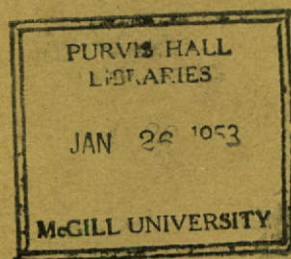


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THE DOMINION BANK



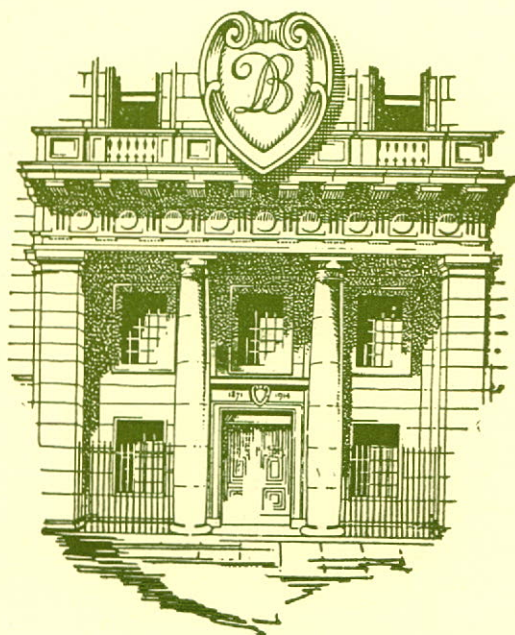
**SEVENTY - EIGHTH
ANNUAL REPORT
30TH OCTOBER 1948**

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

SEVENTY-EIGHTH ANNUAL REPORT

1871

1948



THE DOMINION BANK

30th OCTOBER, 1948

THE DOMINION BANK

Incorporated in Canada with Limited Liability

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL AUTHORIZED - -	\$10,000,000
CAPITAL SUBSCRIBED AND PAID UP - - - - -	\$ 7,000,000
RESERVE FUND - - - - -	\$10,000,000
UNDIVIDED PROFITS - - -	\$ 1,054,509

30TH OCTOBER, 1948

THE DOMINION BANK

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD

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

PRESIDENT

ROBERT RAE, TORONTO. Director, Kellogg Company of Canada, Ltd.

VICE-PRESIDENT

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.

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 Company.
" Wellington Fire Insurance
Company.
Director, Crown Life Insurance Co.

DIRECTORS—Continued

ROBERT A. BRYCE,	TORONTO.	{ President, Macassa Mines, Limited. " Renabie Mines, Limited. Chairman, D. A. Stuart Oil Company Limited. Director, Confederation Life Association. " Gypsum, Lime and Alabastine, Canada, Limited. " National Trust Company, Limited:
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, Canada Trust Company. " 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. " Steep Rock Iron Mines Limited. Vice-President, The Great Lakes Paper Company Ltd. Chairman, National General Insurance Company. Director, Little Long Lac Gold Mines Ltd. " Madsen Red Lake Gold Mines Ltd. " Pioneer Gold Mines of B.C. Ltd.
A. W. HOLMESTED, K.C.,	TORONTO.	{ President, Page-Hersey Tubes, Limited. Vice-President, Canada Bread Company, Limited. Director, Anthes-Imperial Limited. " Continental Kirkland Mines, Limited. " Imperial Iron Corporation Limited. " Morrison Brass Corporation, Limited. " The James Morrison Brass Manufacturing Company, Limited. " Shell Products Association, Limited. " Toburn Gold Mines, Limited.

DIRECTORS—Continued

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.
MURDOCH A. MacPHERSON, K.C.,	REGINA.	{	Partner, MacPherson, Milliken, Leslie & Tyerman.
			Director, J. M. Sinclair Ltd.
			“ Zeller's Limited.
THE HONOURABLE J. ARTHUR MATHEWSON, K.C., LL.D., D.C.L.,	MONTREAL.	{	Partner, Mann, Mathewson, Lafleur & Brown.
			President, Franki Compressed Pile Company of Canada Limited.
			Director, Canada Steamship Lines Limited.
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.
			“ Hamilton Bridge Company.
			“ North American Life Assurance Company.
J. ALLAN ROSS,	TORONTO.	{	Industrialist.
			Director, The Dominion Bank.
W. H. SNEATH,	NEW YORK.	{	President, Electric Furnace Products Co. Ltd.
			Vice-President and Director, United States Vanadium Corporation.
			Vice-Chairman, Aktieselskabet Saudefaldane, Sauda, Norway.
			Director, British Electro Metallurgical Co. Ltd.
H. H. WILLIAMS,	TORONTO.	{	Director, The Imperial Life Assurance Company of Canada.

