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THE DOMINION BANK



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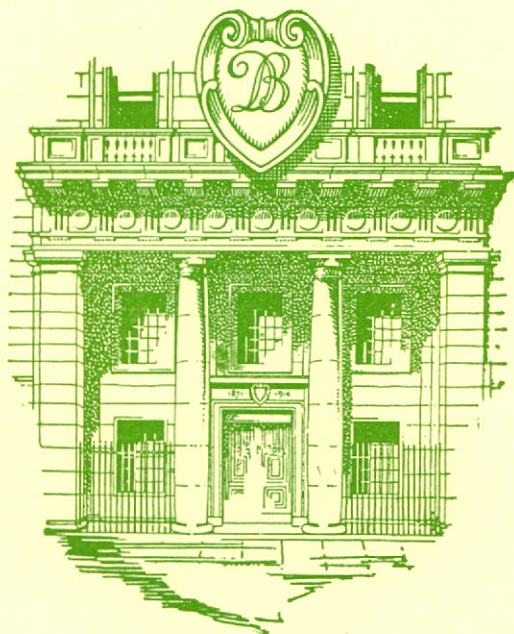
**SEVENTY - SIXTH
ANNUAL REPORT
31ST OCTOBER 1946**

Pres. - Dominion Bk. - Jan. 24/53

SEVENTY-SIXTH ANNUAL REPORT

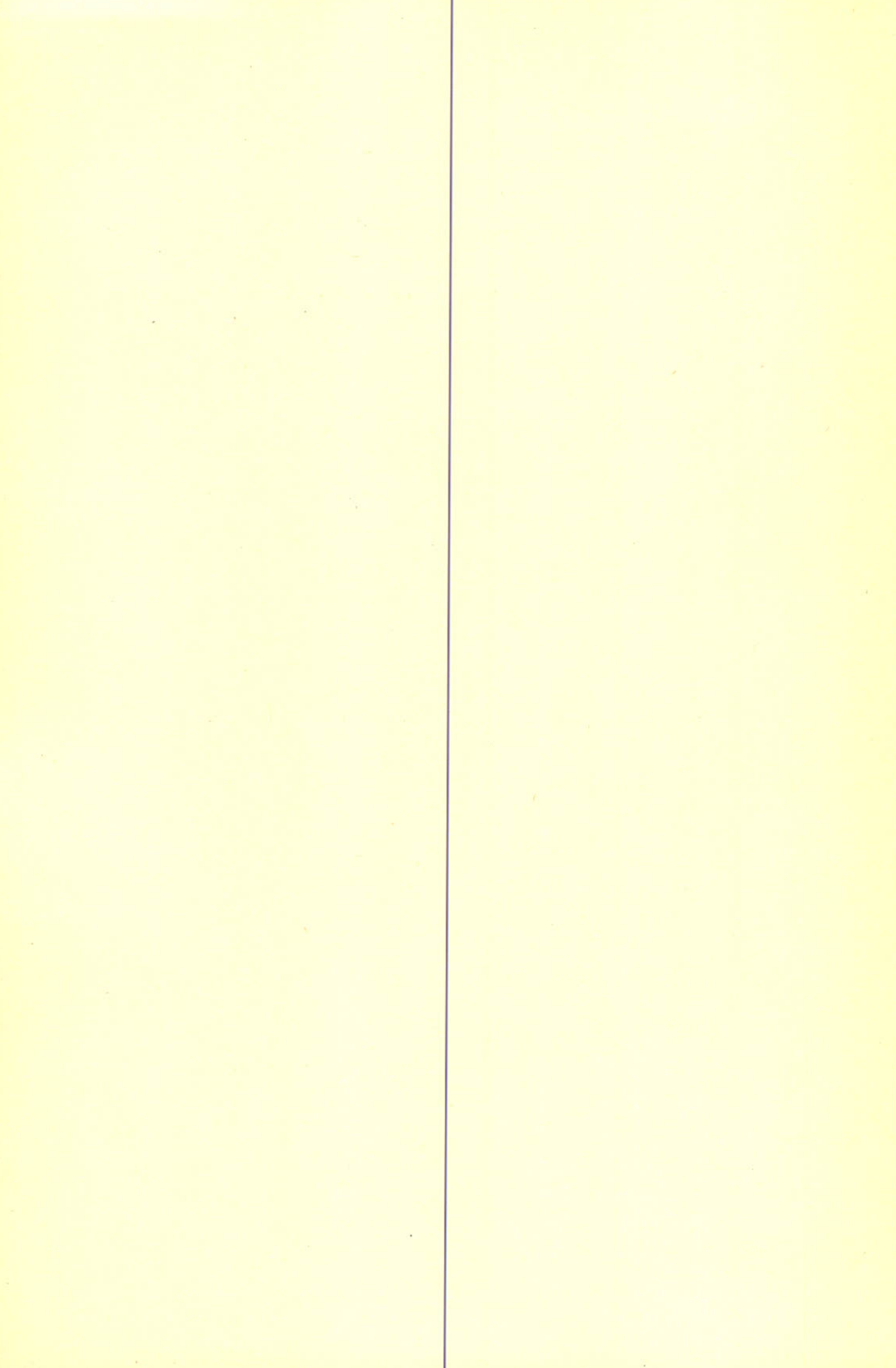
1871

1946



THE DOMINION BANK

31st OCTOBER, 1946



THE DOMINION BANK

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP - - - - -	\$7,000,000
RESERVE FUND - - - - -	\$9,000,000
UNDIVIDED PROFITS - - - - -	\$1,360,735

31ST OCTOBER, 1946

THE DOMINION BANK

BOARD OF DIRECTORS

PRESIDENT

C. H. CARLISLE, TORONTO. { President, Canada Bread Company, Limited.
Director, The Goodyear Tire & Rubber Company
of Canada, Limited.
" Canadian General Investments, Limited.
" Dominion Bridge Company, Limited.
" Montreal Trust Company.

CHAIRMAN OF THE BOARD

C. A. BOGERT, TORONTO. { Director, The Canada Life Assurance Company.

VICE-PRESIDENTS

R. S. McLAUGHLIN, OSHAWA. { Chairman, General Motors of Canada, Limited.
Vice-President, General Motors Corporation.
Director, Canadian General Electric Co., Limited.
Canadian Pacific Railway Company.
" The Consolidated Mining & Smelting
Company of Canada, Limited.
" The International Nickel Company of
Canada, Limited.
" McIntyre-Porcupine Mines, Limited.
" Moore Corporation Limited.

ROBERT RAE, TORONTO. { General Manager, The Dominion Bank.
Director, Kellogg Company of Canada, Ltd.

