond, Major-General The Honourable S. C. Mewburn, C.M.G., and Mr. E. W. Beatty, K.C.

Stock Quotations

YESTERDAY'S LOCAL MARKET QUOTATIONS

Corrected For Every Wednesday and Saturday Issue

Produce

Hay	50c
Straw	35c
Oats	35c
Potatoes	30-35c
Turnips	25c

Retail Market

Parsnips 3 lbs	10c
Carrots 4 lbs	10c
Beets 3 lbs	10c
Cabbage	5-8c
Onions 10 lbs	29c
Celery	12 15c
Squash lb	3c
Potatoes pk	18c
Apples pk	30-40c
Parsley bunch	10c
Cream qt	46c
Chicken	75c-$1.00
Ducks	85c-$1.00
Eggs	50c
Butter	23 25c

PRODUCE

(Canadian Press)

MONTREAL, Dec 8—The butter and egg markets were inclined to easiness on the Montreal dairy and produce market today, while cheese remained unchanged and potatoes firmed slightly. Trading in butter was quiet and no 1 pasteurized regraded declined ¼ cent a pound to 22½ to 22¾ cents a pound for carlots or less. A few dealers were asking 23 cents for small lots. A total of 53 boxes was offered for sale.

Graded shipments in carlots or less of Ontario fresh eggs eased a cent a dozen generally, being quoted at 36 to 37 cents a dozen for A-large, 32 to 33 cents for A-medium and 30 to 31 cents for A-pullets. Receipts were 327 cases.

On the cheese market, Ontario cheese was steady at 10 cents a pound. 100 boxes was offered for sale during the day.

Quebec potatoes rose from five to 10 cents per 80 pound bag selling at 75 cents. New Brunswick green mountains sold up five cents per 80 pound bag at 80 cents and Prince Edward Island green mountains were firm at 90 cents per 90 pound bag.

(Continued on Page 10)

MINING

(Canadian Press)

Stocks	Close
TORONTO Dec 8—	
Acme Oil	15½
Ajax Oil	108
B g Miss	29
Bras	73
Barry H	12
B Metals	145
Bobjo	19¾
Bralorne	9.10
Buff Can	7
Bunk Hill	7
Bunk Hill	1⅛
Cal Edm	90
Can Mal	40¾
Cal Oil	11½
Castle T	34
Cen Pat	47½
Chibog	5½
Columario	45
Coniaurum	81
Cariboo	280
Dome Mines	525¾
F'Bridge	320
Fed Kirk	3
Gold Ale	8
Graham	2¼
Granada	58½
Hollinger	113
Homestead	75
Howey	28
Keeley	45
Kirk Hud	34
Kirk Lake	30
Kirk Pre	2¼
Kootenay	1¼
Lakeland	15½
Lake Shore	4460
Lee Gold	12
Macassa	79
Man Basin	2½
McIntyre	385
McMillan	30
McVitt'e	90
McWatters	40
Min Corp	65
Moff Hall	2
Moneta	80
Murp—	1¼
Nipissing	2.65
Noranda	3416
North Can	30
Olga Oil	17½
Paymaster	20
Pet C M C	3
Pet Oil	16½
Pioneer	1175
Premier	103
Pros Air	36
Read Auth	30
Reno Gold	92
San Ant	138
Sarna	11
Sherritt	85
Siscoe	147
Siscoe	147
St Anthony	33
Ster Pac	41
Sud Basin	1205
Sud Cont	5½
Sylvanite	118
Teck Hugh	365
Thoms Cad	20
Towagmac	33½
White Eagle	29
Unit Kirk	15
Vacuum	
Vipond	45
Waite A M	120
Wiltsey C	9½
Wright H	675
Wayside	35
Silver	45¼
Toal sales 390,000	

UNLISTED

Aldermac	16½
Algoma	1½
Assoc Oil	20
Brett Tr	13½
Brownice	1⅜
Can Kirk	6
Cap Rouyn	¾
Cen Man	11¾
Chem Res	1
Churchill	11
Clifton	1
C Copper	—
Cobalt	4¼
Smelters	131000
Dal Oil	30
Dom Expl	4½
Eldorado	1342
Foothills	35
Gilbec	3
Goodfish	13
Grozelle	5
Hilltop	2½
Home Oil	965
Nickel	2150
Jack Man	2⅞
Kirk Hunt	⅝
Kirk Town	27
Lake Maron	8¾
Mandy	8
McLeod	1⅜
Nordon	9⅛
Oil Sel	5
Park H	35
Pend Ore	75
Royalite	1800
Stad	10
Sud Mines	1
Ventures	7½
Wain Wri	75½
Wood Kirk	6

Markets At A Glance

(Canadian Press)

Toronto and Montreal—Stocks closed higher.

Toronto Mines—Slightly lower.

New York—Stocks closed lower.

Winnipeg—Wheat closed lower.

New York—Cotton, rubber, coffee and sugar lower.

New York—Canadian dollar up 1-16 to 1.01¼.

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