THE DOMINION BANK

HEAD OFFICE - TORONTO

President

ROBERT RAE

General Manager

A. C. ASHFORTH

Assistant to the President

THOMAS WILDING

Assistant General Managers

S. C. COOK (Winnipeg)

J. K. MUIR (Montreal)

Western Superintendent

E. R. CAMERON

Supervisors

J. B. O'NEILL

JOSEPH JOHNSON

F. ROSS MACLEAN

I. D. MACARTHUR

W. B. TANNAHILL, *Secretary*

J. M. LAING, *Inspector*

Chief Accountant's Department

JOHN MILLER

R. E. SAUNDERS, C.A.

Chief Accountant

Assistant Chief Accountant

Foreign Department

JOHN DENISON

HUGH COWAN

Supervisor

Assistant Supervisor

Bank Premises Department

JAMES GRANT

H. G. WARING

Superintendent

Assistant Superintendent

T. B. CONNOCHIE, *Staff Supervisor*

WESTERN DIVISION - WINNIPEG

CORMACK SMITH

J. MORRISON

Western Supervisor

Assistant Supervisor

W. F. SADLER, *Western Inspector*

BRANCHES OF THE DOMINION BANK

ONTARIO

BADEN.....	J. B. Runstedtler.....	Manager
BELLEVILLE.....	J. Walton.....	Manager
BRACEBRIDGE.....	W. W. Creswick.....	Manager
BRAMPTON.....	W. E. Glenney.....	Manager
BRANTFORD.....	J. R. M. Spittal.....	Manager
CHATHAM.....	A. Ritchie.....	Manager
	M. W. Goldie.....	Asst. Manager
COBOURG.....	E. M. G. McPherson.....	Manager
CORNWALL.....	B. A. Harvie.....	Manager
DRESDEN.....	E. W. Slaght.....	Manager
ELMIRA.....	H. J. Bowring.....	Manager
FAIRBANK.....	S. Blues.....	Manager
	J. A. Richards.....	Asst. Manager
FORT FRANCES.....	W. T. Russell.....	Manager
FORT WILLIAM.....	J. A. Harshaw.....	Manager
GERALDTON.....	R. G. Deans.....	Manager
GORRIE.....	G. C. Gammage.....	Manager
GRAVENHURST.....	T. A. Smith.....	Manager
GUELPH.....	L. G. Babcock.....	Manager
HAMILTON, Main Office (Main and James Sts.).....	C. W. Jones.....	Manager
	G. T. Corlett.....	Asst. Manager
Kenilworth Ave. and Barton St.....	E. W. McCrindle.....	Manager
King and Wentworth Sts.....	J. S. Dean.....	Manager
	D. Tetlock.....	Asst. Manager
HESPELER.....	W. W. Heaney.....	Manager
HUNTSVILLE.....	J. G. Fraser.....	Manager
KENILWORTH.....	W. Coupar.....	Manager
KENORA.....	L. S. Nicolson.....	Manager
KIRKLAND LAKE.....	T. J. Johnston.....	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.....	G. Murray.....	Manager
MARATHON (Thunder Bay District).....	C. C. McGarvie.....	Manager
MARMORA.....	A. F. Fraser.....	Manager
MOUNT ALBERT.....	M. R. Roberts.....	Manager
MOUNT FOREST.....	W. Coupar.....	Manager
NAPANEE.....	C. R. Hanna.....	Manager
NEWMARKET.....	H. J. Hiscox.....	Manager
NEW TORONTO.....	W. V. Dedrick.....	Manager
NIAGARA FALLS.....	H. G. Henderson.....	Manager
ORILLIA.....	R. A. Dykes.....	Manager

