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*118 th  
annual  
report  
October 31 st  
1949*



**The BANK of  
NOVA SCOTIA**

• A SIGN OF GOOD FRIENDSHIP

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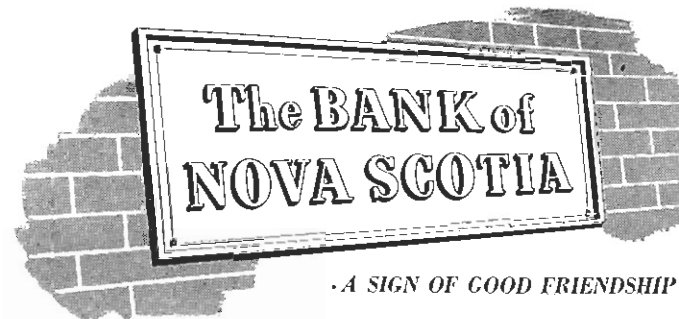


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*the bank reports to its  
shareholders, depositors and  
the public in its 118th  
annual report . . . .*

The responsibility of The Bank of Nova Scotia to its shareholders is to conduct the business of the Bank so as to yield them a fair return on their investment and at the same time maintain a sound competitive position.

Its responsibility to depositors and to the public is to make an economically sound contribution to the life of the nation by providing banking services which contribute to Canadian prosperity.

Part of this responsibility is to report each year on the Bank's operations, and to record the views upon which the Bank's policies are based.

This booklet is The Bank of Nova Scotia's 118th Annual Report.

THE BANK OF NOVA SCOTIA

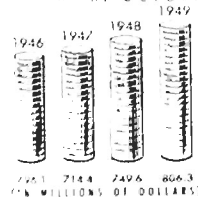
## 1949 a year of expansion

To INCREASE our usefulness in the economy we have opened 24 new branches during the past year—75 since the end of the war. These are more than just buildings. Each branch is staffed by competent men and women with a special degree of training. To think of them as so many tellers, ledgerkeepers, accountants and so on, is to underestimate the scope of their work. For beyond the banking routine they must understand individual customer requirements. They must realize that a farmer has problems of an entirely different nature to a clerk in the city; that a manufacturer's needs are not those of a miner. This is the essence of good banking . . . a service based on co-operation and understanding between staff and customer.

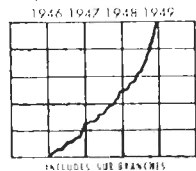
This year we are continuing to remodel existing premises and to add new, modern mechanical equipment to speed service to our customers and increase staff efficiency. There have been 165 major alterations on premises since the end of the war; over 75 of these occurring during the past year.

Expansion in other forms has been consistent with our efforts to augment our services. Assets increased by \$56 million to a new high of \$806 million; deposits from \$668 million to \$728 million, while loans have increased \$17 million to a record \$310 million. The staff has grown from 1,208 to 1,335.

GROWTH IN ASSETS  
AS AT OCTOBER 31, 1946-1949



GROWTH IN BRANCHES  
1946-1949



OVER 350 BRANCHES IN CANADA AND ABROAD



*the condition of  
your bank  
as at  
October 31st  
1949*

## liabilities

Capital paid up.....	\$ 12,000,000.00	
Rest or reserve fund.....	24,000,000.00	
Dividends declared and unpaid.....	363,668.54	
Extra distribution declared and unpaid.....	360,000.00	
Balance of profits, as per profit and loss account.....	2,837,024.99	
		\$ 39,560,693.53
Notes in circulation.....	\$ 1,224,016.91	
Deposits by and balances due to Dominion Government.....	\$ 19,610,472.89	
Deposits by and balances due to provincial governments.....	2,456,922.68	
Deposits by the public not bearing interest.....	278,373,630.48	
Deposits by the public bearing interest, including interest accrued to date of statement.....	427,926,405.14	
	728,367,431.19	
	\$729,591,448.10	
Deposits by and balances due to other chartered banks in Canada.....	14,741,130.09	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada.....	6,081,703.15	
	\$750,414,281.34	
Acceptances and letters of credit outstanding.....	15,560,120.91	
Liabilities to the public not included under the foregoing heads.....	773,605.56	
	\$806,308,701.34	

H. L. ENMAN, President

C. SYDNEY FROST, General Manager

### Auditors' Report to the Shareholders of The Bank of Nova Scotia:

We have examined the above General Statement of Liabilities and Assets as at 31st October, 1949 and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto, Montreal and Havana Branches were confirmed by us at the close of business on 31st October, 1949. 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.

