114th ANNUAL GENERAL MEETING OF BANK OF MONTREAL

Marked Degree of Confidence in Outlook of Canada

Sir Charles Gordon, President, in Annual address, reviews outstanding developments of the year in the leading financial centres of the world—Takes confident view regarding position of Canadian dollar, pointing out that a decade ago it sold at a discount of nineteen per cent, and yet came back to sell at a premium—Refers to manner in which Canada has come out of previous periods of depression.

Jackdon Dodds, joint General Manager, takes view that when international confidence and co-operation are restored and commerce improves Canada will be among the first to benefit—Points out impotence of a Central Bank as demonstrated by United States experience — Urges adoption of policy by which unemployed will be made self-supporting.

The 114th Annual General Meeting of the Shareholders of the Bank of Montreal was held in the Board Room at the Bank's Headquarters.

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

The Honorable Thomas Ahearn, P. C., moved, seconded by Mr. Henry Rawlings, that Messrs. Arthur Browning and Norman J. Dawes 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

Gentlemen,—You have heard the report just read, and your Directors trust that the result of the year's operations as disclosed by the balance sheet of the Bank and statement of profits already published will be deemed satisfactory. The profits for the year have proved sufficient to provide payment of the customary dividends. Making due allowance for the difficulties which have beset all business during the year, and from which banking has certainly not been free, this result, I venture to think, is a matter for congratulation. The bonus of 2 per cent. paid for several years past, the Directors have deemed it advisable to omit, believing that this will meet with your approval as a manifestation of the traditional conservative policy of the Institution.

INDUSTRIAL SITUATION

Business throughout the Dominion has experienced a general recession more severe than recorded in our last report, and the basic industries of the country have suffered correspondingly. This has been particularly apparent in lumbering and mining, although as regards the latter an offsetting advantage has been a stimulus to the production of gold. The manufacturing of newsprint, another basic industry of Canada, has in recent years suffered a large decline in value and a lesser one in volume. The industry's difficulties have arisen inthe main from the erection of mills and development of capacity in excess of market requirements, and, unfortunately, shareholders have sustained losses from over-capitalization. There is reason to believe that a better condition is being ushered in, by the profit arising from the premium on New York funds — most of Canada's newsprint being exported to the United States—and from the consolidation of companies for the purpose of reducing overhead expense and effecting more economical distribution of the product.

Events during the year have brought into strong relief a situation which in any case would have called sooner or later for drastic remedial measures. I refer to the destructive competition between our two great railway systems, one being a private organization which has done more to develop and advertise Canada than any other single agency, and the other a State system into the ownership of which the Dominion was forced by combination of unfortunate circumstances and which under unified control has become a giant enterprise. Fortunately, it is now becoming recognized by all concerned that this destructive competition cannot continue, but that some form of co-operation must be worked out by which needless duplication of service will be avoided. In addition, our railways have had to contend with lessened traffic and growing and practically uncontrolled truck and automobile competition. As a Royal Commission is to study the whole subject of transportation, and recommend measures for the guidance of the authorities in dealing with this matter, I will not dwell upon the subject further than to say that a definite settlement of the railway situation on a satisfactory and permanent basis is an absolute necessity for the future well-being of this country.

AGRICULTURE AND DAIRYING

In Canada the crops of the past season, taken as a whole, have been bountiful,the only exception being in certain portions of the Prairies where there was failure due to drought. With remarkably favorable weather, crops generally were harvested in excellent condition, and costs of harvesting were lower than for some years past, but a much reduced export demand, with a consequent price level far below that of many years past, has materially reduced returns to the farmers.

The dairy industry, which dominates agricultural activity in Eastern Canada, has not escaped the effects of reduced industrial activity, butter prices being down from twenty to thirty per cent below last year, while the price of cheese is even lower. The livestock industry was less remunerative than in 1930.

In considering the various phases of the economic set-back which Canada has received, it is important to remember that they have arisen largely from extraneous and not internal causes. During the post-war period, the expansion of our industries, speaking generally, has been on a modest scale. We have not invested such a large volume of our capital assets in unproductive extensions as has been the case in the United States, and our banks and financial institutions have not had their resources tied up in frozen loans. Fortunately, under our banking system, our banks are prohibited from lending upon real estate.

