



# IMPERIAL BANK OF CANADA

SEVENTY-THIRD  
ANNUAL REPORT  
PRESENTED TO THE  
SHAREHOLDERS  
NOVEMBER 26<sup>th</sup>  
1947









73rd Annual General Statement—31st October, 1947

# IMPERIAL BANK OF CANADA

ESTABLISHED 1875

Head Office, Toronto

CAPITAL (AUTHORIZED) \$10,000,000.

CAPITAL (PAID-UP) \$7,000,000.

RESERVE FUND AND UNDIVIDED PROFITS \$11,281,666.

## Directors

R. S. WALDIE, PRESIDENT

J. W. HOBBS, VICE-PRESIDENT

W. G. MORE, VICE-PRESIDENT

WALTER C. LAIDLAW

G. H. AIKINS, K.C. (Winnipeg)

H. E. SELLERS (Winnipeg)

W. B. WOODS

ARTHUR L. BISHOP

E. E. BUCKERFIELD (Vancouver)

C. G. COCKSHUTT (Brantford)

H. L. McCULLOCH (Galt)

J. R. TIMMINS (Montreal)

ELIOT S. FROSST (Montreal)

F. G. ROLPH

W. P. WALKER

A. W. BAILLIE

J. A. NORTHEY

## Officers

W. G. MORE,

GENERAL MANAGER

I. K. JOHNSTON,

ASSISTANT GENERAL MANAGER

L. S. MACKERSY,

ASSISTANT GENERAL MANAGER

J. S. PROCTOR

ASSISTANT GENERAL MANAGER

R. CARSON

SUPERINTENDENT OF WESTERN BRANCHES

W. BOURKE,

CHIEF INSPECTOR

B. E. HOWARD,

GENERAL SUPERVISOR

JOHN HADDEN,

SECRETARY

H. D. SCOTT,

SUPERINTENDENT OF FOREIGN BUSINESS

P. H. JONES,

EASTERN SUPERINTENDENT

H. F. RICE,

SUPERINTENDENT OF INVESTMENTS

W. E. LEWIS,

CHIEF ACCOUNTANT

H. P. BAKER,

EXECUTIVE SECRETARY

PURVIS HALL  
LIBRARIES

NOV 26 1947

McGILL UNIVERSITY



# Imperial Bank of Canada

Head Office, Toronto

## 73rd Annual General Statement

31st October, 1947

### PROFIT AND LOSS ACCOUNT

Profits for the year ended 31st October, 1947, after contributions to Staff Pension Fund and after making appropriations to Contingency Reserves out of which full provision for bad and doubtful debts has been made.....	\$ 1,807,826.39
Provision for depreciation of Bank Premises, Furniture and Equipment .....	225,166.54
	<u>\$ 1,582,659.85</u>
Provision for Income and Excess Profits Taxes and Provincial Corporation Taxes.....	742,000.00
	<u>\$ 840,659.85</u>
Dividends at the rate of \$1.00 per share.....	700,000.00
Balance of Profits carried forward.....	<u>\$ 140,659.85</u>
Profit and Loss Balance 31st October, 1946.....	1,141,006.30
Profit and Loss Balance 31st October, 1947.....	<u><u>\$ 1,281,666.15</u></u>

### RESERVE FUND

Balance at credit of account 31st October, 1946.....	\$ 8,000,000.00
Transfer from Contingency Reserves being portion of provisions from profits as shown on the Statements of prior years, no longer required .....	2,000,000.00
Balance at credit of account 31st October, 1947.....	<u><u>\$10,000,000.00</u></u>

R. S. WALDIE,  
*President*

W. G. MORE,  
*General Manager*

The ANNUAL GENERAL MEETING of the Shareholders will be held at the

Head Office of the Bank

51 KING STREET WEST, TORONTO,

On Wednesday, 26th November, 1947

At 11.30 A.M.



# Seventy-Third Annual General Statement, 31st October, 1947

## LIABILITIES

Capital Paid Up.....		\$ 7,000,000.00
Reserve Fund.....		10,000,000.00
Dividends declared and unpaid.....		176,759.93
Balance of Profits, as per Profit and Loss Account.....		1,281,666.15
		<hr/>
		\$ 18,458,426.08
Notes in Circulation.....		884,747.50
Deposits by and balances due to Dominion Government.....	\$ 7,487,973.16	
Deposits by and balances due to Provincial Governments.....	19,302,289.49	
Deposits by the public not bearing interest.....	103,756,276.68	
Deposits by the public bearing interest, including interest accrued to date of Statement.....	247,295,098.85	
		<hr/>
		377,841,638.18
Deposits by and balances due to other Chartered Banks in Canada.....	\$ 3,803,573.44	
Deposits by and balances due to Banks and Banking Correspondents elsewhere than in Canada.....	6,130,360.60	
		<hr/>
		9,933,934.04
Acceptances and Letters of Credit Outstanding.....		7,777,192.02
Liabilities to the public not included under the foregoing heads.....		185,573.02
		<hr/>
		\$415,081,510.84

## ASSETS

Gold and Subsidiary Coin held in Canada.....		\$ 647,888.40
Notes of Bank of Canada.....	\$ 9,691,841.75	
Deposits with Bank of Canada.....	29,104,845.95	
		<hr/>
		38,796,687.70
Notes of and Cheques on other Banks.....		19,748,292.50
Government and Bank Notes other than Canadian.....		695,577.69
Deposits with and balances due by other Chartered Banks in Canada.....		734,679.90
Due by Banks and Banking Correspondents elsewhere than in Canada.....		5,335,350.91
		<hr/>
		\$ 65,958,477.10
Dominion Government direct and guaranteed Securities maturing within two years, not exceeding market value.....	\$ 27,295,475.78	
Other Dominion Government direct and guaranteed Securities, not exceeding market value.....	110,046,573.20	
Provincial Government direct and guaranteed Securities maturing within two years not exceeding market value.....	2,675,278.44	
Other Provincial Government direct and guaranteed Securities, not exceeding market value.....	6,169,772.64	
Canadian Municipal Securities, not exceeding market value.....	6,592,846.16	
Other Bonds, Debentures and Stocks, not exceeding market value.....	11,063,153.69	
		<hr/>
		163,843,099.91
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	\$ 6,429,111.83	
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for.....	160,053,597.89	
Loans to Provincial Governments.....	2,695,729.35	
Loans to Cities, Towns, Municipalities and School Districts.....	2,125,091.70	
		<hr/>
		171,303,530.77
Non-current Loans, estimated loss provided for.....		22,432.16
Liabilities of Customers under Acceptances and Letters of Credit as per contra.....		7,777,192.02
Bank Premises, at not more than cost, less amounts written off.....		6,053,278.01
Deposit with the Minister of Finance for the security of note circulation.....		49,704.24
Other Assets not included under the foregoing heads.....		73,796.63
		<hr/>
		\$415,081,510.84

R. S. WALDIE, *President*

W. G. MORE, *General Manager*

### AUDITORS' REPORT TO SHAREHOLDERS:

We report to the Shareholders of the Imperial Bank of Canada:—  
That we have examined the above Statement as at 31st October, 1947, and compared it with the books at Head Office and with the certified returns from the Branches. 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. HURCHISON, F.C.A.  
of Peat, Marwick, Mitchell & Co.  
J. W. TAYLOR, F.C.A.  
of Price, Waterhouse & Co.