DIRECTORS

L. D. M. BAXTER, O.B.E., WINNIPEG. { President, Osler, Hammond & Nanton Limited.
" Osler & Nanton Trust Company.
" The Calgary & Edmonton Corp'n, Ltd.
Director, God's Lake Gold Mines Limited.
" Guarantee Company of North America.
" Home Oil Company, Limited.
" Manitoba Bridge & Iron Works, Ltd.

COL. THE HONOURABLE
DR. HERBERT A. BRUCE,
F.R.C.S. (ENG.), LL.D., TORONTO. { President, Federal Fire Insurance Company.
Vice-President, Crown Trust & Guarantee Co.
Wellington Fire Insurance
Company.

ROBERT A. BRYCE, TORONTO. { President, Macassa Mines, Limited.
Chairman, D. A. Stuart Oil Company Limited.
Director, Confederation Life Association.
" Gypsum, Lime and Alabastine,
Canada, Limited.
" National Trust Company, Limited.

DIRECTORS—Continued

J. D. EATON,	TORONTO.	{ President, The T. Eaton Co. Limited and subsidiary Companies.
R. Y. EATON,	TORONTO.	{ President, The Eaton Knitting Co. Limited. Director, The National Trust Company, Limited.
A. ST. CLAIR GORDON, WALLACEBURG.		{ President and General Manager, Schultz Die Casting Co. of Canada Ltd. " " Sydenham Trading Co. Ltd. President, National Pressure Cooker Co. (Canada) Ltd. Director, Consolidated Bakeries Ltd. " National Pressure Cooker Co., EauClaire, Wis.
R. J. GOURLEY,	WINNIPEG.	{ President, Beaver Lumber Company, Limited. " Empire Sash & Door Company, Ltd. " Keewatin Box Company, Limited. Vice-President, Manitoba Bridge & Iron Works, Ltd. Member, Canadian Committee, Hudson's Bay Company. Director, The Monarch Life Assurance Company. " The Northern Trusts Company. " Westeel Products Limited. " Western Manufacturing Company, Ltd.
COL. THE HONOURABLE E. W. HAMBER, C.M.G., LL.D.,	VANCOUVER.	{ President, Hastings Sawmill Company, Limited. Director, Canadian Pacific Railway Company. " Pacific Mills Limited. " The Toronto General Trusts Corp'n.
D. M. HOGARTH, C.M.G.,	TORONTO.	{ President, Central Porcupine Mines Limited. " Montclerg Mines Limited. " Steep Rock Iron Mines Limited. Vice-President, Oklend Gold Mines Ltd. " Transcontinental Resources Ltd. Director, The Great Lakes Paper Company Ltd. " Little Long Lac Gold Mines Ltd. " Madsen Red Lake Gold Mines Ltd. " Pioneer Gold Mines of B.C. Ltd. " South American Gold Areas Ltd. " Ventures Limited.
A. W. HOLMESTED, K.C.,	TORONTO.	{ President, Page-Hersey Tubes, Limited. Director, Anthes-Imperial Limited. " Canada Bread Company, Limited. " Continental Kirkland Mines, Limited. " Empire-Hanna Coal Company Limited. " Imperial Iron Corporation Limited. " Morrison Brass Corporation, Limited. " The James Morrison Brass Manufacturing Company, Limited. " Shell Products Association, Limited. " Toburn Gold Mines, Limited.
J. M. MACKIE,	MONTREAL.	{ President, Brinton-Peterboro Carpet Co., Limited. Vice-President, Belding-Corticelli, Limited. Director, Manufacturers Mutual Fire Insurance Company, Providence, R.I. " Paton Manufacturing Company, Ltd.

DIRECTORS—Continued

THE HONOURABLE J. ARTHUR MATHEWSON, K.C., LL.D., MONTREAL.	{	Partner, Mathewson & Smith.
JOSEPH M. PIGOTT, C.B.E., K.C.S.G., HAMILTON.	{	President, Pigott Construction Company, Limited.
	{	Pigott Realty Company, Limited.
	{	Director, Atlas Steels Limited.
	{	Canada Steamship Lines, Limited.
	{	Consolidated Fire & Casualty Company.
J. ALLAN ROSS, TORONTO.	{	Hamilton Bridge Company.
	{	North American Life Assurance Company.
	{	Director, The Dominion Bank.
C. B. SHIELDS, TORONTO.	{	Vice-President, Loblaw Groceries Company, Ltd.
	{	Director, Canada Bread Company, Limited.
H. H. WILLIAMS, TORONTO.	{	The Great Lakes Paper Company, Ltd.
	{	Director, The Imperial Life Assurance Company of Canada.

THE DOMINION BANK

HEAD OFFICE; TORONTO

OFFICIALS

ROBERT RAE	- - - -	<i>General Manager</i>
T. WILDING	- - - -	<i>Assistant General Manager</i>
A. C. ASHFORTH	- - - -	<i>Assistant General Manager</i>
C. S. HOWARD	- - - -	<i>Chief Supervisor</i>
J. K. MUIR	- - - -	<i>Superintendent of Eastern Branches (Montreal)</i>
A. A. ATKINSON	- - - -	<i>Supervisor</i>
J. B. O'NEILL	- - - -	<i>Supervisor</i>
I. D. MACARTHUR	- - - -	<i>Supervisor</i>
C. A. PACK	- - - -	<i>Chief Inspector</i>
W. B. TANNAHILL	- - - -	<i>Secretary</i>
JOHN MILLER	- - - -	<i>Chief Accountant</i>
JOHN DENISON	- - - -	<i>Supervisor, Foreign Department</i>
L. L. LAIRD	- - - -	<i>Staff Supervisor</i>
JAMES GRANT	- - - -	<i>Superintendent of Bank Premises</i>

WESTERN OFFICIALS—WINNIPEG

S. C. COOK	- - - -	<i>Assistant General Manager</i>
E. R. CAMERON	- - - -	<i>Western Supervisor</i>
C. SMITH	- - - -	<i>Western Inspector</i>