BRANCHES-ONTARIO—Continued

OSHAWA, Main Office (King and Simcoe Sts.)	C. Waite	Manager
	G. E. Snyder	Asst. Manager
South Oshawa Branch	J. R. Morrison	Manager
OTTAWA	W. E. Scott	Manager
PETERBOROUGH	T. T. Rodger	Manager
PORT ARTHUR	Thos. Long	Manager
PORT CREDIT	J. D. Ketchum	Manager
ST. CATHARINES	S. T. Organ	Manager
ST. THOMAS	B. C. Sisler	Manager
SARNIA	D. S. Hunter	Manager
SEAFORTH	E. C. Boswell	Manager
SUDBURY	R. M. Bolton	Manager
TIMMINS	J. B. Rooney	Manager
TORONTO, Main Office (Cor. King and Yonge Sts.)	Frank F. Hull	Manager
	H. W. Reeves	Asst. Manager
	G. L. Chapman	Asst. Manager
	C. J. Forrest	Asst. Manager
Avenue and Davenport Rds.	M. E. Mitchell	Manager
Bloor and Bathurst Sts.	G. M. Chesney	Manager
Bloor St. and Dovercourt Rd.	W. S. Waugh	Manager
Bloor St. and Runnymede Rd.	J. W. L. Addleton	Manager
City Hall Branch	C. S. Blenkinship	Manager
	Andrew Smith	Asst. Manager
Danforth and Logan Aves.	J. J. Irwin	Manager
Davenport and Dovercourt Rds.	R. A. Jennings	Manager
Davenport Rd. and Loughton Ave.	A. M. Slatter	Manager
Dufferin St. and Glencairn Ave.	Alex. Young	Manager
Dufferin St. and Lappin Ave.	D. W. Dean	Manager
Dundas and McCaul Sts.	Wm. Davidson	Manager
Dupont and Christie Sts.	A. J. Essery	Manager
Kingsway Branch (2951 Bloor St. West)	A. H. Robinson	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.)	J. W. Maize	Manager
Leaside Branch (588 Bayview Ave.)	N. A. Meldrum	Manager
Market Branch (King and Jarvis Sts.)	W. W. Duncan	Manager
Parkdale (Queen St. and Jameson Ave.)	H. E. Crawford	Manager
Queen St. and Augusta Ave.	G. Heath Ross	Manager
Queen St. and Broadview Ave.	Geo. Richardson	Manager
Queen and John Sts.	P. E. J. Netterfield	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	W. G. Stoddart	Manager
Roncesvalles and Howard Park Aves.	C. W. McMichael	Manager
Rosedale (Sherbourne and Bloor Sts.)	N. J. O'Flynn	Manager

BRANCHES—Continued

TORONTO—Continued

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.	R. R. Buchanan	Manager
	F. B. Logan	Asst. Manager
Spadina Ave. and College St.	A. P. Duck	Manager
West Toronto Branch	F. E. Havill	Manager
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.	D. A. Burns	Manager
Yonge St. and St. Clair Ave.	R. W. M. Thomson	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	V. M. Cotton	Manager
WHITBY	J. C. Taylor	Manager
WILLOWDALE	H. F. Cox	Manager
WINDSOR, Main Office		
(101 Ouellette Ave.)	T. F. R. Elliott	Manager
	R. D. Rice	Asst. Manager
Ottawa St. Branch	N. V. McIntyre	Manager
WINGHAM	G. C. Gammage	Manager

QUEBEC

MONTREAL, Main Office		
(240 St. James St. West)	W. A. Fisher	Manager
	G. H. Clarkson	Asst. Manager
Beaubien and Christophe Colomb Sts.	L. L. Faust	Manager
Bleury and St. Catherine Sts.	W. D. Kelly	Manager
	D. S. Bloxham	Asst. Manager
	R. J. Henderson	Asst. Manager
Dominion Square Branch (Peel and St. Catherine Sts.)	W. J. Dundas	Manager
	G. A. Cromwell	Asst. Manager
Guy and St. Catherine Sts.	E. E. Baldwin	Manager
Jean Talon Branch (Jean Talon and St. Urbain Sts.)	W. H. Hodgin	Manager
St. Jean Baptiste Market	E. F. Morris	Manager
	A. Smith	Asst. Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	P. C. Marsh	Manager
	J. T. Archibald	Asst. Manager
	F. J. Ross	Asst. Manager
QUEBEC	I. D. Simmons	Manager
ROUYN	James Steele	Manager