# Imperial Bank of Canada

## Branches

### PROVINCE OF ONTARIO

**Toronto**—King and Bay Sts. (Head Office)  
 Adelaide and Victoria Sts.  
 Bathurst and Dupont Sts.  
 Bay and Temperance Sts.  
 Bayview Ave., Leaside  
 Bloor and Bathurst Sts.  
 Bloor St. and Lansdowne Ave.  
 Church and Carlton Sts.  
 Danforth and Carlaw Aves.  
 Dundas and Bloor Sts.  
 Dundas and Jarvis Sts.  
 Dundas St. and Runnymede Rd.  
 Dundas St. and University Ave.  
 Dundas and Victoria Sts.  
 Eglinton Ave. and Mount Pleasant Rd.  
 King and Market Sts.  
 King and Sherbourne Sts.  
 King St. and Spadina Ave.  
 King and York Sts.  
 Kingston Rd. and Balsam Ave.  
 Kingsway (Bloor and Willingdon)  
 Leaside  
 Long Branch—Sub-branch to New Toronto  
 Monarch Park and Danforth Aves.  
 New Toronto  
 Oakwood Ave. and Rogers Rd.  
 Queen and Bathurst Sts.  
 Queen St. and Carlaw Ave.  
 Queen St. and Kingston Rd.  
 Queen St. and Roncesvalles Ave.  
 Runnymede Rd. and Annette St.  
 St. Clair and Boon Aves.  
 Silverthorn Ave. and Rogers Rd.  
 Wellington and Yonge Sts.  
 West Toronto  
 1953 Yonge St.  
 Yonge and Bloor Sts.  
 Yonge and Queen Sts.

**Amherstburg**  
**Aurora**  
**Aylmer**  
**Bolton**  
**Brantford**  
 Caledon East—Sub-branch to Bolton  
 Central Patricia—Sub-branch to Pickle Crow  
**Chatham**  
**Cobalt**  
**Cochrane**  
**Cottam**  
**Delhi**  
**Englehart**  
**Essex**  
**Fergus**  
**Fonthill**  
**Fort William**  
**Galt**  
**Hamilton**  
**Harrow**  
**Hearst**  
**Hudson**  
**Humberstone**  
**Ingersoll**  
 Jordan—Sub-branch to Vineland  
 Jordan Station—Sub-branch to Vineland  
**Kapuskasing**

Kearns—Sub-branch to Virginiatown

**Kenora**  
**Kirkland Lake**  
**Kitchener**  
**Langton**  
**Larder Lake**  
**Listowel**  
**London**  
**Matachewan**  
**Matheson**  
**McKenzie Island**  
**New Liskeard**  
**Niagara Falls**  
 " Bridge St.  
 " South  
**Niagara-on-the-Lake**  
**North Bay**  
**Ottawa**  
 Palgrave—Sub-branch to Bolton  
**Peterborough**  
**Pickle Crow**  
**Port Arthur**  
**Port Colborne**  
**Preston**  
**Red Lake**  
**Ridgeway**  
**St. Catharines**  
 " East End  
 " Market  
**St. Davids**  
**St. Thomas—East End**  
 " West End  
**Sandwich**  
**Sault Ste. Marie**  
 " Gore and Queen Sts.  
**Schomberg**  
**Sioux Lookout**  
**South Porcupine**  
**Stamford**  
**Sudbury**  
**Terrace Bay**  
**Thessalon**  
**Timmins**  
**Vineland**  
**Virginiatown**  
**Walkerville**  
 " Tecumseh Blvd.  
**Welland**  
**Windsor**  
**Woodstock**

### PROVINCE OF QUEBEC

**Bourlamaque**  
**Montreal**  
 " East  
**Noranda**

### PROVINCE OF MANITOBA

**Brandon**  
**Gimli**  
**Portage La Prairie**  
 Riverton—Sub-branch to Gimli  
**Winnipeg**  
 " North End  
 " St. Vital

### PROVINCE OF SASKATCHEWAN

**Assiniboia**  
**Bengough**  
**Broadview**  
**Canwood**  
**Fort Qu'Appelle**  
**Hepburn**  
**Laird**  
**Landis**  
**Maymont**  
**Meadow Lake**  
**Moose Jaw**  
**Mossbank**  
**Pangman**  
**Piapot**  
**Prince Albert**  
**Regina**  
**Rockglen**  
**Rosthern**  
**Saskatoon**  
**Stoughton**  
**Weyburn**  
**Wilkie**  
**Yellow Grass**

### PROVINCE OF ALBERTA

**Athabasca**  
**Banff**  
 Boyle—Sub-branch to Athabasca  
**Calgary**  
 " East End  
**Donalda**  
**Eckville**  
**Edmonton**  
 " Alberta Ave.  
 " Norwood Blvd.  
 " South  
 " West  
**Edson**  
**Ferintosh**  
**Grande Prairie**  
**Jasper**  
 Mercoal—Sub-branch to Edson  
**Millet**  
**Red Deer**  
**Rocky Mountain House**  
**Sangudo**  
**Sylvan Lake**  
**Wetaskiwin**

### PROVINCE OF BRITISH COLUMBIA

**Cranbrook**  
**Fernie**  
**Golden**  
**Invermere**  
**Natal**  
**Nelson**  
**Revelstoke**  
**Vancouver**  
 " 8211 Granville St.  
 " Hastings and Abbott Sts.  
 " Hastings and Clinton Sts.  
 " West  
 " 3209 West Broadway  
**Victoria**  
 " Fort St.

### NORTH WEST TERRITORIES

**Yellowknife**



(A) Pres. - Imp. Bk. of Canada - Jan. 1947

# Imperial Bank of Canada

Head Office: Toronto

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*Established 1875*

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CAPITAL AUTHORIZED . \$10,000,000

CAPITAL PAID UP . . . 7,000,000

RESERVE FUND . . . 10,000,000

UNDIVIDED PROFITS . . 1,281,666

Seventy-Third Annual Report  
1947



# Imperial Bank of Canada

ESTABLISHED 1875

CAPITAL (AUTHORIZED) - - - - -	\$10,000,000
CAPITAL (PAID UP) - - - - -	7,000,000
RESERVE FUND AND UNDIVIDED PROFITS -	1,281,666

## DIRECTORS

R. S. WALDIE, PRESIDENT			
J. W. HOBBS, VICE-PRESIDENT			
W. G. MORE, VICE-PRESIDENT			
WALTER C. LAIDLAW			
G. H. AIKINS, K.C. (Winnipeg)	H. E. SELLERS (Winnipeg)		
W. B. WOODS	ARTHUR L. BISHOP	E. E. BUCKERFIELD (Vancouver)	
C. G. COCKSHUTT (Brantford)		H. L. McCULLOCH (GALT)	
JULES R. TIMMINS (Montreal)		ELIOT S. FROSST (Montreal)	
F. G. ROLPH	W. P. WALKER	A. W. BAILLIE	J. A. NORTHEY

## OFFICERS

W. G. MORE, GENERAL MANAGER	
I. K. JOHNSTON, ASSISTANT GENERAL MANAGER	
L. S. MACKERSY, ASSISTANT GENERAL MANAGER	
J. S. PROCTOR, ASSISTANT GENERAL MANAGER	
R. CARSON, SUPERINTENDENT OF WESTERN BRANCHES (Winnipeg)	
JOHN HADDEN, SECRETARY	
H. D. SCOTT, SUPERINTENDENT OF FOREIGN BUSINESS	
P. H. JONES, SUPERINTENDENT OF EASTERN BRANCHES (Toronto)	
H. F. RICE, SUPERINTENDENT OF INVESTMENTS	
R. M. VIRTUE, ASSISTANT WESTERN SUPERINTENDENT (Winnipeg)	
W. E. LEWIS, CHIEF ACCOUNTANT	
H. P. BAKER, EXECUTIVE SECRETARY	

## SUPERVISORS' DEPARTMENT

B. E. HOWARD, GENERAL SUPERVISOR		
<i>Supervisors</i>		
H. RILEY	A. YOUNG	G. R. MURTON
C. G. ROYDS	M. E. A. MARSHALL (Winnipeg)	

## INSPECTORS' DEPARTMENT

W. BOURKE, CHIEF INSPECTOR		
<i>Inspectors</i>		
A. C. ROME	P. W. PAIN	P. E. THOMLINSON (Acting)
A. E. GRANGE	W. Q. CLARK	