CONDITIONS IN EUROPE

In Europe all countries are suffering severely from the effects of the world depression, unparalleled alike in its intensity and extent. Political uncertainties, war and non-commercial debts, unbalanced budgets and excessive tariffs are the principal influences contributing to the prevailing economic and financial distress.

The position of Germany is particularly disturbing because of her vast obligations in the form of short-term credits, the payment of which is postponed until the end of February next under the standstill agreement. Unless some relief in respect of reparations is forthcoming, the suspension of external payments by Germany seems inevitable, and the outcome of the conferences arranged to discuss reparations and German short-term indebtedness will be awaited with anxiety.

The most momentous event of the year was the forced abandonment by Great Britain of the gold standard on September 21st. The pound sterling has been for so long the universally recognized medium for the settlement of international trade and other obligations that its eclipse, temporary it is hoped, has produced universal disorganization. Commerce requires a standard of value and a medium of exchange. That standard must be as inflexible a measure as a yard-stick, and of universal acceptance in settlement of international balances. The price of gold is fixed, and it is in relation to this that prices of commodities fluctuate. Not by whim or accident did gold become the standard of value among civilized nations, but by the process of experience and the elimination of other standards tried through the centuries and found wanting. I am convinced that Great Britain will win back to a stabilized gold standard, to which end the policies of her Government and the efforts of her people are being directed. Foreign opinion has been most favorably impressed by the action of Great Britain in adopting measures to balance her budget and, what is of great significance, in electing a National Government with a vast majority armed with a mandate to enforce the measures necessary to restore the economic stability of the country.

In considering the future of Great Britain, one must take into account the many difficulties of a social and economical character with which successive post-war Governments have already dealt — such question as wages, socialistic tendencies and unemployment. It would appear that the country, having abandoned the gold standard and adopted a normal scale of wages, is now in a position to compete on a more than favorable basis with those countries which have not yet faced many of these difficulties.

Relatively, France has withstood the world depression with less serious results than most countries, but there are definite signs that she is now suffering from its effects. Trade and industry have visibly slackened, tourist traffic this year has been negligible compared with recent years, and unemployment, though small, is increasing.

CONDITIONS IN THE UNITED STATES

In the United States the year now ended has been one of drastic economic adjustment, and as a result of concerted and determined effort to correct domestic conditions some signs of improvement are now visible in the closing months of the year. Perhaps the most favorable development has been a slight indication of the beginning of a return of confidence and less hesitation in trade. The whole situation, however may be said to be obscure at the moment. According to news despatches Congress will be called upon to deal with two major questions, namely, the excess of expenditures over revenue, and unemployment. No proposals have yet been put forward as to how a badly unbalanced trade position is to be dealt with, or how it is proposed to re-establish the export trade of the country. It seems apparent that so long as the United States continue to demand settlement in gold for exports and to refuse to accept the products of other nations, as they do by their high tariff walls, it will be impossible for them to return to commercial equilibrium with other countries.

A paradoxical situation has arisen in the case of the Federal Reserve system in that within a few months an increase of one billion dollars occurred in note circulation coincident with a decline in all departments of trade, which suggests hoarding as its cause. Bank failures have been numerous in the United States during the past twelve months, mostly of small units in agricultural sections, and deposits in National Banks have decreased by over two billion dollars, or about 10%, incidents which probably account for the placing of currency in safety deposit boxes or stockings. The banking situation in the United States, from what one can learn, is now showing improvement, and I am informed that what are known as the Member Banks of the Clearing House Associations are in a very strong position, although there may be further failures among small country banks. Banking in Canada has followed the even tenor of its way. The resources of our banks are large, credit supply abundant, note circulation keeps pace with trade movement, time or savings deposits are at a high point, and the superiority of the branch bank system over units banks has again been demonstrated in this period of business depression.