MANITOBA

BRANDON	J. Addison	Manager
DELORAINÉ	J. F. F. Stewart	Manager

BRANCHES—Continued

ST. BONIFACE (Union Stock Yards Branch).....	R. G. Pinkerton.....	Manager
SELKIRK.....	R. A. Glendinning.....	Manager
TEULON.....	C. E. Joseph.....	Manager
THE PAS.....	W. H. Walkinshaw.....	Manager
WINNIPEG, Main Office (Main St. and McDermot Ave.).....	E. D. White.....	Manager
	T. A. Easton.....	Asst. Manager
Main St. and Redwood Ave.....	W. D. Cockerill.....	Manager
North End (678 Main St.).....	B. E. Elmore.....	Manager
	T. G. Maley.....	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
LOYDMINSTER.....	J. B. Brown.....	Manager
MOOSE JAW.....	A. C. Williamson.....	Manager
REGINA.....	A. Tomkins.....	Manager
	F. Campanelli.....	Asst. Manager
SASKATOON.....	L. C. Brown.....	Manager

ALBERTA

CALGARY.....	B. E. Hull.....	Manager
	F. M. Gemmel.....	Asst. Manager
EDMONTON.....	P. Kennedy.....	Manager
ELK POINT.....	T. H. Robertson.....	Manager
LETHBRIDGE.....	H. R. Hutchinson.....	Manager
MEDICINE HAT.....	Alex. Stewart.....	Manager
VILNA.....	J. A. Davidson.....	Manager

BRITISH COLUMBIA

VANCOUVER, Main Office (Hastings St. West and Cambie St.).....	R. F. J. Ford.....	Manager
	H. L. McKinny.....	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.....	A. N. Kidd.....	Manager
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LONDON, ENGLAND

3 KING WILLIAM ST., E.C.4.....	Percival Huffman.....	Manager
	H. S. White.....	Asst. Manager
	O. V. Michael.....	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 WALL ST.....	A. W. Rice.....	Agent
	R. G. Hogg.....	Asst. Agent
	E. A. Quackenbush.....	Asst. Agent

GENERAL STATEMENT

ASSETS

Gold and subsidiary coin held in Canada.....	\$ 501,296.86	
Gold and subsidiary coin held elsewhere.....	516.32	
Notes of Bank of Canada.....	5,020,013.00	
Deposits with Bank of Canada.....	40,234,134.12	
Notes of and cheques on other Banks.....	12,304,530.08	
Government and bank notes other than Canadian..	520,027.09	
Deposits with and balances due by other Chartered Banks in Canada.....	1,200.54	
Due by Banks and Banking Correspondents else- where than in Canada.....	9,472,137.95	
	<u>\$ 68,053,855.96</u>	
Dominion Government direct and guaranteed Securi- ties, maturing within two years, not exceeding market value.....	46,756,024.05	
Other Dominion Government direct and guaranteed Securities, not exceeding market value.....	91,814,688.42	
Provincial Government direct and guaranteed Securi- ties, maturing within two years, not exceeding market value.....	613,309.54	
Other Provincial Government direct and guaranteed Securities, not exceeding market value.....	4,723,475.15	
Canadian Municipal Securities, not exceeding market value.....	6,262,416.61	
Public Securities other than Canadian, not exceeding market value.....	3,471,757.65	
Other Bonds, Debentures and Stocks, not exceeding market value.....	8,693,769.99	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	4,887,516.84	
Call and Short (not exceeding thirty days) Loans else- where than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient market- able value to cover.....	5,970,939.79	
Deposit with the Minister of Finance for the security of note circulation.....	35,362.50	
	<u>\$241,283,116.50</u>	
Current Loans and Discounts in Canada, not other- wise included, estimated loss provided for.....	\$132,304,807.20	
Loans to Cities, Towns, Municipalities and School Districts.....	702,108.91	
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for.....	3,014,999.74	
Non-current Loans, estimated loss provided for....	12,889.31	
Bank Premises, at not more than cost, less amounts written off.....	5,803,570.22	
Mortgages on Real Estate sold by the Bank.....	22,261.21	
Other Assets not included under the foregoing heads (including refundable portion of Dominion Govern- ment taxes \$225,590.16).....	421,730.56	
	<u>142,282,367.15</u>	
Liabilities of Customers under Acceptances and Letters of Credit, as per contra.....	9,912,303.74	
	<u>\$393,477,787.39</u>	