# BRANCHES PROVINCE OF ONTARIO

## TORONTO—

KING & BAY STS. (HEAD OFFICE).....	A. R. MARTIN.....	Manager
	R. J. REDRUPP.....	Assistant
	F. FINDLAY.....	"
ADELAIDE & VICTORIA STS.....	C. G. GREEN.....	"
BATHURST & DUPONT STS.....	M. J. GOULD.....	"
BAY & TEMPERANCE STS.....	E. J. CASE.....	"
	J. F. MCGINN.....	Assistant
BAYVIEW AVE., LEASIDE.....	G. WELFORD.....	"
BLOOR & BATHURST STS.....	F. TURNER.....	"
BLOOR ST. & LANSDOWNE AVE.....	R. R. BROWN.....	"
CHURCH & CARLTON STS.....	G. S. THOMPSON.....	"
	A. D. RIDDELL.....	Assistant
DANFORTH & CARLAW AVES.....	D. N. WRIGHT.....	"
DUNDAS & BLOOR STS.....	L. R. ANDERSON.....	"
DUNDAS & JARVIS STS.....	R. W. TROWERN.....	"
DUNDAS ST. & RUNNYMEDE ROAD.....	W. J. ARNOLD.....	"
DUNDAS ST. & UNIVERSITY AVE.....	A. T. SMITH.....	"
DUNDAS & VICTORIA STS.....	A. H. WEAVER.....	"
EGHLINTON AVE. & MOUNT PLEASANT ROAD.....	B. B. VALE.....	"
KING & MARKET STS.....	J. F. MACKAY.....	"
KING & SHERBOURNE STS.....	H. E. BEMROSE.....	"
KING ST. & SPADINA AVE.....	W. M. PORTER.....	"
KING & YORK STS.....	C. L. GRIDDALE.....	"
KINGSTON ROAD & BALSAM AVE.....	J. B. ATKINS.....	"
KINGSWAY (BLOOR & WILLINGDON) LEASIDE.....	A. C. DUNCAN.....	"
MONARCH PARK & DANFORTH AVES.....	H. G. WATERS.....	"
NEW TORONTO.....	H. T. BEATY.....	"
OAKWOOD AVE. & ROGERS RD.....	R. H. MONTGOMERY.....	"
QUEEN & BATHURST STS.....	T. M. SUTTON.....	"
QUEEN ST. & CARLAW AVE.....	J. M. HOUSTON.....	"
QUEEN ST. & KINGSTON RD.....	H. A. CROSS.....	"
QUEEN ST. & RONCESVALLES AVE.....	H. S. HADGRAFT.....	"
RUNNYMEDE RD. & ANNETTE ST.....	J. W. FLETT.....	"
ST. CLAIR & BOON AVES.....	J. ANDERSON.....	"
SILVERTHORN AVE. & ROGERS RD.....	W. W. FIELD.....	"
WELLINGTON & YONGE STS.....	W. M. RENWICK.....	"
WEST TORONTO.....	J. W. THOMSON.....	"
1953 YONGE ST.....	J. VEREKER.....	"
YONGE & BLOOR STS.....	H. G. SCOTT.....	"
	J. B. PRIESTMAN.....	"
YONGE & QUEEN STS.....	C. R. BLAKLEY.....	Assistant
	W. L. GILLILAND.....	Assistant
AMHERSTBURG.....	S. B. MERRILL.....	"
AURORA.....	A. E. MacGIRR.....	"
AYLMER.....	H. M. MCKENZIE.....	"
BOLTON.....	H. D. FELSTEAD.....	"
BRANTFORD.....	W. A. GREENWOOD.....	"
CALEDON EAST.....	D. SUTHERLAND.....	"
CENTRAL PATRICIA.....	(Sub Branch to Bolton)	"
CHATHAM.....	(Sub Branch to Pickle Crow)	"
COBALT.....	N. B. CUMMINS.....	"
COCHRANE.....	E. T. CUTTLE.....	"
COTTAM.....	A. L. SONLEY.....	"
DELHI.....	E. W. GAMBLE.....	"
ENGLEHART.....	A. S. WAGNER.....	"
ESSEX.....	R. E. TRACY.....	"
FERGUS.....	C. A. SIMPSON.....	"
FONTHILL.....	F. T. KYLE.....	"
FORT WILLIAM.....	G. L. GORDON.....	"
GALT.....	C. A. KEHOE.....	"
HAMILTON.....	T. R. RICHARDSON.....	"
HARROW.....	W. H. COGHILL.....	"
HEARST.....	W. J. GOLDEN.....	"
HUDSON.....	N. M. PLANT.....	"
HUMBERSTONE.....	J. P. DUNCAN.....	"
INGERSOLL.....	F. R. WILSON.....	"
JORDAN.....	J. R. HENLEY.....	"
JORDAN STATION.....	(Sub Branch to Vineland)	"
KAPUSKASING.....	(Sub Branch to Vineland)	"
KEARNS.....	A. I. MCINTYRE.....	"
	(Sub to Virginiatown)	"



# PROVINCE OF ONTARIO—(Cont.)

KENORA.....	C. C. FAWCETT.....	Manager
KIRKLAND LAKE.....	T. J. SLATTERY.....	"
KITCHENER.....	D. C. P. FORBES.....	"
LANGTON.....	G. C. ELLIOTT.....	"
LARDER LAKE.....	C. W. FISH.....	"
LISTOWEL.....	L. T. CHARLTON.....	"
LONDON.....	H. ROBERTS.....	"
MATACHEWAN.....	T. M. WOOD.....	"
MATHESON.....	K. N. K. ALLAN.....	"
MCKENZIE ISLAND.....	F. G. MOORE.....	"
NEW LISKEARD.....	J. A. GROSKURTH.....	"
NIAGARA FALLS.....	JOHN THOMSON.....	"
" BRIDGE ST.....	H. M. SAMPSON.....	"
" SOUTH.....	J. H. ARKELL.....	"
NIAGARA-ON-THE-LAKE.....	F. H. HEWSON.....	"
NORTH BAY.....	M. G. COBURN.....	"
OTTAWA.....	P. B. REEVE.....	"
PALGRAVE.....	A. CRAIGIE.....	Assistant
PETERBOROUGH.....	(Sub Branch to Bolton)	"
PICKLE CROW.....	B. H. MYERS.....	"
PORT ARTHUR.....	F. C. MALONE.....	"
PORT COLBORNE.....	J. W. WILLIS.....	"
PRESTON.....	W. R. RODGER.....	"
RED LAKE.....	R. E. Y. BALDWIN.....	"
RIDGEWAY.....	W. CALVERT.....	"
ST. CATHARINES.....	C. A. HAMILTON.....	"
" EAST END.....	E. J. BAKER.....	"
" MARKET.....	F. B. THOMSON.....	"
ST. DAVIDS.....	J. S. INK.....	"
ST. THOMAS, EAST END.....	A. T. MINNIS.....	"
" WEST END.....	W. R. CUMMING.....	"
SANDWICH.....	O. L. METLER.....	"
SAULT STE. MARIE.....	E. B. REYNOLDS.....	"
" GORE & QUEEN STS.....	J. D. PATTERSON.....	"
SCHOMBERG.....	R. B. WANSBROUGH.....	"
SIOUX LOOKOUT.....	E. SMITH.....	"
SOUTH PORCUPINE.....	N. B. SCOTT.....	"
STAMFORD.....	F. E. COOPER.....	"
SUDBURY.....	C. W. GRIME.....	"
TERRACE BAY.....	W. G. CHAMBERS.....	"
THESSALON.....	G. COULTER.....	"
TIMMINS.....	A. D. LEWIS.....	"
VINELAND.....	H. B. HENDERSON.....	"
VIRGINIATOWN.....	E. H. COLEMAN.....	"
WALKERVILLE.....	A. E. BUTLER.....	"
" TECUMSEH BLVD.....	W. T. CARTHEW.....	"
WELLAND.....	H. J. ARBUCKLE.....	"
WINDSOR.....	F. C. TROTT.....	"
WOODSTOCK.....	T. R. JONES.....	"
	R. W. MUIR.....	Assistant
	L. R. LLOYD.....	"