BRANCHES OF THE DOMINION BANK

ONTARIO

BADEN	J. B. Runstedtler	Manager
BELLEVILLE	B. C. Sisler	Manager
BRACEBRIDGE	W. W. Creswick	Manager
BRAMPTON	W. E. Glenney	Manager
BRANTFORD	J. R. M. Spittal	Manager
CHATHAM	W. Watts	Manager
COBOURG	E. M. G. McPherson	Manager
DRESDEN	E. W. Slaght	Manager
FAIRBANK	S. Blues	Manager
	A. Young	Asst. Manager
FORT FRANCES	W. T. Russell	Manager
FORT WILLIAM	R. F. J. Ford	Manager
GERALDTON	T. J. Johnston	Manager
GRAVENHURST	T. A. Smith	Manager
GUELPH	A. H. Bazett	Manager
HAMILTON, Main Office (Main and James Sts.)	Norman Evans	Manager
	J. W. L. Addleton	Asst. Manager
Kenilworth Ave. and Barton St.	J. A. Harshaw	Manager
King and Wentworth Sts.	J. S. Dean	Manager
HESPELER	W. W. Heaney	Manager
HUNTSVILLE	J. G. Fraser	Manager
KENILWORTH	W. Coupar	Manager
KENORA	L. S. Nicholson	Manager
KIRKLAND LAKE	Thos. Long	Manager
KITCHENER, Main Office (70 King St. East)	G. E. Hynes	Manager
West End Branch (King and Victoria Sts.)	J. A. Tilley	Manager
LEAMINGTON	R. Humphrey	Manager
LINDSAY	M. E. Grant	Manager
LONDON	John McMillan	Manager
LONG BRANCH	W. H. Seabrook	Manager
MADOC	J. Walton	Manager
MARATHON (Thunder Bay District)	W. O. Elliott	Manager
MARMORA	G. Murray	Manager
MOUNT ALBERT	M. R. Roberts	Manager
MOUNT FOREST	W. Coupar	Manager
NAPANEE	C. R. Hanna	Manager
NEW TORONTO	W. V. Dedrick	Manager
NIAGARA FALLS	A. N. Kidd	Manager
ORILLIA	F. A. Burt	Manager
OSHAWA, Main Office (King and Simcoe Sts.)	C. Waite	Manager
	A. F. Fraser	Asst. Manager
South Oshawa Branch	J. R. Morrison	Manager

BRANCHES-ONTARIO—Continued

OTTAWA	W. E. Scott	Manager
PETERBOROUGH	T. T. Rodger	Manager
ST. CATHARINES	S. T. Organ	Manager
ST. THOMAS	H. G. Henderson	Manager
SARNIA	D. S. Hunter	Manager
SEAFORTH	E. C. Boswell	Manager
SUDBURY	R. M. Bolton	Manager
TIMMINS	A. Ritchie	Manager
Toronto, Main Office		
(Cor. King and Yonge Sts.)	Frank F. Hull	Manager
	F. Ross MacLean	Asst. Manager
	J. W. Maize	Asst. Manager
	G. L. Chapman	Asst. Manager
Avenue and Davenport Rds.	P. J. Jones	Manager
Bloor and Bathurst Sts.	G. M. Chesney	Manager
Bloor St. and Dovercourt Rd.	W. S. Waugh	Manager
Bloor St. and Runnymede Rd.	C. A. Thorpe	Manager
City Hall Branch	C. S. Blenkinship	Manager
	W. F. Sadler	Asst. Manager
Danforth and Logan Aves.	J. J. Irwin	Manager
Davenport and Dovercourt Rds.	R. A. Jennings	Manager
Davenport Rd. and Laughton Ave.	A. M. Slatter	Manager
Dufferin St. and Lappin Ave.	D. W. Dean	Manager
Dundas and McCaul Sts.	A. P. Duck	Manager
Dupont and Christie Sts.	R. W. M. Thomson	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.)	D. A. Burns	Manager
Leaside Branch (588 Bayview Ave.)	Wm. Davidson	Manager
Market Branch (King and Jarvis Sts.)	W. W. Duncan	Manager
Parkdale (Queen St. and Jameson Ave.)	P. A. Simpson	Manager
Queen St. and Augusta Ave.	G. Heath Ross	Manager
Queen St. and Broadview Ave.	T. B. Connochie	Manager
Queen and John Sts.	R. R. Buchanan	Manager
Queen St. and Lee Ave.	G. R. Cook	Manager
Queen St. and Ossington Ave.	M. E. Roberts	Manager
Queen and Sherbourne Sts.	J. H. Perry	Manager
Queen and Victoria Sts.	H. F. G. Cleland	Manager
Queen's Quay Branch	D. S. Bloxham	Manager
Roncesvalles and Howard Park Aves.	C. W. McMichael	Manager
Rosedale (Sherbourne and Bloor Sts.)	N. J. O'Flynn	Manager
St. Clair Ave. and Dufferin St.	W. E. Lepper	Manager
St. Clair Ave. and Vaughan Rd.	C. A. R. Hunter	Manager
Spadina Ave. and Adelaide St.	Joseph Johnson	Manager
Spadina Ave. and College St.	W. S. Pate	Manager
West Toronto Branch	F. E. Havill	Manager

BRANCHES—Continued

TORONTO—Continued

Yonge St. and Eglinton Ave.	R. T. E. Hicks-Lyne....	Manager
Yonge and Gerrard Sts.	T. C. Glenn.	Manager
Yonge and Hayden Sts.	J. M. R. Torrie.	Manager
Yonge St. and Marlborough Ave.	E. E. Abbott.	Manager
Yonge St. and St. Clair Ave.	T. W. Joyce.	Manager
Yonge St. and Teddington Park Ave.	G. J. Vicars.	Manager
York and Adelaide Sts.	R. B. Hunter.	Manager
UXBRIDGE.	D. D. Dunsire.	Manager
WELLAND.	E. W. McCrindle.	Manager
WHITBY.	J. C. Taylor.	Manager
WINDSOR.	T. F. R. Elliott.	Manager
WINGHAM.	G. C. Gammage.	Manager

QUEBEC

MONTREAL, Main Office

(240 St. James St. West)	W. A. Fisher.	Manager
	P. E. J. Netterfield.	Asst. Manager
Beaubien and Christophe Colomb Sts.	E. E. Baldwin.	Manager
Bleury and St. Catherine Sts.	W. D. Kelly.	Manager
	P. Kennedy.	Asst. Manager
Dominion Square Branch (Peel and St. Catherine Sts.)	W. J. Dundas.	Manager
Guy and St. Catherine Sts.	E. F. Morris.	Manager
Jean Talon Branch (Jean Talon and St. Urbain Sts.)	W. H. Hodgkin.	Manager
St. Jean Baptiste Market.	A. S. Jamieson.	Manager
	H. W. Reeves.	Asst. Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	P. C. Marsh.	Manager
	G. H. Clarkson.	Asst. Manager
QUEBEC.	I. D. Simmons.	Manager
ROUYN.	James Steele.	Manager

MANITOBA

BRANDON.	J. Addison.	Manager
DELORAIN.	J. F. Stewart.	Manager
St. BONIFACE (Union Stock Yards Branch).	R. G. Pinkerton.	Manager
SELKIRK.	R. A. Glendinning.	Manager
THE PAS.	A. C. Williamson.	Manager

BRANCHES—Continued

WINNIPEG, Main Office

(Main St. and McDermot Ave.)	S. C. Cook	Manager
	E. D. White	Asst. Manager
Main St. and Redwood Ave.	W. D. Cockerill	Manager
North End (678 Main St.)	B. E. Elmore	Manager
	H. L. McKinny	Asst. Manager
Notre Dame Ave. and Sherbrook St.	G. Watson	Manager
Portage Ave. and Kennedy St.	C. O. Bell	Manager
Portage Ave. and Sherbrook St.	J. G. Foggo	Manager