We report that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

W. L. L. McDONALD, F.C.A.,  
of Price, Waterhouse & Co.

T. A. M. HUTCHISON, F.C.A.,  
of Peat, Marwick, Mitchell & Co.

} Auditors

TORONTO, CANADA, 17th November, 1949

Controlled Company  
**EMPIRE REALTY COMPANY,  
LIMITED**

Balance Sheet, 31st October, 1949

**assets**

Gold and subsidiary coin held in Canada.....	\$ 1,082,449.62	
Gold and subsidiary coin held elsewhere.....	718,574.94	
Notes of Bank of Canada.....	21,385,238.50	
Deposits with Bank of Canada.....	49,664,818.08	
Notes of and cheques on other banks.....	39,456,059.32	
Government and bank notes other than Canadian.....	19,167,109.91	
	<u>\$131,474,250.37</u>	
Due by banks and banking correspondents elsewhere than in Canada.....	14,849,363.99	
	<u>\$146,323,614.36</u>	
Dominion Government direct and guaranteed securities maturing within two years, not exceeding market value.....	73,779,002.28	
Other Dominion Government direct and guaranteed securities, not exceeding market value.....	153,970,376.34	
Provincial government direct and guaranteed securities maturing within two years, not exceeding market value.....	4,982,280.83	
Other provincial government direct and guaranteed securities, not exceeding market value.....	15,524,116.19	
Canadian municipal securities, not exceeding market value.....	8,203,930.13	
Public securities other than Canadian, not exceeding market value.....	7,719,949.95	
Other bonds, debentures and stocks, not exceeding market value.....	24,950,731.03	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....	28,396,142.46	
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover.....	9,838,510.00	
	<u>\$473,688,653.57</u>	
Current loans and discounts in Canada, not otherwise included, estimated loss provided for.....	\$232,220,370.50	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for.....	46,700,760.97	
Loans to provincial governments.....	13,974,194.09	
Loans to cities, towns, municipalities and school districts.....	9,207,808.66	
Non-current loans, estimated loss provided for.....	63,811.25	
	<u>\$302,166,945.47</u>	
Liabilities of customers under acceptances and letters of credit as <i>per contra</i> ..	15,560,120.91	
Mortgages on real estate sold by the bank.....	4,033.17	
Bank premises at not more than cost, less amounts written off.....	8,557,535.51	
Deposit with the Minister of Finance for the security of note circulation.....	71,471.46	
Shares of and loans to controlled companies.....	5,483,309.04	
Other assets not included under the foregoing heads (including refundable portion of Dominion Government taxes amounting to \$481,931.12).....	776,632.21	
	<u>\$332,620,047.77</u>	
	<u><u>\$806,308,701.34</u></u>	

**assets**

LAND, AT COST.....	\$2,542,075.00
BUILDING:	
Construction in Progress.....	5,201,721.48
	<u>\$7,743,796.48</u>

**liabilities**

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES...	\$ 785,487.44
ADVANCES FROM THE BANK OF NOVA SCOTIA..	3,958,309.04
CAPITAL STOCK:	
Authorized: 50,000 shares of par value \$100.00 each	5,000,000.00
Issued, fully paid:	
30,000 shares (1) ..	3,000,000.00
	<u>\$7,743,796.48</u>

**NOTES:**

- (1) The Capital Stock issued by the above Company is wholly owned by The Bank of Nova Scotia and is included in its Statement of Liabilities and Assets at the amount of \$1,525,000.00.
- (2) As at 31st October, 1949 the Company had certain contractual obligations with respect to the erection of a building on its property at King and Bay Streets, Toronto.