CANADIAN BORROWERS

The action of the United Kingdom in departing from the gold standard resulted in Canadian exchange moving simultaneously to a substantial discount in the United States, and at the same time that market became practically closed to foreign borrowers. Undoubtedly our borrowings in New York for several years past had been on too lavish a scale, but I think that the unwillingness there to lend money to Canada is as much the result of conditions in the United States as of uncertainty regarding the future of Canada. The result of the recent National Service Loan must have demonstrated to lenders in the United States that our financial position is a strong one. While this condition in the American market lasts, governments and municipalities in this country will have to lean on domestic borrowings for their needs. The situation gives added emphasis to the necessity of our administrative authorities limiting their borrowings to essentials and keeping their outlays for relief purposes at as low a figure as is compatible with the strict requirements of the occasion. The successes of the Dominion Government's national Service Loan has been a splendid testimony, to the patriotism and confidence of the Canadian people. I would like to warn provincial and municipal authorities, however, not to presume too largely on the continuance of this spirit, for any extravagance in expenditure, under the excuse of unemployment relief must call for corresponding appeals for loans which might not be forthcoming with any such readiness as has just been shown.

To fortify the position of Canada in respect of interest payments on public loans, the Dominion Government has prohibited the export of gold save under license and has extended practical aid to some of the provinces in meeting debt obligations in New York. Purchase of all gold mined in Canada is also being made by the Dominion Government, from which source it is not improbable $60,000,000 will next year be derived.

The country's large foreign obligations are factors which will tend to prevent an early return of our dollar to par, but this is not an unmixed evil as the discount on the Canadian dollar restricts imports. That the Canadian dollar will return to par I have no doubt, just as the discount a few years ago, which at one time reached 19 per cent, disappeared and gave place to an actual premium on Canadian funds in the New York market. Factors are already working to this end. In the twelve months to September 30th last year there was an adverse balance in the foreign trade of Canada of $100,000,000, while in the twelve months this year to September 30th the adverse balance was reduced to $35,000,000, which is an improvement of $65,000,000, and it is a notable fact that in the five months to October 31st last there was each month an excess of domestic exports over imports, so that we appear to have reached the point of an adjusted foreign trade.

IMPERIAL CONFERENCE

The result of the recent election in Great Britain brings once more to the fore the question of the extension of inter-Empire trade through the medium of preferential tariffs. This has been entrusted to an Imperial Economic Conference to meet next summer under more promising auspices than that assembled in London last year. There is scope for extension of Empire trade. Of the total imports of Canada last fiscal year only 22 per cent was drawn from British countries;and of total exports less than 40 per cent was to British countries. Hope may be held that from the Imperial Economic Conference will come such tariff adjustments as will promote commerce between members of the Commonwealth and so strengthen the structure of the British Empire.

WHAT OF THE FUTURE?

What of the future? There is a wise old saw, whose injunction I intend to follow — "Never prophesy unless you know." Certain features of high import may, however, be alluded to. The clouds have not yet been dispelled. European countries, notably Germany, Britain and Austria, labor under the burden of war debt, and while the moratorium prompted by President Hoover has given a breathing spell, the weight of debt still impends. Few nations have balanced budgets, without which credit is impaired. Taxation is high everywhere. The wheat situation, of almost vital interest to Canada, is beclouded by the reappearance of Russia as an exporter, and the disposition of other European countries to grow their own requirements, making imperative the extension of diversified farming in our Prairie Provinces. Then, the pressure of competition in world markets is intense, as in the case of the fisheries (an industry that Japan is actively developing), lumber, copper and other commodities indigenous to Canada.

I would, however, say to those who feel themselves more or less at a loss in estimating the future that we have one advantage in the Bank of Montreal possessed by few business institutions. We have the advantage of an intimate record in our own annals of the course of trade in this country for the past 115 years. Looking into that record we see reflections of periods of great prosperity and reflections of periods when conditions and outlook, not only in Canada but throughout the world, were blacker than any we have experienced during the past two years. I could quote extracts from the addresses of past Presidents at the Annual Meetings of the Bank which would be exactly applicable, word for word, to present conditions, and others that tell of graver conditions. Yet, even under greater disadvantages than the present, conditions have always righted themselves. Looked at in the large, the history of our country, as reflected in the history of your Bank, has been one of continued progress and advancement, and I have not the slightest hesitation in reiterating the views expressed at our Annual Meetings in years past that just as the country has weathered previous storms, so now there is every reason to look forward with confidence to emerging stronger and more prosperous than ever from the conditions which now prevail. To this I would add that we, as a people, have additional reason for confidence in the fact that our accumulated resources are infinitely greater than at any like period in the past, and that our undeveloped wealth, which once was so largely a matter of speculative interest rather than of proven fact, is now known beyond any doubt whatever to exist to an extent far surpassing the most extravagant estimates of those who have gone before us. (Applause.)