SASKATCHEWAN

GRENFELL	C. H. Johnston	Manager
LLOYDMINSTER	J. B. Brown	Manager
MOOSE JAW	A. Tomkins	Manager
REGINA	W. A. Radcliff	Manager
	Andrew Smith	Asst. Manager
SASKATOON	L. C. Brown	Manager

ALBERTA

CALGARY	B. E. Hull	Manager
	C. A. Perry	Asst. Manager
EDMONTON	M. C. Fraser	Manager
MEDICINE HAT	H. R. Hutchinson	Manager

BRITISH COLUMBIA

VANCOUVER, Main Office (Hastings St. West and Cambie St.)	C. W. Jones	Manager
	R. A. Dykes	Asst. Manager
Marpole Branch (1310 Southwest Marine Drive)	F. T. Goldsmith	Manager
Pender and Howe Sts.	J. R. Gulloch	Manager
VICTORIA	D. McMillan	Manager

NEW BRUNSWICK

SAINT JOHN	R. W. Thurston	Manager
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LONDON, ENGLAND

3, KING WILLIAM ST., E.C.4.	Percival Huffman	Manager
	H. E. Traviss	Asst. Manager
	E. W. Booth	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 WALL ST.	A. W. Rice	Agent
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CHIEF CORRESPONDENTS

GREAT BRITAIN	- Bank of England. Barclays Bank Limited. Glyn, Mills & Co. Lloyds Bank Limited. Midland Bank Limited. National Bank of Scotland, Limited. Union Bank of Scotland, Limited.
AFRICA	- - - - Barelays Bank (Dom., Col. and Overseas). Standard Bank of South Africa Limited.
AUSTRALASIA	- - - Bank of Adelaide. The Bank of Australasia. Bank of New South Wales. Bank of New Zealand. The Commercial Bank of Australia, Limited. National Bank of Australasia, Limited. The Union Bank of Australia Limited.
BELGIUM	- - - - Banque de Bruxelles, S.A.
CHINA	- - - - Bank of China. American Express Co. Chartered Bank of India, Australia and China. The Chase Bank. Hong Kong and Shanghai Banking Corp'n. The National City Bank of New York.
CZECHOSLOVAKIA	Prague Credit Bank.
DENMARK	- - - Kjobenhavns Handelsbank, A.S.
FRANCE	- - - - The Chase Bank. Comptoir National d'Escompte de Paris.
HOLLAND	- - - - Amsterdamsche Bank, N.V.
ITALY	- - - - Banca Commerciale Italiana. Credito Italiano.
NORWAY	- - - - Bergens Privatbank.
SOUTH AMERICA	- Bank of London and South America, Limited. The National City Bank of New York. Banco do Brasil, S.A. Banco Popular del Peru. Banco Venezolano de Credito, S.A.
SWEDEN	- - - - Svenska Handelsbanken.
SWITZERLAND	- - Banque Populaire Suisse. Union Bank of Switzerland.
TURKEY	- - - - Ottoman Bank. Sumerbank.
WEST INDIES	- - Barclays Bank (Dom., Col. and Overseas). The National City Bank of New York.

CHIEF CORRESPONDENTS—Continued

UNITED STATES

- BOSTON, MASS. - - First National Bank of Boston.
National Shawmut Bank of Boston.
- BUFFALO, N.Y. - - Liberty Bank of Buffalo.
Marine Trust Company of Buffalo.
- CHICAGO, ILL. - - Continental Illinois National Bank and Trust
Company of Chicago.
- CINCINNATI, O. - - First National Bank.
- CLEVELAND, O. - - National City Bank of Cleveland.
- DETROIT, MICH. - - Commonwealth Bank.
National Bank of Detroit.
The Detroit Bank.
- DULUTH, MINN. - - First and American National Bank.
- LOS ANGELES, CAL. - Bank of America National Trust and Savings
Association.
- MINNEAPOLIS, MINN. First National Bank and Trust Company of
Minneapolis.
Northwestern National Bank and Trust
Company of Minneapolis.
- MILWAUKEE, WIS. - Marine National Exchange Bank.
- NEW YORK, N.Y. - The National City Bank of New York.
Bankers Trust Company.
Central Hanover Bank and Trust Company.
The Chase National Bank of the City of New
York.
Continental Bank and Trust Company of
New York.
Corn Exchange Bank Trust Company.
Guaranty Trust Company of New York.
Irving Trust Company.
J. P. Morgan & Co. Inc.
- PHILADELPHIA, PA. - Central-Penn National Bank of Philadelphia.
First National Bank.
Philadelphia National Bank.
- PITTSBURGH, PA. - Peoples First National Bank and Trust
Company.
- ST. LOUIS, MO. - - Mercantile-Commerce Bank and Trust
Company.
- ST. PAUL, MINN. - First National Bank of St. Paul.
- SAN FRANCISCO, CAL. The Bank of California, N.A.
Bank of America National Trust and Savings
Association.
- SEATTLE, WASH. - - The Bank of California, N.A.
National Bank of Commerce of Seattle.
- WASHINGTON, D.C. - Riggs National Bank of Washington.

GENERAL STATEMENT, YEAR

ASSETS	
Gold and subsidiary coin held in Canada	\$ 591,148.22
Gold and subsidiary coin held elsewhere	328.04
Notes of Bank of Canada	5,260,101.00
Deposits with Bank of Canada	30,746,390.47
Notes of and cheques on other Banks	12,351,576.82
Government and bank notes other than Canadian . .	231,627.11
Due by Banks and Banking Correspondents elsewhere than in Canada	8,628,881.86
	\$ 57,810,053.52
Dominion Government direct and guaranteed Securities, maturing within two years, not exceeding market value	61,229,147.62
Other Dominion Government direct and guaranteed Securities, not exceeding market value	93,506,650.58
Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value	856,647.72
Other Provincial Government direct and guaranteed Securities, not exceeding market value	2,805,251.76
Canadian Municipal Securities, not exceeding market value	4,023,449.84
Public Securities other than Canadian, not exceeding market value	1,351,202.92
Other Bonds, Debentures and Stocks, not exceeding market value	5,066,453.23
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	2,481,879.01
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	5,809,699.92
Deposit with the Minister of Finance for the security of note circulation	50,484.03
	\$234,990,920.15
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	\$ 89,550,547.69
Loans to Cities, Towns, Municipalities and School Districts	258,485.29
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	1,105,975.12
Non-current Loans, estimated loss provided for	13,266.20
Bank Premises, at not more than cost, less amounts written off	4,673,216.09
Real Estate other than Bank Premises	16,104.12
Mortgages on Real Estate sold by the Bank	26,986.42
Other Assets not included under the foregoing heads (including refundable portion of Dominion Government taxes \$234,610.79)	406,159.76
	96,050,740.69
Liabilities of Customers under Acceptances and Letters of Credit, as per contra	9,343,501.00
	\$340,385,161.84