**To the Shareholders of Empire Realty Company, Limited:**

We have examined the books and accounts of Empire Realty Company, Limited for the year ended 31st October, 1949 and report that in our opinion the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at that date according to the best of our information and the explanations given to us and as shown by the books of the Company. All our requirements as auditors have been complied with.

W. L. L. McDONALD, F.C.A.,  
of Price, Waterhouse & Co.

T. A. M. HUTCHISON, F.C.A.,  
of Peat, Marwick, Mitchell & Co.

Toronto, Canada, 17th November, 1949.



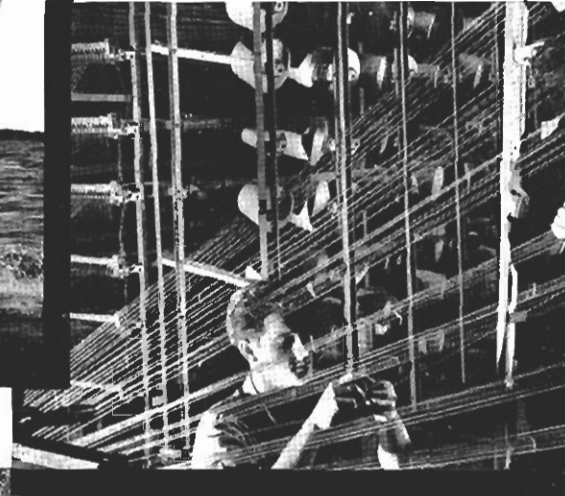
# *how the bank enters the daily lives of Canadians*

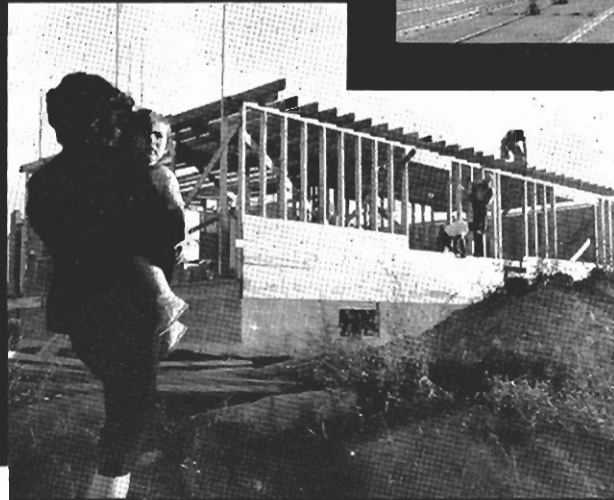
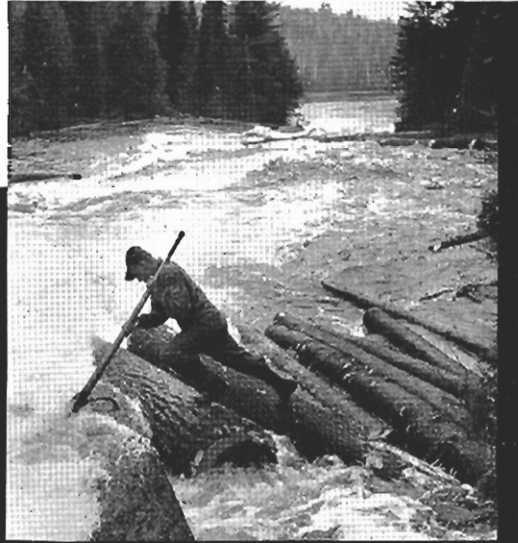
**B**ANKING is a personal thing . . . it affects not only industries and corporations, but enters into the daily lives of people in every station in life.

Increased savings deposits this year meant that more Canadians were building a nest-egg of savings to enable them take advantage of future opportunities, or to protect them against unforeseen financial emergencies.

Credit extended to industry helped to put more Canadians to work. Seasonal needs of farmers, woods workers and others were financed. By holding the bonds and debentures of federal, provincial and municipal governments your Bank has helped to supply needed social services and build roads, bridges, schools, hospitals and a wide range of other public works. Credit in the form of loans and bond holdings on our books at the end of this fiscal year amounted to almost \$50 for every man, woman and child in Canada.