## PROVINCE OF QUEBEC

BOURLAMAQUE.....	J. S. HARRISON.....	Manager
MONTREAL.....	E. J. FRIESEN.....	"
" EAST.....	R. A. GEORGE.....	Assistant
NORANDA.....	A. P. GRANT.....	"
	G. C. DUNLOP.....	"

## PROVINCE OF MANITOBA

BRANDON.....	H. J. MORGAN.....	Manager
GIMLI.....	R. L. WASSON.....	"
PORTAGE LA PRAIRIE.....	W. P. GRAHAM.....	"
RIVERTON.....	(Sub to Gimli)	"
WINNIPEG.....	H. W. THOMSON.....	"
" NORTH END.....	T. A. HENSON.....	Assistant
" ST. VITAL.....	R. G. HICKS.....	"
	R. S. MCCLAY.....	"

## PROVINCE OF SASKATCHEWAN

ASSINIBOIA.....	A. J. RICHES.....	Manager
BENGOUGH.....	E. KRISTENSEN.....	"
BROADVIEW.....	R. MAVOR.....	"
CANWOOD.....	W. D. TALMEY.....	"
FORT QU'APPELLE.....	E. C. KOCHEN.....	"



# PROVINCE OF SASKATCHEWAN—(Cont.)

HEPBURN	J. B. SCHMOR	Manager
LAIRD	D. MURRAY	"
LANDIS	P. V. ALLEN	"
MAYMONT	L. J. BERGMAN	"
MEADOW LAKE	E. L. MEERES	"
MOOSE JAW	J. MACGREGOR	"
MOSSBANK	J. GARRISON	"
PANGMAN	M. J. MONGEON	"
PIAPOT	R. D. FORRESTER	"
PRINCE ALBERT	J. BALLANTYNE	"
REGINA	F. W. SCRIMES	"
ROCKGLEN	O. L. KIMBALL	"
ROSTHERN	L. F. FLURY	"
SASKATOON	J. D. MCGILLIVRAY	"
STOUGHTON	H. I. SHAW	"
WEYBURN	H. MARTENS	"
WILKIE	S. A. HERON	"
YELLOW GRASS	J. C. MOSS	"

# PROVINCE OF ALBERTA

ATHABASCA	D. C. SHERREFF	Manager
BANFF	W. V. GODDARD	"
BOYLE	(Sub Branch to Athabasca)	"
CALGARY	A. S. DE ROSENROLL	"
"	E. E. CHAMBERLIN	Assistant
"	J. S. W. CLOWES	"
DONALDA	J. H. LYONS	"
ECKVILLE	H. S. MANN	"
EDMONTON	J. W. McDIARMID	"
"	W. H. FAULDER	Assistant
"	J. H. LIVINGSTONE	"
"	L. B. CRABAN	"
"	D. C. HOWELL	"
"	L. L. MASON	"
EDSON	H. C. MACDONALD	"
FERINTOSH	JOHN ENGLISH	"
GRANDE PRAIRIE	J. H. NELSON	"
JASPER	A. MCKENZIE	"
MERCOAL	(Sub Branch to Edson)	"
MILLET	J. A. ENGLISH	"
RED DEER	P. C. F. ROUTLEDGE	"
ROCKY MOUNTAIN HOUSE	S. G. HOOKER	"
SANGUDO	W. H. STOCKMAN	"
SYLVAN LAKE	W. L. M. SISSON	"
WETASKIWIN	J. H. CLARK	"

# PROVINCE OF BRITISH COLUMBIA

CRANBROOK	MARK COOK	Manager
FERNIE	G. B. TURNER	"
GOLDEN	F. P. THOMAS	"
INVERMERE	A. ASHWORTH	"
NATAL	W. E. GODFREY	"
NELSON	G. W. STERLING	"
REVELSTOKE	F. L. APPLETON	"
VANCOUVER	W. M. SELLENS	"
"	A. FREESON	Assistant
"	R. T. ASTLEY	"
"	P. R. NEELY	"
"	T. FORRESTER	Assistant
"	J. M. MORRIS	"
"	A. W. PERRY	"
"	G. T. WINCHESTER	"
VICTORIA	D. N. GRUBB	"
"	W. J. EBDON	"

# NORTH WEST TERRITORIES

YELLOWKNIFE	J. GORDON	Manager
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# CORRESPONDENTS THROUGHOUT THE WORLD



# Imperial Bank of Canada

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## PROCEEDINGS

OF THE

SEVENTY-THIRD ANNUAL GENERAL MEETING OF  
SHAREHOLDERS

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The Seventy-third Annual General Meeting was held at the Head Office of the Bank in Toronto on Wednesday, the Twenty-sixth day of November, 1947, at 11.30 a.m.

Among those present were:—G. H. Aikins, K.C., (Winnipeg), A. W. Baillie, H. E. Bemrose, A. M. Bethune, W. R. Blight, Arthur L. Bishop, Everett Bristol, K.C., E. E. Buckerfield (Vancouver), Colin Campbell, E. J. Case, R. S. Clark, C. G. Cockshutt (Brantford), W. H. Coghill (Hamilton), Austin Cosgrove, G. C. Deeks, D. R. Derry, G. C. Foster, Eliot S. Frosst (Montreal), S. H. B. Grasett, John Hadden, W. L. Ham (Fergus), F. A. Harrison, J. W. Hobbs, G. I. James (Winnipeg), I. K. Johnston, Walter C. Laidlaw, H. L. McCulloch (Galt), A. N. McIntosh, M. R. Medland, W. G. More, J. A. Northey, A. G. Parker, Richard Pearce, G. E. Phipps, N. E. Phipps, P. B. Reeve (Ottawa), J. S. Roberts, F. G. Rolph, A. C. Rome, A. H. Seguin, H. E. Sellers (Winnipeg), D. M. Sorenson, G. E. Spragge, Philip Thomlinson, J. R. Timmins (Montreal), H. F. Vigeon, R. S. Waldie, W. P. Walker and W. B. Woods.

The chair was taken by the President, Mr. R. S. Waldie, and Mr. John Hadden, the Secretary of the Bank, was appointed to act as Secretary of the Meeting. Messrs. A. H. Seguin and G. E. Spragge were appointed Scrutineers.

The Notice calling the Meeting was read by the Secretary and the Minutes of the last Annual General Meeting were taken as read.

The Directors' Report and the Annual Statement and Auditors' Report to the Shareholders were read by the Secretary, following which addresses were made by the General Manager and the President.



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# Imperial Bank of Canada

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## DIRECTORS' REPORT

The Directors have pleasure in presenting the Seventy-third Annual Report and Statement of the business and affairs of the Bank as on 31st October, 1947, together with Statement of Profit and Loss Account showing the result of the operations for the year.

The Profits for the year ended 31st October, 1947, after contributions to Staff Pension Fund and after making appropriations to Contingency Reserves out of which full provision for bad and doubtful debts has been made, were.....	\$1,807,826.39
Out of this amount there was provided for depreciation of Bank Premises, Furniture and Equipment.....	225,166.54
leaving.....	\$1,582,659.85
Provision for Income and Excess Profits Taxes and Provincial Corporation Taxes was..	742,000.00
leaving.....	\$ 840,659.85
Dividends were paid at the rate of \$1.00 per share.....	700,000.00
leaving a balance of Profits of.....	\$ 140,659.85
to carry forward and add to the Profit and Loss Balance on 31st October, 1946.....	1,141,006.30
making the Profit and Loss Balance on 31st October, 1947.....	<u>\$1,281,666.15</u>

The Reserve Fund has been increased from \$8,000,000.00 to \$10,000,000.00 by a transfer of \$2,000,000.00 from Contingency Reserves, being portion of provisions from profits as shown on the Statements of prior years, no longer required.