ENDED 31st OCTOBER, 1946

LIABILITIES

Capital paid up.....	\$ 7,000,000.00
Reserve Fund.....	\$ 9,000,000.00
Balance of profits, as per Profit and Loss Account..	1,360,735.08
Dividend No. 256 payable 1st November, 1946.....	175,000.00
Former Dividends unclaimed.....	1,044.53
	10,536,779.61
Total Liabilities to the Shareholders.....	\$ 17,536,779.61
Notes of the Bank in circulation.....	\$ 800,354.00
Deposits by and balances due to Dominion Government.....	\$ 15,317,278.43
Deposits by and balances due to Provincial Governments.....	1,995,955.37
Deposits by the public not bearing interest.....	112,153,046.12
Deposits by the public bearing interest, including interest accrued to date of statement.....	176,704,773.81
	306,171,053.73
Deposits by and balances due to other Chartered Banks in Canada.....	2,370,446.73
Deposits by and balances due to Banks and Banking Correspondents elsewhere than in Canada.....	3,984,783.53
Liabilities to the public not included under the foregoing heads.....	178,243.24
	313,504,881.23
Acceptances and Letters of Credit outstanding.....	9,343,501.00
	\$340,385,161.84

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS

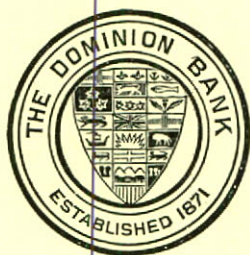
WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

That we have examined the above General Statement of Liabilities and Assets as at 31st October, 1946, and compared it with the books at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at 31st October, 1946, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Statement discloses the true condition of the Bank and is as shown by the books of the Bank.

T. A. M. HUTCHISON, C.A., of Peat, Marwick, Mitchell & Co.	}	Auditors.
H. P. HERINGTON, F.C.A., of Price, Waterhouse & Co.		

Toronto, 16th November, 1946.



THE DOMINION BANK

PROCEEDINGS of the Seventy-Sixth Annual General Meeting of the Shareholders

THE SEVENTY-SIXTH Annual General Meeting of the Shareholders of The Dominion Bank was held at the Head Office of the Bank in Toronto on Wednesday, 11th December, 1946, at 2.30 p.m.

Among those present were:

A. C. Ashforth, Edgar Bagshaw, A. H. Baillie, L. D. M. Baxter, O.B.E. (Winnipeg), R. K. Beairsto (Winnipeg), Evan A. Begg, A. M. Bethune, Col. the Hon. Dr. Herbert A. Bruce, F.R.C.S. (Eng.), LL.D., Robert A. Bryce, Thomas W. Butler, C. H. Carlisle, Lt.-Col. Gordon T. Cassels, S. C. Cook (Winnipeg), W. Stewart Darling, J. D. Eaton, E. L. Frankel, W. E. Glenney (Brampton), A. St. Clair Gordon (Wallaceburg), R. J. Gourley (Winnipeg), Lt.-Col. Sydney H. B. Grasett, Frank A. Harrison, C. S. Howard, Gordon Ince, J. M. Jellett, Lt.-Col. Baptist L. Johnston, Malcolm D. Kinsella, M.D., James V. Macfarlane, H. P. MacKechnie (Clarkson), J. M. Mackie (Montreal), Miss Olive B. Markle, The Hon. J. Arthur Mathewson, K.C., LL.D. (Montreal), J. W. Medland, R. S. McLaughlin (Oshawa), Lewis A. Neelands, James Nicholson, G. S. Osler, J. G. Parker, Joseph M. Pigott, C.B.E., K.C.S.G. (Hamilton), A. K. Pringle, Robert Rae, A. W. Rice (New York), J. Allan Ross, W. T. H. Selby, C. B. Shields, Thomas Wilding.

The President, Mr. C. H. Carlisle, having taken the chair, Mr. C. S. Howard was appointed to act as Secretary of the Meeting, and Mr. A. M. Bethune and Mr. A. H. Baillie were appointed Scrutineers.

At the request of the Chairman, the notice calling the Meeting was read by the Secretary. The Minutes of the last Annual General Meeting were taken as read and were confirmed.

The Chairman then called upon the Secretary to read the Directors' and the Auditors' Reports.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the following Statement of the result of the business of the Bank for the year ended 31st October, 1946, and a General Statement of the Assets and Liabilities as of that date.

Profits for the year ended 31st October, 1946, after making appropriations to Contingency Reserves, out of which full provision for bad and doubtful debts has been made, and after providing \$204,277.23 for depreciation of Bank Premises, and \$1,160,000.00 for Dominion Income and Excess Profits Taxes, of which \$37,286.61 is refundable.....	\$	860,768.83
Dividend No. 253 at eight per cent. per annum.....	\$140,000.00	
Dividends Nos. 254, 255 and 256 at ten per cent. per annum.....	525,000.00	
		<u>665,000.00</u>
Amount Carried Forward.....	\$	195,768.83
Balance of Profit and Loss Account, 31st October, 1945.....		<u>1,164,966.25</u>
Balance of Profit and Loss Account, 31st October, 1946.....		<u><u>\$1,360,735.08</u></u>

There has been restored to Reserve Fund the amount of \$2,000,000.00 which was transferred to a special inner reserve in 1933 to provide for unforeseen contingencies, which did not arise.

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

During the year two new Directors, The Hon. J. Arthur Mathewson, K.C., LL.D., and Mr. Robert A. Bryce, were elected to the Board.

Four branches were opened during the financial year; no branches were closed.

All branches of the Bank, including the Head Office, were inspected during the year in accordance with the usual practice.

The Auditors appointed by the Shareholders have made their examination of the Bank's affairs and their report accompanies the General Statement.

The Directors wish to record their appreciation of the efficient manner in which all the officers of the Bank have discharged their duties.

21st November, 1946.

C. H. CARLISLE,
President.

ADDRESS BY MR. C. H. CARLISLE,
PRESIDENT

Since the last Annual Meeting of The Dominion Bank, two additional Directors have been elected to your Board:

The Honourable J. Arthur Mathewson, K.C., LL.D., of the law firm of Mathewson and Smith, Montreal, has served as Treasurer of the Province of Quebec, as a Member of the Quebec Legislature and is a veteran of World War I. McGill University and the University of Montreal have conferred on him the honorary degree of LL.D. He is bilingual, speaking French as fluently as English.