30th OCTOBER, 1948

LIABILITIES

Capital paid up.....		\$ 7,000,000.00
Reserve Fund.....	\$ 10,000,000.00	
Balance of profits, as per Profit and Loss Account..	1,054,509.59	
Dividend No. 264 payable 1st November, 1948.....	175,000.00	
Former Dividends unclaimed.....	1,710.32	
		11,231,219.91
Total Liabilities to the Shareholders.....		\$ 18,231,219.91
Notes of the Bank in circulation.....	\$ 604,484.00	
Deposits by and balances due to Dominion Government.....	\$ 16,485,987.10	
Deposits by and balances due to Provincial Governments.....	2,617,413.38	
Deposits by the public not bearing interest.....	125,803,136.87	
Deposits by the public bearing interest, including interest accrued to date of statement.....	213,595,016.14	
		358,501,553.49
Deposits by and balances due to other Chartered Banks in Canada.....	2,943,067.37	
Deposits by and balances due to Banks and Banking Correspondents elsewhere than in Canada.....	3,112,322.76	
Liabilities to the public not included under the foregoing heads.....	172,836.12	
		365,334,263.74
Acceptances and Letters of Credit outstanding.....		9,912,303.74
		\$393,477,787.39

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS

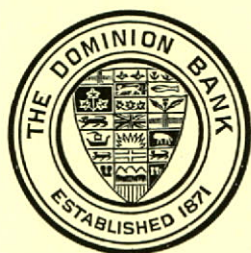
WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

That we have examined the above General Statement of Liabilities and Assets as at 30th October, 1948, 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 30th October, 1948, 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, F.C.A.,
of Peat, Marwick, Mitchell & Co. }
W. D. GLENDINNING, F.C.A., } Auditors.
of Glendinning, Jarrett, Gray & Roberts }

Toronto, 17th November, 1948.



THE DOMINION BANK

PROCEEDINGS

of the

Seventy-Eighth Annual General Meeting

of the

Shareholders

THE SEVENTY-EIGHTH Annual General Meeting of the Shareholders of The Dominion Bank was held at the Head Office of the Bank in Toronto on Wednesday, 8th December, 1948, at 2.30 p.m.

Among those present were:

A. C. Ashforth, Edgar Bagshaw, A. H. Baillie, A. M. Bethune, Merritt A. Brown, Col. The Hon. Dr. Herbert A. Bruce, F.R.C.S.(Eng.), LL.D., Robert A. Bryce, E. R. Cameron, C. H. Carlisle, Thomas B. Connochie, S. C. Cook (Winnipeg), W. Stewart Darling, Harold E. Davies, R. Y. Eaton, John S. Entwistle, Lt.-Col. John M. Ferguson (Brantford), E. L. Frankel, The Hon. G. Reginald Geary, P.C., K.C., A. St. Clair Gordon (Wallaceburg), R. J. Gourley (Winnipeg), Lt.-Col. Sydney H. B. Grasett, Frank A. Harrison, D. M. Hogarth, C.M.G., Arthur W. Holmsted, K.C., Frank F. Hull, H. E. Irwin, John M. Lalor, A. Macfadyen, James V. Macfarlane, J. M. Mackie (Montreal), The Hon. J. Arthur Mathewson, K.C., LL.D., D.C.L. (Montreal), John W. Medland, John Miller, J. K. Muir (Montreal), The Hon. William P. Mulock, P.C., K.C.M.G., Leonard L. McMurray, James Nicholson, G. S. Osler, C. A. Pack, Joseph M. Pigott, C.B.E., K.C.S.G. (Hamilton), Robert Rae, A. W. Rice (New York), W. P. Riley (Winnipeg), J. Allan Ross, Walter E. Scott (Ottawa), Andrew Smith, G. J. Vicars, William Walker, Thomas Wilding.

The President, Mr. C. H. Carlisle, having taken the chair, Mr. Thomas Wilding was appointed to act as the 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 30th October, 1948, and a General Statement of the Assets and Liabilities as of that date:

Profits for the year ended 30th October, 1948, after making appropriations to Contingency Reserves, out of which full provision for bad and doubtful debts has been made.....	\$2,319,433.70
Provision for depreciation of Bank Premises.....	247,337.30
	<hr/>
	\$2,072,096.40
Provision for Dominion and Provincial Taxes.....	950,000.00
	<hr/>
	\$1,122,096.40
Dividends at the rate of ten per cent per annum.....	700,000.00
	<hr/>
Amount carried forward.....	\$ 422,096.40
Balance of Profit and Loss Account, 31st October, 1947	632,413.19
	<hr/>
Balance of Profit and Loss Account, 30th October, 1948	<u>\$1,054,509.59</u>

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

On account of ill health, Mr. C. A. Bogert was obliged to retire from the Board during the year. Mr. Bogert was elected a Director and Vice-President in 1925, President in 1933 and Chairman of the Board in 1934. The Directors wish to record their appreciation of the valued service he has rendered to the Bank.