During the year ten new Branches were opened while no Branches were closed. The new Branches are Bloor and Willingdon Streets, Toronto, Long Branch, Peterborough,



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## Imperial Bank of Canada

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Aylmer and Kearns (sub-branch to Virginiatown) all in the Province of Ontario; Boyle (sub-branch to Athabasca) in the Province of Alberta; Hastings East, Vancouver, 3209 West Broadway, Vancouver, 8211 Granville Street, Vancouver, and Fort Street, Victoria, all in the Province of British Columbia.

It is with sincere regret that your Directors record the deaths during the year of two of their esteemed colleagues, Col. John F. Michie and Mr. John A. Northway. Col. Michie was elected a director in May, 1915, and a Vice-President in November, 1931, which latter office he resigned in September, 1945, owing to ill health. Mr. Northway was elected a director in November, 1926, and served in that capacity up to the time of his death on 29th June, 1947.

Mr. J. A. Northey was elected to the Board on 27th August, 1947.

All offices of the Bank including the Head Office have, in accordance with the invariable custom, been carefully inspected during the year and the Auditors appointed by you have also made their examinations as required by The Bank Act. Their Report and Certificate is attached to the Statement.

It again affords your Directors much pleasure to record their high appreciation of the efficient manner in which the various officers of the Bank continue to discharge their respective duties.

All of which is respectfully submitted.

R. S. WALDIE,  
President.

Toronto, November 26th, 1947.



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## Imperial Bank of Canada

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### PROFIT AND LOSS ACCOUNT

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31st OCTOBER, 1947

Profits for the year ended 31st October, 1947, after contributions to Staff Pension Fund and after making appropriations to Contingency Reserves out of which full provision for bad and doubtful debts has been made.....	\$ 1,807,826.39
Provision for depreciation of Bank Premises, Furniture and Equipment.....	225,166.54
	<hr/>
	\$ 1,582,659.85
Provision for Income and Excess Profits Taxes and Provincial Corporation Taxes.....	742,000.00
	<hr/>
	\$ 840,659.85
Dividends at the rate of \$1.00 per share.....	700,000.00
	<hr/>
Balance of Profits carried forward.....	\$ 140,659.85
Profit and Loss Balance 31st October, 1946.....	1,141,006.30
	<hr/>
Profit and Loss Balance 31st October, 1947.....	<u><u>\$ 1,281,666.15</u></u>

#### RESERVE FUND

Balance at Credit of Account 31st October, 1946.....	\$ 8,000,000.00
Transfer from Contingency Reserves being portion of provisions from profits as shown on the Statements of prior years, no longer required.....	2,000,000.00
	<hr/>
Balance at Credit of Account 31st October, 1947.....	<u><u>\$10,000,000.00</u></u>

R. S. WALDIE,  
*President.*

W. G. MORE,  
*General Manager.*



# Imperial Bank of Canada

## SEVENTY-THIRD ANNUAL

31st OCTOBER

### LIABILITIES

Capital Paid Up.....	\$ 7,000,000.00
Reserve Fund.....	10,000,000.00
Dividends declared and unpaid.....	176,759.93
Balance of Profits, as per Profit and Loss Account....	1,281,666.15
	<u>\$ 18,458,426.08</u>
Notes in Circulation.....	884,747.50
Deposits by and balances due to Dominion Government.....	\$ 7,487,973.16
Deposits by and balances due to Provincial Governments.....	19,302,289.49
Deposits by the public not bearing interest.....	103,756,276.68
Deposits by the public bearing interest, including interest accrued to date of Statement.....	247,295,098.85
	<u>377,841,638.18</u>
Deposits by and balances due to other Chartered Banks in Canada.....	\$ 3,803,573.44
Deposits by and balances due to Banks and Banking Correspondents elsewhere than in Canada.....	6,130,360.60
	<u>9,933,934.04</u>
Acceptances and Letters of Credit Outstanding.....	7,777,192.02
Liabilities to the public not included under the foregoing heads.....	185,573.02

### AUDITORS' REPORT TO SHAREHOLDERS:

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Statement as at 31st October, 1947, and compared it with the books at Head Office and with the certified returns from the Branches. 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.

J. W. TAYLOR, F.C.A.  
of Price, Waterhouse & Co.

Toronto, 18th November, 1947.

\$415,081,510.84



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## Imperial Bank of Canada

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### GENERAL STATEMENT

1947

#### ASSETS

Gold and Subsidiary Coin held in Canada.....	\$ 647,888.40
Notes of Bank of Canada.....	\$ 9,691,841.75
Deposits with Bank of Canada.....	29,104,845.95
	<u>38,796,687.70</u>
Notes of and Cheques on other Banks.....	19,748,292.50
Government and Bank Notes other than Canadian...	695,577.69
Deposits with and balances due by other Chartered Banks in Canada.....	734,679.90
Due by Banks and Banking Correspondents elsewhere than in Canada.....	5,335,350.91
	<u>\$ 65,958,477.10</u>
Dominion Government direct and guaranteed Securities maturing within two years, not exceeding market value.....	\$ 27,295,475.78
Other Dominion Government direct and guaranteed Securities, not exceeding market value.....	110,046,573.20
Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value.....	2,675,278.44
Other Provincial Government direct and guaranteed Securities, not exceeding market value.....	6,169,772.64
Canadian Municipal Securities, not exceeding market value.....	6,592,846.16
Other Bonds, Debentures and Stocks, not exceeding market value.....	11,063,153.69
	<u>163,843,099.91</u>
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	\$ 6,429,111.83
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for.....	160,053,597.89
Loans to Provincial Governments....	2,695,729.35
Loans to Cities, Towns, Municipalities and School Districts.....	2,125,091.70
	<u>171,303,530.77</u>
Non-current Loans, estimated loss provided for.....	22,432.16
Liabilities of Customers under Acceptances and Letters of Credit as per contra.....	7,777,192.02
Bank Premises, at not more than cost, less amounts written off.....	6,053,278.01
Deposit with the Minister of Finance for the security of note circulation.....	49,704.24
Other Assets not included under the foregoing heads...	73,796.63
	<u><u>\$415,081,510.84</u></u>

R. S. WALDIE, *President.*

W. G. MORE, *General Manager.*



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## Imperial Bank of Canada

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### THE GENERAL MANAGER'S ADDRESS

The Seventy-third Annual Statement now before you indicates another year of steady progress; total assets again reaching an all-time high at \$415,081,510 compared with \$403,550,418 a year ago.

#### PROFITS

Profits before provision for taxes were \$1,807,826 compared with \$1,440,148 last year, an increase of \$367,678. After providing \$742,000 for Government taxes as against \$500,053 a year ago the balance of profit carried forward was increased by \$140,659 to \$1,281,666.

#### RESERVE FUND

It will be noted an amount of \$2,000,000 previously set aside from time to time for contingencies out of profits upon which taxes have been paid, and not now required for that purpose, has been added to Reserve Fund. This makes the Shareholders' total investment \$18,281,666 consisting of \$7,000,000 of Paid-up Capital, \$10,000,000 Reserve Fund, and \$1,281,666 balance at credit of Profit and Loss Account.

#### DEPOSITS

Deposits by the public at \$377,841,638, an increase of \$5,093,801, are also an all-time high, a decrease of \$11,853,000 in Government deposits, and of \$18,163,000 in non-interest bearing deposits being more than offset by an increase of over \$35,000,000 in interest bearing deposits.