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

THE GENERAL MANAGER'S ADDRESS

Mr. President and Gentlemen,—

On behalf of Mr. Bog and myself I have the honor to present to you the one hundred and fourteenth annual Balance Sheet of the Bank. The following are the principal changes:—

Our Total Assets now amount to $795,000,000 against $827,000,000 a year ago, a decrease of $32,000,000.

Quick Assets comprised of cash, call loans, bank balances and readily realizable securities, aggregate $417,000,000, or 58.11 p.c. of Liabilities to the Public. The Bank's long established policy of maintaining a strong position, subordinating profit to liquidity, has been amply justified over the course of years, especially during periods of deflation.

Reserves in actual cash total $83,600,000, or 11.64 p.c. of Liabilities to the Public. Including Bank balances, foreign currencies and notes and cheques on other Banks, the percentage is 19.73.

Call Loans at $37,000,000 show a decrease of $11,000,000. Those in Canada are down $8,600,000. Others are down $32,600,000. In part replacement of the decrease in our Call Loans in New York we hold a substantial amount of United States Government short term obligations which are immediately realizable.

Bank Balances $22,000,000 are lower by $13,000,000.

Investments amount to $238,000,000 as compared with $183,000,000 last year, the increase, $55,000,000, being almost entirely in Dominion and Provincial Government securities.

Current Loans in Canada (including advances to Municipalities) total $322,000,000, an increase of $7,000,000. Under this heading come advances to producers of primary products, to manufacturers and to customers engaged in all branches of commerce.

Current Loans elsewhere aggregate $23,000,000, a decrease of $19,000,000.

Bank Premises are shown at $14,500,000, the same figure as in 1930.

Mention was made last year of premises in course of construction at Ottawa and Calgary, which involved carrying on of business during demolition of the old offices and construction of the new; in each case we are now in the completed half of the new building, while work on the remainder is proceeding satisfactorily.

In valuing our assets ample provision has been made for all bad and doubtful debts and depreciation of securities.

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

Deposits total $656,800,000, a decrease of $32,000,000. Savings Deposits are up $20,000,000; Dominion and Provincial Government balances are down $29,000,000; Demand Deposits show a reduction of $23,000,000, a substantial portion of which occurred in Mexico as a result of business conditions and the new Monetary Law.

Savings deposits have proved a boon to many whose incomes have decreased due to unemployment or other causes. Necessary withdrawals have been more than offset by new deposits; the number of depositors has increased, as is usual in a time of depression, when a more wholesome respect for the Savings Account habit is inspired.

Balances due to Banks are $12,000,000, an increase of $4,000,000.

Profits are shown at $5,386,000, as compared with $6,519,000 last year. The decrease of $1,133,000 is in keeping with the reduced turnover of business generally and the lower rates earned by reserve funds which we are obliged to employ in New York.

Since the last Annual Meeting we have opened 5 branches, and closed 32 which after a fair trial had continued to show operating losses. Business in rural districts is steadily gravitating to the central points as a result of improved roads and the speed of travel. There is consequently less need for branch banks in hamlets which formerly justified the opening of offices within a few miles of other branches of the same institution or of another bank.

Out routine in regard to registration and transfer of shares in the past has proved adequate, but we have during the past year instituted an additional safeguard in the form of continuous audit of all operations in this Department.

The printed reports of this meeting, which will be mailed to all shareholders, will contain interesting reviews by our Assistance General Managers, of agricultural, industrial and business conditions in the various provinces.

The downward movement of commodity prices, which became acute in the autumn of 1929, gained momentum in 1930 and reached record low levels during the present year. Canada, while increasing in importance as a manufacturing country, is dependent primarily on the products of the farm, forest, mine and fisheries, and being one of the largest exporters per capita in the world, has suffered severely from the dislocation of international trade.

We know from recent economic history in the United States something of the impotence of a Central Bank in maintaining a stable price level. An examination of the course of business and banking in that country from 1921, the year of post-war depression, to 1928, the crest of their period of prosperity, and the collapse of the stock market boom in 1929, reveals that while a Central Bank may assist in controlling the amount of money available, its judgment is not infallible, nor can it force individuals or institutions to use money wisely.