Mr. W. H. Sneath, of New York City, was elected to the Board in April last.

During the financial year four Branches were opened; no Branches were closed.

All the offices of the Bank, including the Head Office, have been inspected during the year.

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

It again affords the Directors much pleasure to express their appreciation of the capable manner in which the members of the Staff have performed their duties during the year.

C. H. CARLISLE,

25th November, 1948.

President.

The General Manager was then asked to comment on the Annual Statement.

ADDRESS BY MR. ROBERT RAE,
GENERAL MANAGER

It is with much pleasure that I submit the Balance Sheet of the Bank as at 30th October last; I trust that the result of the year's operations will be deemed satisfactory.

PROFIT AND LOSS ACCOUNT

The Profit and Loss Account shows that after making appropriations to Contingency Reserves, providing \$247,337 for depreciation of Bank Premises and \$950,000 for Dominion and Provincial Taxes, the net profits for the year were \$1,122,096. Of this sum, \$700,000 has been paid in dividends, leaving \$422,096 to be carried to Profit and Loss Account, an increase of \$150,418 from a year ago. The balance of Profit and Loss Account now stands at \$1,054,509.

You will probably agree that this is a satisfactory showing taking into consideration our increased operating expenses due mainly to higher remuneration paid to the staff.

ASSETS AND DEPOSITS HIGHER

You will observe that the Total Assets have increased by approximately \$33 millions and have now reached \$393 millions—the highest point in our history.

Total Deposits have increased \$35 millions and now amount to \$358 millions. \$8 millions of the increase was in Dominion Government deposits and the balance almost equally divided between interest bearing and non-interest bearing deposits.

We continue to show a highly liquid position. Cash Assets at over \$68 millions are equivalent to 18.63% of public liabilities, while Quick Assets including cash assets, investments and call loans at \$241 millions are 66.04% of liabilities to the public.

INCREASE IN LOANS

The demand for loans has not kept pace with the increase in our deposits and accordingly our surplus funds were invested in Dominion Government securities. These have now

reached a total of \$138 millions, an increase of \$19 millions from last year, and comprise the bulk of our investments which now total \$162 millions. The balance of \$24 millions is invested in Provincial and Municipal Government bonds and other high grade securities. The rapid expansion in Current Loans in Canada, so evident in our last two annual reports, has slowed down and, at \$132 millions, they are only 3.7% higher than a year ago—mostly accounted for by increased grain loans.

BANK PREMISES

Our investment in Bank Premises, including equipment, now stands at \$5,803,570, an increase of \$461,042.

During the year branches were opened at the following points:

Newmarket, Ontario
Port Credit, Ontario
Ottawa Street, Windsor, Ontario
Vilna, Alberta

Since 30th October last we have opened branches at Cornwall and Port Arthur in the Province of Ontario, both being substantial, well-equipped offices.

It was necessary for us to make much needed extensions and improvements at a number of locations and this policy will be continued where crowded quarters make this advisable. It is not intended to proceed with other than the most necessary work until conditions in the building trades improve. Our operations in Vancouver have been hampered through lack of a suitable main office. This will be remedied by the erection during the coming year of a new building at the corner of Granville and Pender Streets, the plans for which are now being prepared. I might mention also that we have acquired premises for a new branch in Edmonton, in the heart of the retail business section.

We have installed considerable mechanical equipment in our branches during the year and have had to make purchases of safes and safety deposit boxes which are only now becoming available in quantity.

SPLENDID WORK BY STAFF

The Bank is dependent on the services of its personnel for the successful conduct of its daily business operations. The Balance Sheet which has been presented today is the result of the loyal and efficient labours of all members of the staff. We are grateful to them for their co-operation and service during the year. Being closely in touch with all our employees, I know what a splendid job they have done and I wish to thank them sincerely on your behalf and my own.