#### LETTERS OF CREDIT

Acceptances and Letters of Credit Outstanding are now \$7,777,192 an increase of approximately \$3,000,000. This increase is chiefly in foreign business and indicates that your Bank continues to attract and finance an increasingly larger share of the business with countries abroad with which Canada has important trade relations.



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## Imperial Bank of Canada

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### CASH POSITION

Cash Assets consisting of gold and subsidiary coin and notes of and balances with the Bank of Canada total \$39,444,576, or slightly in excess of 10 per cent of liabilities to the public in the form of notes of the Bank still outstanding in circulation and deposits by the public.

### INVESTMENTS

Our portfolio of investments now stands at \$163,843,099 which is less than a year ago by \$51,767,854. This decrease is entirely in Dominion Government securities maturing within two years. During the year the Government redeemed \$48,000,000 of Deposit Certificates held by us at this time last year. There are now no Dominion Government Deposit Certificates outstanding.

Further changes in our portfolio of investments are an increase of \$21,000,000 in Other Dominion Government Securities, a decrease of \$500,000 in Canadian Municipal Securities, and an increase of \$3,000,000 in other Bonds and Debentures. Of our total investments of \$163,843,099, \$79,617,518 mature within 5 years.

As will be noted later, Loans have increased substantially so that a decrease in Investments is a natural concomitant of an increase in Loans.

### LOANS

Loans total \$171,300,000 which is an increase of \$57,000,000 over a year ago. Of these loans Call and Short Loans show a decrease of \$800,000, Current Loans an increase of \$54,000,000, Loans to Provincial Governments an increase of \$2,300,000 and Loans to Municipalities an increase of \$1,100,000.

The increase of \$54,000,000 in Current Loans is specially gratifying and worthy of comment, indicating as it does that the Bank is faithfully meeting the legitimate business needs of the communities which it serves, and that, with the increase in the tempo of business which has obtained in practically every line of endeavour, our customers have been enabled to make greater use of the lines of credit which we



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## Imperial Bank of Canada

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have made available to them. All our loans are carefully investigated before they are made, are well diversified and amply secured, and any contingency of loss fully provided for. Practically every Canadian industry is represented. For example a survey of our Current Loans undertaken as of 30th September, 1947, but not including Call Loans and Loans to Governments and Municipalities which are shown separately in our Statements, disclosed these loans were distributed as follows:—Agriculture, including farmers, cattle dealers, fruit raisers and grain dealers \$19,000,000; Financial \$19,000,000; Merchandising wholesale and retail, \$34,000,000; Manufacturers of and Dealers in Forest Products \$15,000,000; Other Manufacturing of all descriptions including agricultural implements, builders' supplies; food products, furniture and fixtures, iron and steel, rubber, textiles and petroleum \$35,000,000; Mining \$2,000,000; Public Utilities \$2,000,000; Contractors for construction purposes \$9,000,000; Churches, Hospitals and other Institutions \$2,000,000; all in addition to \$14,000,000 of business and personal loans to others not included in any of the above classifications.

### BANK PREMISES

Bank Premises Account which includes furnishings and equipment now stands at \$6,053,000 an increase of \$400,000 after applying the depreciation of \$225,000 permitted by law. New purchases include properties at Victoria, Vancouver, Calgary and Montreal and equipment in the form of safes and safety deposit boxes which have not been readily available for some years and were urgently required. New buildings or extensions to existing buildings were either completed or are in course of completion at Edmonton South, Essex, Kapuskasing, Port Colborne, Simcoe, and at Avenue Road and Fairlawn, and Eglinton Avenue and Oakwood in Toronto. We still have a further moderate building programme in contemplation but it is not intended to undertake more than is considered absolutely essential until conditions in the construction industry are more normal.

### SHAREHOLDERS, BRANCHES AND STAFF

Shareholders now number 2919 an increase of 51. Of the total 255 are residents of the United States, a decrease of 18.

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## Imperial Bank of Canada

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During the year eight new Branches and two Sub-Branches were opened making the number of Branches and Sub-Branches in operation 188 in all. Of these four are in the Province of Quebec, 115 in Ontario, seven in Manitoba, 23 in Saskatchewan, 23 in Alberta, 15 in British Columbia, and one in the Northwest Territories.

Our staff increased during the year by 221 to 2225 of whom 44 per cent are young women compared with 48 per cent a year ago. The staff situation has improved considerably but is still somewhat sub-normal. The work has increased enormously but has been undertaken cheerfully by all. I wish to take this opportunity to assure every member of the staff that their welfare is constantly in our minds and to thank them sincerely for their continued help and co-operation without which the results of the past year could not have been achieved.

### GENERAL BUSINESS CONDITIONS

Business conditions throughout the Bank year can be said to have been good and, in a sense, prosperous but the basic situation is somewhat unsound and unreal. Trade with Britain and certain other countries has been maintained in part by the aid of loans granted by our Government, and our trading position with the United States is seriously out of balance.

No country can expect to emerge from the ravages of a major war such as the world has recently experienced unscathed, and prices and wages cannot continue to rise indefinitely without serious consequences. The measures just announced by the Prime Minister and the Minister of Finance on behalf of the Government to meet the situation which confronts us are designed ultimately to restore trade generally to a more normal basis and should be given a thorough trial.

Any sacrifices we may be called upon to make are well within our power and well worth-while. We can best help ourselves and the peoples of the world who so urgently need our help by co-operating loyally with the Government and by working harder, producing more, and reducing costs, to enable us to compete effectively and hold our place



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## Imperial Bank of Canada

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in the markets of the world that are open to us. A nation with our record of accomplishments in the late war cannot fail to overcome the difficulties that lie ahead if we apply ourselves diligently to the task. I have sufficient faith in the virility, resource, and common sense of our citizens to believe they will not be found wanting. The Banks of Canada which have stood the test of time were never in stronger position than they are today and stand ready to do their part.

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### THE PRESIDENT'S ADDRESS

The past year was marked by the death of two of our Directors of long standing.

Colonel J. F. Michie, who had been a Director since 1915, died after a long illness in February of this year. He had been Vice-President from 1931 until 1945 when he resigned owing to ill health. Colonel Michie was a man who had gained not only our respect but also our affection, and he had come to be regarded almost as an institution. We miss him very much.

Mr. John A. Northway, whose father had been a Director before him, was elected to the Board in 1926. He died suddenly in June of this year. Mr. Northway's association with the Bank had lasted for many years, and he was always active in promoting its interests. He was a man of sound business judgment, and his death was much regretted by us all.

Mr. J. A. Northey was elected a Director on the 27th August of this year. Mr. Northey is President of Telfer Paper Box Company, Limited, and is also a Director of Canadian National Railways, Trans-Canada Air Lines, Continental Life Insurance Company, and in addition to other affiliations, he is this year President of the Royal Winter Fair. I am sure that he will prove to be a very valuable member of our Board.

The General Manager has explained the Statement for the year and all I need say is that your Directors consider the results quite satisfactory and we hope that they will meet

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## Imperial Bank of Canada

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with your approval. Today I shall devote my remarks to general economic conditions.

The year 1947 has been for Canadian business a year of accomplishment, great activity, and crisis. Adjustment from war work to peacetime occupations has been completed though the heritage of the war will affect us for years.

Business has been phenomenally active. Our gross national production is now at a record rate of around twelve billion dollars. Industrial production is more than 10 per cent above the high level of last year. Employment has never been higher nor unemployment lower. To quote more figures would serve only to confirm and sharpen our daily observation.

One is apt to forget how strikingly the Canadian economy has been transformed since 1939. The number of men engaged in agriculture is more than 20 per cent less than in 1939. The present high level of farm production is the more striking in the light of these figures. It is evidence of the hard work of the present farm population and of the great extent of the mechanization which has been accomplished. In contrast to this change, the number of persons engaged in manufacturing has practically doubled since 1939 and now exceeds the number in farming. An increase of about one-third in the numbers in construction is less striking but there have been also sharp increases in employment in trade, transportation and communication and services. The changes which these facts indicate have not been fully accomplished. They are still taking place. Our country is in process of becoming highly industrialized. If the present trend continues, we shall soon have two persons engaged in manufacturing for every one in agriculture in Ontario and Quebec and a ratio of three to one in British Columbia.