Mr. Robert A. Bryce, of Toronto, is a Governor of the University of Toronto. He is a consulting engineer and well known and active in the mining industry, and particularly as President of Macassa Mines, Limited.

Both these gentlemen, through their extensive acquaintance and ability, will render the Bank good service.

MOST SUCCESSFUL YEAR

In many respects the fiscal year under review has been one of the most successful in our history. The Bank, during the year, has expanded its operations by opening new branches and purchasing property whereon additional branches will be constructed. This policy will be continued. Mr. Robert Rae, Vice-President and General Manager, will presently review the year's operations.

This occasion affords me an opportunity to make some very brief comments on general conditions—domestic and external.

WORLD INFLUENCES AFFECT CANADA

At no previous time has there been so great confusion, instability and danger as now exists among the nations of the world. Canada cannot be free and cannot isolate herself from the influence of these conditions. This has been

made more than apparent in the recent exposure of an espionage plot, the purpose of which was to give to a foreign nation secret and vital information as to our industries, our financing and the scientific developments of our war departments. There were twenty-seven persons mentioned in the report of the Royal Commission appointed to make investigation into espionage activities. Of these twenty-seven, fourteen were born in Canada, five in Britain and five were naturalized Canadian citizens. Ten of the Canadians were graduates of, or instructors in, Canadian universities; seven from McGill University, one from the University of New Brunswick, one from Queen's University and one from the University of Toronto. These facts are startling. The Commissioners make it clear that Communism is the seed bed of the entire conspiracy.

POISONOUS PLAGUE OF COMMUNISM

The stealthy poisonous plague of Communism has fallen on many localities throughout Canada, and to a greater extent than people are generally aware. Its doctrines are directly opposed to all our democratic concepts and to every instinct and aspiration of a free people. There are many who attribute the spread of Communism in our country to educational institutions, both in the primary and the higher field. Certainly all good citizens are anxious to preserve the widest measure of academic freedom. To this, as to all other human rights, there must, I submit, be limitation. No nation can suffer with impunity, and, indeed, without the utmost peril, the propagation of doctrines which sap the very foundations of its existence. This truth Canada is now discovering.

Every country should have the right to choose and maintain a government of its own selection. We possess that right and we concede it to all others. We desire to co-operate with a government so chosen regardless of how much it may differ from our own in form, policy or administration. We choose, ourselves, a democratic form of government, because only under such can freedom long survive. Our responsibility is to defend it not only against aggression from without but against treason from within.

RUSSIAN SYSTEM CONTRASTED

A democratic government is responsible to the people. It is created and maintained by the people and in due course it is removed by the people. Under it, all of every rank have the maximum of choice and initiative. Everyone has equal opportunity for a voice in the making of the law and has equal rights under the law. Compare the privileges we have, the comforts that we enjoy, with those of the greatest of totalitarian states—Russia. In Russia there is only one political party, because only one is permitted; one source of employment, one source of control—the State. In Canada there are several political parties, and the protection of a free and secret ballot. In Russia the theatres and newspapers are directed by the State. The people see and hear and read what the State permits. In Canada theatres are uncontrolled excepting in matters pertaining to decency and to the safety of the nation. Russia has one radio for every ninety people; we have one radio for every seven. Russia has one passenger automobile for every two hundred and fifty people; we have one for every ten. Russia's household appliances are very limited. These appliances are the usual equipment in the average Canadian home. Russia's railroad facilities are decidedly inadequate. Per capita, Canada has the largest railroad transportation system of any country in the world. It is difficult to understand why anyone who has enjoyed the privileges that we have, or is even acquainted with them, would advocate that we discard these privileges and accept Communism or totalitarianism in any form.

STRIKE WEAPON OVERWORKED

In the United States and in Canada the growth of labour organizations, both in membership and in influence, has been very rapid. These organizations were accepted and supported in the belief that the unions had for their purpose the betterment of industrial conditions, and especially the betterment of the conditions of the working people. Has this purpose been achieved? Today we have over the Anglo-Saxon world industrial warfare which threatens the supremacy of both government and law. Such a threat must be hurled back and kept back or civilization is lost. Nothing

ever was plainer than that today the strike weapon is being overworked.

In strike-bound plants figures are available showing the loss to companies and to their employees. The aggregate of this loss is really appalling. Indirect losses, both in extent and value, are even greater, and affect adversely government, industry, labour, and people in general.

APPALLING LOSSES CAUSED

Within the fourteen-month period ending October 31st, 1946, strikes have occurred in many important Canadian industries, such as automobiles and parts, logging, rubber, steel and products, electrical apparatus, textiles, coal mining, copper mining, brass, electro-metallurgy, newspaper printing, shipping, foundry, salt and soda ash, and these strikes have resulted in the loss of 5,452,000 working days. In the six-month period from May 1st to October 31st, the loss in wages in these and lesser strikes was more than \$29,000,000, involving 119,000 workers. As a result, all construction was retarded. House construction was stagnant while we waited for lumber, nails, plumbing fixtures, etc., and some worthy families were forced to live in shacks and even in barns. Due to insufficient containers, quantities of food products badly needed by hungry millions were lost. New cars and trucks remained idle due to strike-bound rubber tire plants. Farm machinery was not available. Delivery of newsprint, one of our principal exports, was handicapped by shipping strikes. Even our salt supply was interfered with. The protracted textile strike greatly reduced the quantity, quality and variety of our household requirements and clothing. That such a situation should exist is reprehensible; that it shall continue to exist is incredible.

CONSTITUTIONAL RIGHTS

Certain principles seem to me basic to civilization.

There cannot be permitted any abridgment of the right to ownership of property and access to same, except by statutes freely enacted. These things cannot be flouted by mobs. We must not permit the right to work to be limited by the

membership in any particular organization. These rights are fundamental and unchallengeable. Further, we cannot maintain our national economy if costs of production so ascend as to compel selling prices to rise beyond the purchasing power of domestic and foreign markets.

Production and service are the only sources of wealth. Wealth must be created before it can be distributed. Everyone, therefore, must suffer—and particularly those with least resources—when production and service diminish.

LABOUR CAN CO-OPERATE

Labour organizations are essential, and under proper leadership should be of special assistance in the betterment of production and service. The International Ladies' Garment Workers Union, under the general managership of Julius Hochman, has proven that labour organizations can work hand in hand with industry to the betterment of all. I quote from a statement made by Mr. Hochman: "Since 1933 the Dressmakers Union has had no need for strikes. There have been heated negotiations and sharp differences of opinion, but they have always been amicably adjusted—to the advantage of the industry as a whole."

There are few businesses or organizations that have made a more complete analysis of their industries than that made by The International Ladies' Garment Workers Union. This union has taken an active part in management, increasing efficiency, better styling, and in expanding trade in both domestic and foreign markets. From all this both employee and employer have benefited. This is co-operation.