ADVISES CAUTIOUS POLICY

Statistics have recorded the unparalleled increase in prices and volume of business and employment over the post-war years, and have lately shown signs of rising less abruptly or even flattening out. This suggests the advisability of business, large and small, maintaining an adequate working capital position and the adopting of a conservative attitude towards inventory accumulation and capital expansion. We are hopeful that the smaller increase recorded in our current loans is an indication that the customers of this Bank, in the main, are following this course.

We are in the midst of a world-wide "cold" war which has already burst into flames in China. Canada has taken an increasingly important part in the United Nations Organization and we trust that the deliberations of that body, backed by preparedness, will result in a settlement of the differences which have arisen between Russia and the Western Democracies and that a lasting peace may ensue. We are sure that every Canadian will wish to support those in whom he reposes authority at this critical time.

ADDRESS BY MR. C. H. CARLISLE,
PRESIDENT

A sound, economical and competitive banking system is essential to the state, to all the people who live within the state, to all business activities therein and to their relations with foreign states. Canada has such a banking system.

Notwithstanding the successful operation of our present banking system, and the prosperity of the country and its people under this system, one of our political parties—the Co-operative Commonwealth Federation—has declared that, if called upon to form the government, it will nationalize the Canadian Banks.

Before passing judgment, it is essential to have knowledge of the things to be judged. Therefore, we will review in an elementary way the major factors pertaining to the banks' shareholders and to the operations of our banks.

SHAREHOLDERS' DIVIDENDS NOT EXCESSIVE
IN RELATION TO CAPITAL EMPLOYED

It is difficult for those not trained in accountancy to understand a balance sheet. The purpose of a balance sheet is to set forth an accurate statement of worth and current year's operations. There may appear items in a statement that, while accurate, may be misinterpreted due to lack of knowledge of all the factors composing the statement; for instance, the rate paid on bank stocks. Your Bank pays a dividend of 10% on the par value of its shares. This rate, to many, may appear excessive as compared with rates paid on commercial investments and government securities. The 10% which you as a shareholder receive on the par value of your shares is only equivalent to 3.87% on your total investment, or 4% on the current market value of your shares.

The shareholders have contributed much to the financial soundness of the Bank. Out of the \$12,900,000 paid for their shares, \$5,900,000 has been transferred to reserve and, since the inception of the Bank in 1871, out of yearly earnings additional amounts have been transferred until the Reserve Fund now stands at \$10,000,000. At all times adequate amounts have been set aside to provide for credit losses.

With a 3.87% return on the shareholders' total investment, can anyone fairly or justly claim that the shareholder has been receiving unduly high and unjust returns on his investment?

BANK SHARES SOUND INVESTMENT

Although the dividends which you receive are relative to those paid on commercial stocks and government securities, you have in your bank stock an investment that is sound. The safety of your investment is paramount, and especially at this time when the world's affairs are in a chaotic condition. In seventy-eight years' operation this Bank has provided you, as it does today, with that safety. The Dominion Bank has withstood every financial depression. It has made no demands whatsoever upon its shareholders. Its shares today have a greater security than at any previous time. In future that security must be maintained not only for the benefit of the shareholders, but also for the benefit of all who deal with the Bank.

LEGISLATION REGULATES BANKING

Legislation governing chartered banks is more comprehensive and exacting than that governing commercial companies. The Bank Act in part provides for inspection of the banks by the Inspector General of Banks, the submitting to the Government of monthly detailed statements of the banks' operations, the auditing of the banks' affairs by two auditors, appointed by the shareholders at each annual general meeting. In addition, each bank has its own supervisors who maintain a continuing audit on all the branch operations of the bank. Therefore the Government has adequate information pertaining to the transactions of each and all of the banks. This procedure does not conflict with the ownership nor with the operations of the banks.

CANADA HAS AN UNSURPASSED BANKING SYSTEM

The functions of the Bank of Canada are primarily to regulate credit and currency, to promote the economic and financial welfare of the Dominion of Canada, and to transact business—both national and international—on behalf of the Government of Canada, but it is in no way a trading bank.

Therefore, its operations do not conflict with nor duplicate the operations of the chartered banks. The Bank of Canada and the chartered banks or trading banks give Canada a banking system surpassed by that of no other country.

The chartered banks are owned and controlled by their shareholders. Bank stocks are widely distributed. The largest group of people holding The Dominion Bank shares are those who hold from one to fifty shares and constitutes 34% of the total number of shareholders.