We are, as we have always been, highly dependent on exports and our exports are at record peacetime levels. They are more than double in value our exports of 1929. Our exports to the United States have, however, increased less than those to other markets.

In the first eight months of this year exports to all countries increased by 20 per cent but the greater part of the



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## Imperial Bank of Canada

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increase was in price, not volume. At these high levels our exports are held in check, first, by our inability to produce more and second, by the heavy demand for home use. Also they are becoming restricted by the inability of some of our customers to find the necessary means of payment.

Wartime experience emphasized the influence which government spending might have on the level of national income. In his budget speech the Minister of Finance forecast a drop of some \$500,000,000 in federal government expenditures and a decline of an unspecified amount in loans, advances and investments.

Actual expenditures appear to be running at an even lower rate. Provincial and municipal expenditures have increased substantially but not enough to offset the federal decrease. Despite tax reductions, revenues of all governments are very buoyant. In the first seven months of the fiscal year the federal government had a surplus of revenue over all cash requirements of about \$300,000,000. This is likely to accumulate at a slower rate in the later months of the year but it is probable that there will be a substantial surplus of revenue over all spending and advances.

The most buoyant influence in the Canadian economy today is the extraordinarily high rate of private investment in residential, industrial and commercial buildings, machinery and equipment and stock in trade. Estimated at the beginning of the year as likely to be \$1,700,000,000, it is improbable, on present indications, that it will fall far below that figure. The volume will be lower but costs higher. The continuing shortage in building space of all kinds and the costly delays in completion have, to a degree, distracted attention from the great volume of construction and installation of equipment actually being accomplished.

The important fact is that what is being attempted, in addition to all the other drafts on our productive resources, is beyond the immediate capacity of the country.

Consumer buying, as measured by the value of retail sales, has been running at higher levels this year than in 1946. When, however, allowance is made for the strong rise in retail prices, the *volume* of retail sales has apparently been declining over recent months. Despite rising incomes the

consumer is showing resistance to high prices. Increased dollar sales of food and durable goods are being made at the expense of other lines.

The strong expansionary influences in the economy today are private capital investment and buoyant exports, the latter financed in part by government export credits extended to the United Kingdom and other countries. These have been sufficient to generate unprecedentedly high employment and income and also to create serious problems in the Canadian economy. Of these, the problem of rising prices and wages and that of our balance of payments are obviously of great and critical importance.

#### PRICES AND COSTS

Since the middle of 1946, wholesale prices in the United States have moved up by more than one-third. Having been less than 50 per cent above pre-war levels, they are now more than double.

In the last half of 1946, Canada escaped most of this increase by reason partly of the maintenance of price control and partly by the appreciation of the dollar to parity. From the beginning of 1947 however, with the progressive removal of price controls and of subsidies and the acceleration of demand, Canadian prices have risen more rapidly than prices in the United States. Since the summer the insistent need of Europe for food and the disappointing crops in North America have given fresh impetus to prices.

In the summer and fall of 1946 the upward movement of wages was resumed and by August of this year there had been in manufacturing an increase of about 12 per cent in weekly earnings.

To the spiral race between prices and wages there is no end but disaster. It is elementary but important that what is happening in Canada as in other countries is that we are trying to crowd too much investment, too much consumption and too much export into the present. We are trying to rebuild inventories, repair war damage, and execute all the projects deferred in the war years. If we continue to attempt it we are bound to fail and we may create serious damage.



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## Imperial Bank of Canada

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Unless there are unexpectedly great increases in output per man-hour, we cannot produce all that we are asking to consume, and build all the houses and factories and do all the re-equipping of them which we have planned, and at the same time export enough to pay for our imports and implement our undertakings to the United Kingdom and other allied countries. At present, the most active pressure is coming from private business and the consumer and not, as during the previous seven years, from the government. The difficulty of accomplishing our programs has been increased by the inadequate output per worker. This has been conspicuously true in the construction industry. Any change which increases average output will reduce the difficulty.

Increase in the number of workers by immigration would also relieve the pressure particularly in industries in which the labour shortage is acute, but relief must come also by postponement of part of our programs. If there is unwillingness to postpone, it will be enforced by rising prices and costs. Producers will price themselves out of the consumer's market. Exporters will be unable to compete in foreign markets. The cost of construction will force the revision of plans for business and industrial expansion. Both the economy and the individual will benefit if those in a position to do so postpone their projects and their buying to a more convenient season.

It is worth emphasizing that, while some important circumstances differ, the present high tempo of business has many similarities to the conditions of 1919-20. High consumer income backed by wartime savings, the attempts of consumers, dealers and producers to replenish their run-down stocks and build them up to new levels, the efforts to get on with long-range projects of expansion and modernization—while at the same time countries devastated by war must devote part of their manpower to the repair of war damage—these are common features of both periods. The sharp crisis of 1920 was specially marked by a swift decline of prices and by severe losses on high-priced inventories.

While the situations are not indetical, the prudent business man in 1947 should survey his inventory position carefully and make conservative decisions.

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## Imperial Bank of Canada

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### THE FOREIGN EXCHANGE PROBLEM

Since the late summer of 1946, this country has been faced with a critical foreign exchange problem. Our exports have been at high levels and have continued to increase month by month. Only in the export of gold have the figures been at less than peak levels. Our tourist earnings have been gratifying, but on the other side our imports have increased by leaps and bounds. Taking all countries into account we still have a surplus, though a rapidly diminishing surplus of exports.

But for an important portion of our exports we are being paid in Canadian dollars lent to the United Kingdom and other Allied Governments by the Canadian Government and not in currencies which we can use as payment for our imports. We did achieve a surplus but not of anything like the amount required to pay for our imports and make good our credits. To achieve our export programs we have shortened the supply of goods at home. United States goods have flowed in to fill the vacuum.

Our balance of payments with the United States characteristically is adverse. The adverse balance with the United States has always been heavy at the peak of a boom and at such times we have had an over-all adverse balance.

But in booms in the past, Canada has been an importer of capital. In the present situation we have, for good and urgent reasons, endeavoured to combine boom conditions with a program for a very large capital export. We have made good our loans to the United Kingdom and Allied Governments but at the expense of our foreign exchange reserves.

While virtually all our imports from the United States have increased greatly, the most striking increases have been in high-standard consumption goods, such as consumers' durables, in goods to replace unobtainable overseas imports, such as cotton goods, and in industrial equipment and "investment" goods of which machinery is typical.

### THE GOVERNMENT PROGRAM

To meet the foreign exchange crisis which has been rolling up for the past fifteen months, the Government has recently



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## Imperial Bank of Canada

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announced its program. Though most of the details had been forecast and discussed, the drastic reality has come as a shock to many.

One part of the program is aimed at the reduction and postponement of imports from dollar countries and at reducing expenditures on pleasure travel abroad. Wartime prohibitions and quotas on the importation of consumers' goods are re-imposed but on a considerably wider basis. Fruits and vegetables, imported without restriction during the war, are now subject to limitation.

Heavy excise taxes on consumers' durable goods are re-imposed with the intention of postponing purchases and reducing the importation of parts. The importation of industrial equipment is to be subject to license and the Minister of Reconstruction has been given the duty of bringing about, after consultation with industries, a postponement of a substantial part of the capital expansion program.

Another part, whose details are as yet not clear, is designed to promote more reciprocity than has heretofore existed in the trade in industrial materials and parts. This must be a long term, not a short term development.

A third part is to be a recommendation to Parliament that a production subsidy be paid to gold producers.