LET COURTS ADJUDICATE

We must not come to the conclusion that industry is free from fault and always constructive, because it is not. It has failed largely in not taking the lead in industrial relations, in not keeping its employees and the public well informed of its plans, of its operations and of its financial requirements. If this were done frankly and factually, it would eliminate a great deal of misunderstanding and strife. It is essential also that industry give consideration to the viewpoints and requirements of its employees. This is the basis of co-

operation. Industrial warfare is akin to all warfare in that it is extremely destructive, and seldom results in the solution of any basic principle. It is really the "law of the jungle". Efficiently established governments settle their disputes through established courts of law.

I know of no country that has a judiciary system superior to that of Canada. Her judges are divorced from political influence. They are appointed for the period of their useful years. They are subject to recall for just cause. They are not permitted to sit in judgment on any case wherein they have a direct or an indirect interest. The decision of the court is final. Out of the myriad of disputes arising from our daily activities, a very small percentage come before the courts for decision. It appears advisable that our industrial disputes should be brought before such an impartial and efficient body for adjudication. The referring of our industrial disputes to the courts would eliminate a great inconvenience and loss to the people, production would not be interfered with, employees would not remain idle, nor would they be required, as they now are, to spend their savings for their maintenance during protracted strikes. Judgments rendered would establish a criterion in arbitrating industrial disputes. The implementing of such a plan would require additional judges and court facilities, but such an expense is minor indeed as compared to the loss sustained through protracted strikes.

ADJUSTMENTS WILL BE MADE

If political influence were eliminated, equitable laws enacted, and a legal status established whereby each would have equal responsibilities, which does not now exist, it would go a long way in solving our present industrial disputes.

Canada after the First Great War had major adjustments to make. They were made. She now has major adjustments confronting her again. They will be accomplished. We can look forward with hope in these troublesome days when we appraise our abundant natural wealth, our efficient industries and the high general level of men that work in them, and the many things that have produced, and still can produce, a happy and prosperous people.

ANALYSIS OF THE PROFIT AND LOSS ACCOUNT
AND BALANCE SHEET BY MR. ROBERT RAE,
GENERAL MANAGER

I am pleased to submit to you the Seventy-sixth Statement of the Bank's affairs, from which you will note that your institution is in a sound condition and has made solid progress during the year. Our Total Assets at \$340,385,161 are at the highest point in the history of the Bank.

The Secretary of the Meeting has read the statement of the Bank's profits and the disposition made of them. After contributing to the Staff Pension Fund, providing \$204,277 for depreciation of Bank Premises, and reserving \$1,160,000 for Dominion Income and Excess Profits Taxes, the profits for the year were \$860,768. Dividends totalling \$665,000 were paid, leaving a balance of \$195,768 to be added to Profit and Loss Account, which now stands at \$1,360,735. Commencing on the 1st May last, your Directors were able to increase the rate of dividend to 10% per annum, from which rate it had been reduced on 1st November, 1942. The contribution to the Staff Pension Fund was \$310,000 and, being in the nature of an operating expense, was charged to earnings this year before arriving at the net profits.

In 1933, in view of the uncertainty of business conditions then existing, it was deemed prudent to make special provision for unforeseen contingencies and accordingly \$2,000,000 was transferred from Reserve Fund to a special contingency account. I am very pleased to say that it was unnecessary for us to use any part of the reservation and your Directors decided to re-transfer the amount to Reserve Fund. The Capital structure of the Bank is now as follows:

Capital paid up.....	\$ 7,000,000.00
Reserve Fund.....	9,000,000.00
Profit and Loss Account.....	1,360,735.08
	<u>\$17,360,735.08</u>

SUBSTANTIAL INCREASE IN DEPOSITS

The principal change in the liabilities is the further increase in deposits. These now total \$306,171,053 against \$274,702,097 last year. Demand deposits by the public are up \$4,816,350, those bearing interest by \$20,207,286, while Dominion and Provincial Government deposits have increased by \$6,445,319.

Acceptances and Letters of Credit outstanding were \$9,343,501, an increase of \$1,624,120, evidencing more extensive transactions by our customers in foreign trade.

STRONG LIQUID POSITION

The Cash Assets at the end of the year were \$57,810,053, or 18.44% of public liabilities; the total Quick Assets including cash, security holdings and Call and Short Loans, \$234,999,920 were equivalent to 74.95% of public liabilities. Thus, our cash and liquid position remains very strong.

INVESTMENTS

Our holdings of securities now total \$168,838,803, a small increase from last year. As you will observe, our portfolio still consists almost entirely of Dominion and Provincial Government obligations, which amounted to \$158,397,697 on 31st October last.

COMMERCIAL LOANS

Last year, I ventured the hope that the increase in our Commercial Loans, then in evidence, would be the forerunner of an increased demand for money, arising from the turn to civilian production. I am very pleased to say that our Current Loans in Canada now total \$89,550,547 and show the substantial increase of \$24,129,121 from twelve months ago. The greater portion of the increase is attributable to mounting activity in the fields of manufacturing and merchandising to meet the demands for goods which have been, and still are, in short supply. Notwithstanding the increased wheat crop, there has been some decrease in grain loans. This can be attributed to the material improvement in ocean shipping conditions which has resulted in grain moving out more quickly than last year.

BANK PREMISES

At the end of the year Bank Premises Account amounted to \$4,673,216, an increase of \$120,538.

Branches were opened at:

Marathon, Ont.

Quebec, Que.

Jean Talon and St. Urbain Sts., Montreal, Que.

1310 Southwest Marine Drive, Vancouver, B.C.

At Quebec City we purchased suitable premises for the new Branch and, after making extensive alterations, commenced operations there on May 1st. The connections which have been formed since the opening date have fully justified our expectations. Premises have also been acquired at Port Arthur, Ont., Welland, Ont., and at Pender and Howe Streets, Vancouver, B.C., and will be occupied after it is possible to make the necessary structural alterations.

We have undertaken improvements at certain Branches where operations have been severely restricted through lack of space. Shortages of labour and materials have held up needed improvements at other points but we are hopeful of being able to proceed with our renovation programme without undue delay.

STAFF

The Staff now numbers 1,787 compared with 1,285 at the commencement of the war and 1,612 a year ago. The majority of the men and women who left us to join the Armed Forces have now returned to the Bank; that the time spent in the Services has not been lost is being demonstrated by the way in which they are re-establishing themselves in civil life—the experience they gained has been of great benefit, not only to them but to the Bank as well.

I avail myself of this opportunity of conveying to all members of the Staff my sincere appreciation of their loyalty and of the faithful service they have rendered during the past year. While working conditions may have been somewhat easier, the pressure has remained heavy, notwithstanding which our officers have performed their duties in a most satisfactory and efficient manner.