The accumulation in the United States and France of over two-thirds of the gold supply had its bearing on the slowing down of the world's economic machinery. Debtor countries having been debarred by tariff barriers from making payments in goods, had no alternative but to remit gold; this loss of metal added to their financial strain and the latter in turn caused a feeling of insecurity and a consequent flight to the franc, and the United States dollar. The vast sums transferred to France and the United States are, therefore, not wholly the property of the French and Americans, but in part represent capital exported from other countries. The United States and France being unable to see clearly the nature of future demands upon them, are holding a certain proportion of their gold virtually in storage.

The gold held by the Bank of France, on the basis of United States dollars, was $2,650,000,000 on the 20th November, against a note circulation of $3,200,000,000, a gold cover of approximately 83 per cent; but notwithstanding this immensely strong position and the fact that France is comparatively favorably placed, the country has been disturbed by banking difficulties involving the failure of institutions of lesser importance and the hoarding of note currency.

The budget of France like that of many other countries shows a heavy deficit necessitating substantial economies in an effort to avoid higher taxation. There is also a substantial adverse trade balance against France.

In the United States the Federal Reserve Banks reported gold reserves on 2nd December of $1,817,000,000, held exclusively against note circulation of $2,478,000,000, the percentage of cover being 73.3 with the legal requirement of 40 per cent. The total monetary gold stock of the United States, including holdings by the Federal Reserve Banks amounted to $4,292,000,000, on October 31st.

Interest rates on all classes of short term funds declined to the lowest level in more than a decade. Call money was in plentiful supply throughout the year, the average rate being 1.66 per cent. Rates have since stiffened.

The excessive flow of gold into the United States, piled on top of her tariff wall, shut out trade, slowed down manufacturing and has resulted in unemployment. The domestic banking situation and related questions affecting banking liquidity have been the most disturbing feature in recent months; suspension of payment during the past year by approximately 2,000 banks, 80 per cent of which were small institutions, resulted in hoarding of note currency. The formation of the National Credit Corporation was designed by the Government to help relieve the situation, and the announcement of the plan had a beneficial effect, both economically and psychologically. It is also sought by the establishment of a system of home loan discount banks to relieve in some measure the unsatisfactory condition that prevails in respect to real estate loans.

The monetary disequilibrium from which the world is suffering reacted most severely on London, and notwithstanding support rendered by American and French credits for $250,000,000 and $400,000,000, Great Britain was obliged to suspend the gold standard on the 21st September; Norway, Sweden, Denmark, Finland and several other countries followed suit. Our interest naturally rests mainly with Great Britain, and it is our hope that the stabilization of the pound sterling may not be long delayed, making available again to the world the valuable financial machinery in London which has made that market pre-eminent as a world monetary centre.

For the greater part of the year low money rates prevailed in the London money market. The Bank of England rate was 4½ per cent when the pound was taken off a metallic basis. A 6 per cent minimum was then imposed and still stands. Call money is around 5 per cent. Discount rates have followed fairly closely the course of money. It is encouraging to record that the money market in London has accepted the recent crisis with calm and that business has functioned normally except that stock exchange transactions were limited to a cash basis until 16th November when the normal fortnightly settlement was reinstated. Restrictions against the exporation of capital from Great Britain remain in force.

We are still in the shadow of the Great War, in which over a score of nations engaged for four years in the destruction of life and capital on a scale without precedent in history. During that period colossal international debts were incurred, followed by reckless post-war financing to stimulate prosperity, which resulted the world over in burdensome taxation, loss of confidence, dislocation of industry, trade and finance, and in the creation of social and political problems, many of which yet remain to be solved.

Meanwhile, with the world out of balance, and trade generally in a disorganized state, we should be thankful that we in Canada are as well off as we are. There is no gainsaying it, however, that business has been at an extremely low ebb during the past year —lower perhaps than it has ever been within the memory of anyone engaged in it today.

The situation can only be aggravated by continuing to pile up more and more federal, provincial and municipal debts. Individuals who appreciate the need for economy in their own expenditures and are striving to get out of debt are too prone, paradoxically, to condone and encourage public outlays of borrowed money, ignoring the fact that it must in the end be repaid by themselves. There is a definite limit beyond which public expenditure cannot proceed with safety, even when the object is to create temporary employment. In this country that limit is now in sight. A halt must be called to mounting expenditures—indeed has been called in some cases. The burden of taxation eats up capital resources, saps energy and enterprise, and creates still further unemployment.