To take care of contingencies and give assurance that ample resources are available to meet requirements, a credit is being negotiated with the Export-Import Bank on which the Government of Canada may draw as occasion may demand.

I do not propose to comment in detail on this program, but I feel impelled to make one or two general comments and to draw attention to some implications for Canadian industry.

The Government has chosen a course of action designed to limit imports, dampen down and postpone capital and consumer buying, while at the same time offering encouragement to gold producers and obtaining a credit for emergency use.

Many would prefer alternative courses of action or less

distasteful methods than the re-imposition of wartime controls. Let us be clear, however, that some action could not be avoided. It had already been postponed a dangerously long time. We must be clear also that any effective action must curtail imports and lead to a postponement of some of our purchasing and capital projects. The situation which had developed is not to be treated by painless methods.

Changes will no doubt be proposed and modifications made in the announced program but we shall resolve this crisis more safely and emerge from it more quickly if there is understanding and willing co-operation on the part of the consumer and industry in carrying out the program.

#### MINING

The Government proposals include special encouragement to the gold mining industry. There has been keen disappointment among many that the bonus of \$7 an ounce is not to apply to all production. As the details are not available and are still subject to discussion, I do not propose to comment on this. The important thing is that encouragement is to be given to mines with a low profit margin to return to capacity production and to new mines to begin production at the earliest possible date.

Whatever its form an incentive bonus will not in itself produce the desired increase in gold output. Labour shortages are still a serious impediment.

To make aid to the gold mines effective, there must be also an aggressive campaign for obtaining miners wherever they can be obtained. Hard-rock miners among European displaced persons should be brought to Canada with dispatch and in numbers.

Quite apart from the value that gold has in obtaining foreign exchange it has been of considerable importance in supporting prosperity in Canadian mining areas. It is estimated that for each miner employed, another fourteen persons are required in other occupations. This is an additional reason for Government assistance to the gold mining industry.



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### FORESTRY

In the present situation, the forest industries have a vital role to play. As the world's largest newsprint producer, Canada's output is greater than the aggregate produced by five of her principal competitors. The output of newsprint will probably reach a high point of 4.4 million tons in 1947. The United States is the predominant outlet taking about 82 per cent. This industry is our most important source of much needed U. S. funds.

In recent years the increase in the demand for forest products has highlighted their importance to the Canadian economy and it has been given fresh emphasis.

Under great pressure to produce to the utmost, the Canadian forest industries are forced to note that their sources of raw material are exhaustible unless drastic measures are taken to conserve them. Last year a Royal Commission in British Columbia made several recommendations with a view to sounder exploitation of that province's forest resources. Recently the Kennedy Royal Commission presented an exhaustive report on forestry to the Ontario Government. Government action in the long-neglected forestry industry is to be commended. Unfortunately steps toward better forestry are handicapped by lack of manpower especially highly skilled personnel such as forestry engineers.

### AGRICULTURE

The plight of Europe and our own need for maximum exports again places special responsibilities on Canadian agriculture.

Unfavourable weather during the growing season resulted in lower farm production than in 1946. Heavy sales during the first half of the year raised the farmer's cash income about 16.5 per cent higher than it was in the first half of 1946.

Owing to the reduction in the wheat crop, little more than 200 million bushels will be available for export and of this 160 million bushels are earmarked for the United Kingdom.

Poor crops and transportation difficulties make it un-

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likely that enough coarse grain will be moved from the Prairies to Eastern Canada to meet the requirements of farmers specializing in livestock. This is giving renewed force to the rise in food prices.

Despite higher farm income the drift of workers out of agricultural into other industries continues, and notwithstanding increased mechanization there still exists a definite shortage of farming personnel. This will place a limit on what Canadian agriculture is able to contribute to our own and the world's food requirements.

### IMMIGRATION

As I have already mentioned, labour shortages are hampering production on our farms and in our mines and forests. Immigrants are badly needed to operate the extensive Canadian economy to its best advantage. If we are to minimize the restrictive side of the Government's program, additional workers must be obtained, particularly for our export industries.

Canada must act soon if we are to obtain the more desirable of the people seeking fresh opportunities outside their native lands. The setting up of a separate department in the Dominion government would seem to be a prerequisite to any comprehensive immigration program.

Any discussion of immigration must however take account of the outflow of many talented Canadian citizens every year particularly to the United States. Employers, whether governmental or private, must accept the responsibility of broadening the opportunities open to Canadians.

### THE FUTURE OF CANADIAN TRADE

The difficulties of the world in getting back to full peace-time production have forced us temporarily to restrict our trade. Fortunately however the longer-run prospects for Canadian trade are at the same time being improved.

At present in Havana a conference is assembled to approve the establishment of an International Trade Organization under whose charter a pattern for expanding trade and a reliable framework of world trade regulations is being set up



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among the principal trading countries of the world. The Government has recently announced another part of the same plan, viz: the trade agreements negotiated at Geneva, and which it proposes to recommend to Parliament. Never before has such a widespread negotiation taken place. Our principal, though not our sole interest, is in the substantial reduction in United States duties on Canadian products and in the reductions which we on our part have offered to make in our own duties.

The long-run effect on our trading with other countries will also be important. The United Kingdom, France, The Netherlands, Belgium, and Luxembourg are the trading part of Europe with which we had closest relations and they too have entered the agreements.

Some of you will recall the consternation with which Canadians learned of the United States emergency tariff of 1921. From that date on to 1930 United States tariffs underwent successive increases. The present agreement, broadly, goes back to the level of the Underwood tariff of 1913, the most liberal tariff which the United States has had in our generation.

The trade agreements which must satisfy others as well as ourselves do not contain everything that we might desire, but they do indicate that the United States contemplates taking a different direction in its tariff policy than it took after the first World War.

The possibility of expanding trade offers to Canadian industry an opportunity to use its wartime experience in efficient production and to test its greater competence in the markets of the world. Let us seize vigorously the opportunities which are offered.

It was moved by the President, seconded by Vice-President J. W. Hobbs and resolved that the Report which has been read be adopted, printed and circulated among the Shareholders.

It was moved by Mr. A. M. Bethune, seconded by Mr. A. N. McIntosh and resolved that T. A. M. Hutchison, F.C.A., of Peat, Marwick, Mitchell & Co., and W. D.

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Glendinning, F.C.A., of Glendinning, Jarrett, Gray & Roberts, be appointed Auditors of the Bank for the ensuing year at a remuneration not to exceed \$14,000.

It was moved by Mr. J. S. Roberts, seconded by Mr. Richard Pearce and resolved that the thanks of the Shareholders are due and are hereby tendered to the President, the Vice-Presidents and Directors for their able and careful management of the Bank's affairs, and to the General Manager, the Assistant General Managers and other officers of the Bank for their valuable services during the past year.

Mr. J. W. Hobbs and Mr. J. S. Proctor replied to the motion, expressing appreciation on behalf of the Directors and Staff respectively.

It was moved by Mr. Everett Bristol, K.C., seconded by Mr. G. E. Phipps and resolved that the ballot box be now opened for the receipt of ballot papers for the election of seventeen Directors, the poll to close as soon as two minutes shall have elapsed without a vote being tendered.

The ballot having been taken, the Scrutineers reported the following to have been elected Directors for the ensuing year:—R. S. Waldie, J. W. Hobbs, W. G. More, Walter C. Laidlaw, G. H. Aikins, K.C., H. E. Sellers, W. B. Woods, Arthur L. Bishop, E. E. Buckerfield, C. Gordon Cockshutt, H. L. McCulloch, Jules R. Timmins, Eliot S. Frosst, F. G. Rolph, W. P. Walker, A. W. Baillie and J. A. Northey.

The Meeting was then adjourned.

At a subsequent meeting of the Board of Directors, R. S. Waldie was re-elected President, and J. W. Hobbs and W. G. More Vice-Presidents, for the ensuing year.