IMPORTANCE OF FOREIGN TRADE

I referred earlier to the increase in Letters of Credit which we have issued. Our people must realize the importance of foreign trade to Canada. We are one of the great trading nations of the world. The livelihood of approximately three out of eight workers depends directly on the condition of our export industries and it is vitally important to our economy that continued production for export be maintained at competitive world prices. In fact, if our present satisfactory level of income and employment is to continue we must have a permanently higher dollar value of export trade than before the war. Our war-expanded productive capacity, coupled with our new-found technical skills, places the people of Canada in an excellent position to open up new markets abroad and to retain past connections in foreign trade. The export of manufactured goods has been on the increase and a continued rise in the amount of processing which we apply to our primary products before export would be most desirable.

Foreign trade is, of course, a two-sided business and we must be importers also if we are to provide other countries with foreign exchange to buy our goods. We have been large importers of coal, petroleum products, iron and steel, fibres and textiles, etc., and have maintained generally a satisfactory level in regard to imports.

The Federal Government has done much to promote foreign trade, and is prepared to offer every assistance to those interested, as is evidenced by the efforts of the Department of Trade and Commerce and other Government services, including the Canadian Trade Commissioners abroad. Our exporters and importers would do well to make extensive use of the facilities thus provided.

CO-OPERATION POINTS TO BRIGHT FUTURE

A year ago we suggested that if the country is to reap the blessings of peace, we must go forward in unity and with a common understanding of each other's problems. It is regrettable that at the commencement of the reconstruction period we have had to face bitter disputes between capital and labour, the effects of which will be felt for many years.

These have delayed production at a time when all our efforts should have been directed to supplying the market with badly-needed consumer goods. It is to be hoped that following the settlement of most of these strikes, the folly of such antagonisms will become apparent to all and that Canada will now go forward resolutely and, forsaking such quarrels, will enjoy a lengthy period of prosperity. Your Bank stands ever ready to co-operate in all worthwhile aims which will contribute to that end and to the general well-being of our citizens.

On the motion of Mr. C. H. Carlisle, seconded by Mr. R. S. McLaughlin, the Directors' Report was adopted unanimously.

It was moved by Mr. Gordon Ince and seconded by Mr. J. M. Jellett:

THAT Mr. T. A. M. Hutchison, C.A., of Peat, Marwick, Mitchell and Company, and Mr. H. P. Herington, F.C.A., of Price, Waterhouse and Company, be appointed Auditors to hold office until the next Annual General Meeting, that their remuneration be fixed at a sum not to exceed \$15,000, and that the ballot for the Auditors be taken at the same time as the ballot for the Directors is taken.

It was moved by Mr. John G. Parker and seconded by Lt.-Col. Sydney H. B. Grasett:

THAT the Board of Directors for the ensuing year be: L. D. M. Baxter, O.B.E., C. A. Bogert, Col. The Hon. Dr. Herbert A. Bruce, F.R.C.S. (Eng.), LL.D., Robert A. Bryce, C. H. Carlisle, J. D. Eaton, R. Y. Eaton, A. St. Clair Gordon, R. J. Gourley, Col. The Hon. E. W. Hamber, C.M.G., LL.D., D. M. Hogarth, C.M.G., A. W. Holmsted, K.C., J. M. Mackie, The Hon. J. Arthur Mathewson, K.C., LL.D., R. S. McLaughlin, Joseph M. Pigott, C.B.E., K.C.S.G., Robert Rae, J. Allan Ross, C. B. Shields, H. H. Williams, and

THAT a ballot box be now opened for the receipt of ballot papers for the appointment of Auditors and for the election

of Directors and that the poll be closed at four o'clock in the afternoon or so soon before that hour as five minutes shall have elapsed without any further vote being cast, and that the Scrutineers do certify the result of the poll to the Chairman of the Meeting.

The Chairman then introduced the two new Directors, The Hon. J. Arthur Mathewson, K.C., LL.D., and Mr. Robert A. Bryce.

Mr. Mathewson, in addressing the Meeting, thanked the President for affording him an opportunity of meeting the owners of The Dominion Bank and stated that the Bank, in extending its operations further in the Province of Quebec, is assisting in the important task of the integration of all the different parts of Canada. He stated that Quebec could make a material contribution to the economic stability of the country through its faith in its own institutions and in its belief that our present system of private enterprise is essentially sound. The Bank has its place in spreading such confidence through contacts which its staff has with the people in all parts of the country.

Mr. Mathewson added that our economic system is susceptible of just as complete theoretical justification as any untried system. We sometimes fail to remember this. In Quebec the citizens believe in the institution of private property as essential to the dignity of man and the liberty of the individual. Our system of private ownership and free enterprise is certainly more to be trusted than the Utopian dreams of the theorists, whether Socialists or Communists; they offer a blueprint—we have built the house we live in.

The Chairman mentioned that Mr. C. A. Bogert, Chairman of the Board, acting on the advice of his physician, was not at the Meeting and his absence was much regretted by his associates. In his forty years as an Executive of the Bank Mr. Bogert has missed only four Annual Meetings. He has served in every major department of the Bank and has been an employee or an officer of the Bank for sixty-five years—an unusual record.

The Hon. Dr. Herbert A. Bruce, in extending congratulations to the President upon the splendid recovery he had made from his recent illness, stated he was sure he expressed the views of the Directors, as well as the Shareholders. He was glad to be assured by the President's medical advisers that Mr. Carlisle was good for many years to come and trusted he would continue to give to the Bank the leadership it had had during the twelve or thirteen years he has been its President.

Dr. Bruce stated that he also wished to congratulate another member of the Board, Mr. R. S. McLaughlin, a Vice-President for many years, who had suffered some slight illnesses during the last twelve months. He was sure all were very happy to see Mr. McLaughlin at the Meeting, looking so hale and hearty, and was certain we would have him with us for many years to give the Bank the benefit of his great ability and experience.

The ballots having been taken, the Scrutineers reported to the Chairman that Messrs. T. A. M. Hutchison, C.A., and H. P. Herington, F.C.A., had been appointed Auditors and the appropriation for their remuneration authorized, and that the gentlemen nominated as Directors had been duly elected Directors for the ensuing year.

The Chairman then thanked the Shareholders for their attendance and the Meeting terminated.

At a subsequent meeting of the Board of Directors, Mr. C. H. Carlisle was elected President, Mr. C. A. Bogert, Chairman of the Board, and Mr. R. S. McLaughlin and Mr. Robert Rae, Vice-Presidents, for the ensuing year.

The Annual Statement, with copy of the Profit and Loss Account, and the Minutes of the Annual Meeting are sent to the Shareholders in accordance with the provisions of Section 53 of the Bank Act.