From owner to clerk, from farmer to fisherman, Canadians in hundreds of communities in every province have benefitted from the increased scope of your Bank's operations.





# the directors' report



*H. D. Burns, Chairman of the Board*

Your Directors beg to submit herewith the One Hundred and Eighteenth Annual Report of the Bank covering its operations for the fiscal year ended 31st October, 1949, with a statement showing the Liabilities and Assets at that date.

The profits for the fiscal year ended 31st October, 1949, after making appropriations to Contingency Reserves, out of which accounts full provision for Bad and Doubtful Debts has been made, amounted to..... \$4,705,724.14

Provision was made out of this for the following:

Depreciation on Bank Premises.....	\$ 402,412.97	
Dominion and Provincial Government Taxes.....	2,004,000.00	2,406,412.97
Leaving the total available for distribution.....		\$2,299,311.17

This has been appropriated as follows:

Quarterly Dividends of 30¢ per share.....	\$1,440,000.00	
Extra Distribution of 30¢ per share, payable 3rd January, 1950.....	360,000.00	1,800,000.00
Leaving a balance to be carried forward.....		\$ 499,311.17
To which is added the balance brought forward last year.....		\$2,337,713.82
Making the balance in Profit and Loss Account 31st October, 1949...		<u>\$2,837,024.99</u>

The Assets of the Bank have been carefully and conservatively valued, and the correctness of the statement is certified by the Auditors appointed by you under Section 55 of The Bank Act. During the year the Branches have been inspected by experienced officers specially appointed for that purpose.

There were 325 Branches of the Bank in operation at the beginning of the fiscal year; during the year 24 Branches were opened and none closed, so that there were 349 Branches of the Bank in operation as at 31st October, 1949. Of these, 324 are in Canada, 23 in the West Indies, 1 in the United States and 1 in London, England. There are also 11 Sub-branches of the Bank in operation.

It is with sincere regret that your Directors record the death on the 24th June last of their esteemed colleague, Mr. W. J. Hastie, who became a member of the Board on 7th May, 1946.

The vacancy created by the death of Mr. Hastie has been filled during the year by the election of Mr. F. A. Sherman.

Your Directors wish to record their sincere appreciation of the loyalty and efficiency with which the officers and employees of the Bank have discharged their duties in the past year.

On behalf of the Board,

H. L. ENMAN,  
President.

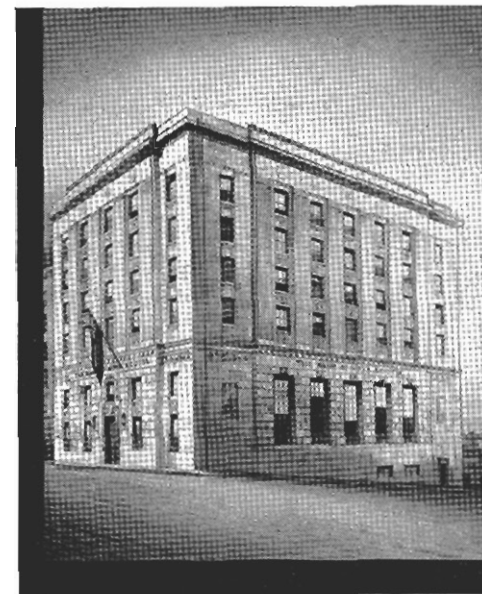
Halifax, N.S., 7th December, 1949.