FREEDOM VS. DICTATORSHIP

Bank directors are carefully chosen from various professions and occupations and from different sections of the country. Therefore, the banks have the necessary information to enable them to give the maximum service to the people in all sections of our country. This is evidently a more efficient procedure than could possibly exist under government ownership, where a few directors appointed by the government would have control. The chartered banks are under no political direction, neither are they responsible to any political party. The directorate of a government-owned bank may change with a change of government; that would be most disconcerting. In countries where government ownership exists, political influence exists. Could we anticipate that government-owned banks would be an exception? Government-owned banks deprive individuals as well as incorporated organizations of the right to invest in bank stocks. Government ownership of banks provides only one source for your banking requirements; such a bank is absolute as to the terms, conditions and amounts that you may borrow or the service that you may receive, whereas at present you have the right of dealing with ten competitive banks. One is freedom of banking; the other is dictatorship of banking.

BRANCH BANKING ESSENTIAL

Canada is a large country. Compared with the United States it is 20% larger in area and 89% smaller in population. Therefore, need for branch banks in the United States is very limited, while in Canada branch banks are essential if we are

to provide our people with an adequate banking service. Canadian banks also maintain a national and international service.

During and since the war the chartered banks have given every support to our Government, sometimes without remuneration. The banks have been and are large purchasers of Dominion Government securities, their holdings reaching a maximum in November, 1946, of \$3,609,000,000—yield rates have ranged as low as .36%.

HIGHER COST OF BANKING

The banks have not been free from the high costs of operations. Notwithstanding these increased costs, the average rates charged to the customers of the Bank have not been increased during a period of nine years following the beginning of the last war. This, in part, has been made possible by increased volume of business and rapid turnover. If high costs continue or further increases take place, it will be necessary to increase operational charges. It is of interest to note the percentage of net profit earned on the total funds employed by the Bank as reflected by the statement now under review is only 3-10ths of 1%.

The foregoing is a brief statement of Canadian banking operations.

MAXIMUM SERVICE PROVIDED

I believe the people of Canada, who have knowledge of our banking system, will appreciate its soundness, the stability of its loaning rates and charges—regardless of inflation or deflation—the safeguards surrounding its every transaction, its greater freedom of choice—a system that provides the maximum service.

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

It was moved by Mr. A. Macfadyen and seconded by Mr. John W. Medland:

THAT Mr. T. A. M. Hutchison, F.C.A., of Peat, Marwick, Mitchell and Company, and Mr. W. D. Glendinning, F.C.A., of Glendinning, Jarrett, Gray and Roberts, 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 The Hon. W. P. Mulock, P.C., K.C.M.G., and seconded by Mr. John M. Lalor:

THAT the Board of Directors for the ensuing year be: L. D. M. Baxter, O.B.E., 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, Murdoch A. MacPherson, K.C., The Hon. J. Arthur Mathewson, K.C., LL.D., D.C.L., R. S. McLaughlin, Joseph M. Pigott, C.B.E., K.C.S.G., Robert Rae, J. Allan Ross, W. H. Sneath, 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 referred to the election of Mr. W. H. Sneath of New York City to the Board of Directors in April last, and on behalf of the Directors extended a cordial welcome to him. Mr. Sneath, he stated, is a prominent industrialist and a Director and Officer in important corporations in the United States, the United Kingdom, Canada and elsewhere. Notwithstanding the few months he has been a member of the Board, Mr. Sneath has already rendered valuable service to the Bank and we are assured of his continued co-operation and active interest in its affairs.

The Chairman called on The Hon. J. Arthur Mathewson, K.C., to address the Meeting.

Mr. Mathewson said that he wished to thank the Shareholders for the opportunity of speaking to them, the annual experience of coming in contact with them being both stimulating and strengthening. He considered that the branches of the Bank in the Province of Quebec, and in which he was particularly interested, were contributing their full share to the economic welfare of Canada; by giving sound advice and helpful service to customers, much progress had been made.

Mr. Mathewson further referred to the subversive forces at work in this country, particularly Communism, which he likened to termites infesting the foundations of a building, and which could seriously affect our established institutions.

The ballots having been taken, the Scrutineers reported to the Chairman that Messrs. T. A. M. Hutchison, F.C.A., and W. D. Glendinning, 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 Meeting then terminated.

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

Mr. A. C. Ashforth was appointed General Manager in succession to Mr. Robert Rae, and Mr. Thomas Wilding was appointed Assistant to the President.

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.