It is essential that in Canada we should draw a lesson from costly experiments that have been made elsewhere and, while taking care of those in immediate distress, work in the direction of rendering as many as possible of the unemployed self-supporting. Assisting people to establish themselves on the land is the natural procedure in an agricultural country, and it is encouraging to know that practical steps in this direction are already being taken.

Agriculture is Canada's mainstay, and over the course of years diversified farming has proved the most dependable source of livelihood. In this machine age it is not surprising that industrialized farming should have its advocates, but it should not be overlooked that a farm is primarily a home, not a mine or a factory. We should strive for a better balance of our rural and urban population; obviously we have at present too large a proportion of the latter.

The establishment in Canada during the past year of many new industries, principally in Ontario and Quebec, is a favorable feature since it provides employment and use for available power. These manufactories are coming chiefly from the United States in order to supply the Canadian market and to export under the preferential tariff to other countries within the Empire. Our profitable tourist business is also providing employment, and with 23 million automobiles south of the line we may confidently look for its continued growth.

It would be rash indeed to speak with assurance of the prospects of the coming year, but it is surely permissible to say that when international confidence and co-operation are restored, and commerce in consequence improves, Canada will be among the first to benefit. Situated as it is midway between the Old World and the awakening Orient, Canada, with its courageous, virile people, its invigorating climate, abundance of natural resources, its water power, and unexcelled means of transportation by rail and water, is destined to play an important part in this twentieth century. Our principal lack at present is sufficient rural population; this will correct itself in less time than many expect. We should profit by our neighbor's mistakes and our own and exact betimes a high standard. This of itself would exert a strong drawing power, and attract ambitious and industrious people rather than the class that has not been successful in its native country.

During the past two years I have visited all the Provinces in Canada and Newfoundland and have met every one of our Managers and the members of the staff at central points. I have also visited our three offices in the United States. It is a pleasure to testify to the high order of training which our staff is receiving under capable Branch Managers, and to their continued loyalty and efficiency. (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 OFFICERS

The Honorable Rodolphe Lemieux, K.C., then moved, seconded by Dr. G. E. Armstrong, 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.

Major-General The Honorable S. C. Mewburn, C.M.G., moved, seconded by Mr. A. O. Dawson, 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 resolution was adopted unanimously.

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. James Hutchison, C.A., and Charles A. Hodgson, 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, Gen. Sir Arthur Currie, G.C.M.G., K.C.B., A. O. Dawson, H. R. Drummond, G. B Fraser, 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., Chris. Spencer, W. N. Tilley, K.C., and Sir Frederick Williams-Taylor.

The meeting then terminated.

At a subsequent meeting of the Directors, Sir Charles Gordon, G.B.E. was elected President, Mr. H. R. Drummond and Major General The Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents, and Sir Frederick Williams-Taylor was appointed a Vice-President, stationed in London, England with complete supervision of the British and European affairs of the Bank.

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.

Winter Program Of Canadian Flotilla

OTTAWA, Ont. Dec. 12—(By the Canadian Press)—A winter cruise in West Indies waters is scheduled for the Canadian destroyer flotilla comprising the ships Skeena, Saguenay, Vancouver and Champlain, all vessels leaving their home stations early in January and returning in May next year. Skeena and Vancouver sail from Equimault, B. C., on Jan. 5, with Saguenay and Champlain leaving Halifax, N. S., a week later. The two divisions will merge into one flotilla at Jamaica on Feb. 6 and from there they will cruise together, or in pairs, until March 26.

"This cruise is undertaken," says an official message issued from the Department of National Defence, "to give the officers and crews experience in handling their ships on extended cruises, to permit the ships stationed on the east and west coasts to meet and exercise together, in order to maintain uniformity and cohesion in the Royal Canadian Navy, and also to give an opportunity for the Canadian destroyers to exercise their functions as part of a larger force which they will be able to do in conjunction with some of the cruisers of the North America and West Indies squadron of the Royal Navy."

Stocks Go Up In Tokyo

TOKYO, Dec. 12—(AP)—Shares rose upon the stock exchange at noon today owing to indications that the resignation of Premier Wakatsuki's government was imminent and in anticipation of the possible replacement of a gold embargo which finance minister Inouye has been opposing strenuously.