## *the board of directors*

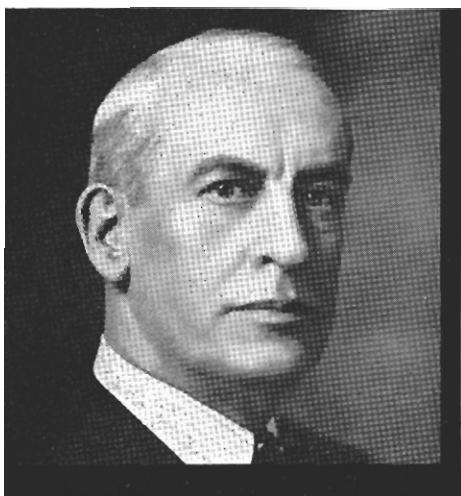
H. D. BURNS, Esq., Toronto, Ont., Chairman of the Board  
H. L. ENMAN, Esq., Toronto, Ont., President  
HON. F. B. McCURDY, P.C., Halifax, N.S., Vice-President  
JAS. Y. MURDOCH, Esq., O.B.E., K.C., LL.D., Toronto, Ont., Vice-President  
W. W. WHITE, Esq., M.D., Saint John, N.B.  
RUSSELL BLACKBURN, Esq., Ottawa, Ont.  
F. P. STARR, Esq., Saint John, N.B.  
HON. LEIGHTON McCARTHY, P.C., K.C., LL.D., Toronto, Ont.  
W. M. BIRKS, Esq., C.B.E., LL.D., Montreal, Que.  
A. L. ELLSWORTH, Esq., Toronto, Ont.  
COL. J. D. FRASER, Ottawa, Ont.  
CHRISTOPHER SPENCER, Esq., C.B.E., Vancouver, B.C.  
BRIG.-GEN. C. H. MACLAREN, C.M.G., D.S.O., Ottawa, Ont.  
JOHN G. MacDOUGALL, Esq., M.D., Halifax, N.S.  
W. A. WINFIELD, Esq., Halifax, N.S.  
W. C. HARRIS, Esq., Toronto, Ont.  
HUGH MACKAY, Esq., Rothesay, N.B.  
W. A. MURPHY, Esq., Winnipeg, Man.  
P. R. GARDINER, Esq., Toronto, Ont.  
W. N. McLEOD, Esq., Toronto, Ont.  
FRED C. MANNING, Esq., Halifax, N.S.  
W. K. WHITEFORD, Esq., Toronto, Ont.  
F. A. SHERMAN, Esq., Hamilton, Ont.

## *general executive*

H. L. ENMAN, President  
C. SYDNEY FROST, General Manager  
*Assistant General Managers*  
D. A. Y. MERRICK E. S. CRAWFORD  
G. F. HINCHCLIFFE  
J. A. FIOTT, Assistant to the General Manager  
*Secretary*  
F. J. FINLAY  
*Secretary to the Board*  
R. A. S. ELLIOT (Halifax, N.S.)  
B. R. CALDER, Chief Supervisor  
*District Supervisors*  
V. J. COX (Havana, Cuba)  
R. L. DALES (Winnipeg, Man.)  
T. G. ADAMS  
C. L. BOWLBY (Saint John, N.B.)  
T. A. BOYLES  
A. E. GRIFFIN (Montreal, Que.)  
J. G. PENNEY (Vancouver, B.C.)  
*Assistant Supervisors*  
E. L. PEQUEGNAT  
W. S. BOX  
A. T. BROOME (Havana, Cuba)  
F. BELL  
E. BARKER  
H. F. CUNNINGHAM (Montreal, Que.)  
G. K. LAING (Saint John, N.B.)  
W. G. HENDERSON (Winnipeg, Man.)  
C. E. CROOKS (Winnipeg, Man.)  
C. R. HANDRIGAN  
R. B. YULE  
J. F. WILSON  
H. R. YOUNKER  
E. E. OWEN (Saint John, N.B.)  
H. R. McCHARLES (Vancouver, B.C.)  
W. K. WATERS, Manager, Investment Department  
C. N. S. SEDGEWICK, Supervisor of Staff  
W. C. MEEK, Chief Accountant  
A. McD. McBAIN, Supervisor, Foreign Department  
G. T. MURDOCH, Chief Inspector  
H. M. DAGG, Supervisor, Business Development Department  
IAN ROSS, Manager, Foreign Exchange Department  
G. P. SPEIRS, Manager, Bank Premises Department  
J. D. GIBSON, O.B.E., Supervisor, Statistical Department  
H. C. STEWART, Supervisor of Properties  
A. J. MELLOR, Pro Manager, Publicity Department  
J. R. PINDER, General Office Auditor







*president sees  
underlying trend  
upward—development  
prospects bright*

In addressing this meeting for the first time as President, I am strongly conscious of the ability and distinction with which my immediate predecessor, Mr. H. D. Burns, filled this honourable office. We have had many able Presidents in the long history of The Bank of Nova Scotia, but I venture to say that we have had none more distinguished than Mr. Burns and certainly none more richly endowed in those human qualities of understanding and friendliness. Mr. Burns has contributed to the Bank's development in many ways, but I think you will agree with me that the trait in his character which we value perhaps most of all is his deep interest in and his clear affection for his fellow men. It is not easy to follow in the footsteps of such a man, but my task is lightened by his continued helpful advice and assistance in his capacity as Chairman of the Board of Directors.

I also wish to welcome on behalf of the Directors and Shareholders our new General Manager, Mr. C. S. Frost. Mr. Frost, born and brought up in these Maritime Provinces, has had a wide banking experience in points as far separated as St. John's, Newfoundland and Saskatoon, Saskatchewan. He is an able officer and well-fitted to cope with the heavy responsibilities which are now his.

During the present year, we, in Canada, have witnessed a short lived recession in the United States, we have been increasingly aware of losses in overseas export markets, and we have observed a continued if gradual shift from a seller's to a buyer's market. Yet despite these developments, business activity in this country has been well sustained. There has been some evidence of slackening in activity recently, but there

has been no downward movement which could be described as a recession—even on the moderate scale of the downturn across the border.

#### **Factors Supporting Business Activity**

The trend of business in Canada normally follows at an interval of a few months the prevailing trend in the United States. During the present year, however, conditions in Canada have been remarkably well maintained and have not generally reflected the moderate U.S. recession. In appraising our economic position it is well to examine the reasons for this relatively favourable record. Some of them are of a temporary nature and their sustaining influence is already waning. This is true of the large non-recurring disbursements—some \$450 millions in all—made last spring representing the repayment of the remaining wartime compulsory savings and the participation payments on the previous four wheat crops. Another influence, which in the light of recent trade returns, also appears to be lessening, has been the high level of exports to the United States and to a few other countries such as India and South Africa. In the first eight months of the year, higher exports to these countries helped to keep up our total exports in the face of restricted markets in most overseas countries, but more recently some reductions have occurred and exports to the United States in particular have been considerably below last year's high levels. Other sustaining influences are still fully operative. They include the reduction in taxation, larger defence outlays, and certain other increases in government expenditures. The resulting sharp reduction in the federal government's surplus and the continued official "easy money" policy which has facilitated a further increase in the volume of credit, are significant "expansive" factors in this country as are corresponding developments in the United States.

The most important influence supporting business activity has been and still is the continued high rate of capital expansion and construction activity which this year has been even larger than in 1948. Expenditures for physical investment in plant, machinery, buildings, housing, public utilities, roads and so on have in total been relatively larger in Canada than in the United States and have on the whole been somewhat better sustained. The high level of investment in this country reflects more than the working-off of the large backlog of capital needs accumulated during the war and the depression before it. It is also associated with, indeed it is a part of, a notable growth in the size of the Canadian economy—a growth of population, of production, and of known and usable natural resources. In its re-equipment aspects, the rate of capital investment is passing its peak. Established manufacturing industries are in many cases well along with their programs of modernization and expansion. But there is a momentum of growth associated with the opening

up of new resources and with the needs of an increasing and energetic population which remains clearly in evidence.

### **Growth of Canadian Economy**

We in Canada are now beginning to realize how much our country has grown in recent years. Despite the long hard times of the 'thirties, our economy has made great strides since that October day in 1929 which marked the end of the "new era". Compared with 1929 our economy has grown almost beyond recognition. Our population is more than one-third larger. Our employed working force is some 50% bigger. And our production is probably a good 75% larger. One can quibble about the exact amounts, for the statistics are far from perfect. But no one who looks at the factual information can be in doubt that the expansion has been pronounced.

Thirteen and a half million Canadians in 1949 were on the average a good deal better off individually than were ten million in 1929. In the last few years the natural increase in our population has been marked and we have absorbed large numbers of immigrants with obvious benefit to the whole country. Nearly 350,000 immigrants have entered Canada since the end of the war. In the twelve months ended last June, the number exceeded 120,000 and though we lost population through emigration, especially to the United States, the net gain was around 90,000. These new citizens have helped to develop and broaden our economy. Their presence has enlarged rather than reduced the opportunities and the welfare of other Canadians. I emphasize these points because they indicate that we should continue to encourage immigration to the full extent that we can absorb new citizens. It is well to remember that the primary resources of any country are its human resources, that it takes work and brains to develop natural resources and industry, and that people with the initiative and courage to make a new start in a new land frequently have much to contribute to the country of their adoption.

### **Great Resource Potentialities**

Canada is a growing country. The expansion of recent years has been striking and the potentialities of the future are great. We are beginning to appreciate the significance of the oil and gas developments in Alberta. For the time being, production is sharply restricted awaiting the construction of the new pipelines which will open up more distant markets. If the transportation facilities were available, production of oil in Alberta today might well amount to a third of Canada's requirements. And meanwhile, development and discovery are pushing rapidly ahead and hold out the hope that Canada may before long produce oil on a scale comparable to her own consumption. Then there are the Quebec-Labrador iron deposits which have attracted interest in the United States as well as in Canada. It is reported that

drilling over the last three summers has proved 300 million tons of high-grade ore and it is believed that there is a good deal more. Plans for construction of a 360 mile railway from the iron deposits to the Gulf of St. Lawrence have been made, and further steps toward the financing of this very large project have recently been announced. A large new deposit of ilmenite—the largest known in the world—is being developed, also north of the St. Lawrence, and a treatment plant to make titanium dioxide from it is under construction. Though titanium has been mainly used in oxide forms as a pigment because of the difficulty of refining, it has remarkable qualities as a metal and may find growing uses in this form.

I mention the three outstanding recent mineral developments to illustrate that the day of large-scale discoveries is not past. They are not the only discoveries of importance nor are minerals the only field in which resource development is occurring. Hydro-electric power is another major resource which is being rapidly developed and where the potentialities are still large. Its further development combined with that of oil and natural gas provides one of the essential bases for more industrialization and a bigger economy. Moreover, there are great possibilities of improving the use of existing resources of forest and land, which if less colourful are perhaps even more important than the discovery of new resources. The forest is one of Canada's prime sources of wealth and the vast forested areas of this country can be made to yield a perpetual crop even larger than our present forestry output if we take proper measures to encourage growth and to reduce waste. It is heartening that this fact is increasingly recognized in improved logging practices and in planned cutting, and in government regulation and increased fire protection. Much remains to be done, however, before we can look forward to a satisfactory balance between drain and growth.

There is much, too, that can be done in connection with the improvement and utilization of farm land. Useful research work is being done in this connection at the universities and by governments and probably few of us appreciate the contribution which the agricultural technicians are making to the national welfare. The remarkable improvement in the types of wheat planted in the Prairies, for example, has been a development of far-reaching importance adding notably to the production and the quality of Canadian wheat. In its economic importance it compares with the opening up of large areas of new land or with the discovery of large new mineral resources. Then there are some large-scale developments in agriculture such as the new irrigation projects in the west. Irrigation is usually an expensive undertaking and is only feasible in limited areas. However, one only has to see a successful irrigation scheme to realize what a remarkable effect it has on the productivity of farm land and on the whole development of the area concerned. Costs should, of course, be carefully considered but the wider and

indirect effects of irrigation in fostering economic development should be given due weight in assessing new projects.

### **Near-Term Outlook Uncertain**

I have spoken at some length about the potentialities of growth in Canada because I believe it is important that we should see our current position in its right perspective. The underlying trend is decidedly upward—we are still a young and growing country. The near-term outlook, however, is less reassuring. As I noted earlier, some of the forces sustaining high activity are waning and there is evidence of a slight easing in recent months.

In the United States, the business picture is also rather uncertain and not a little confusing. A year ago, there was widespread concern in that country about the danger of a slump. Today, after a very slight recession the U.S. position is widely described as "inflationary" and the outlook as quite favourable. The power of government to maintain high economic activity is stressed to a degree which would have been regarded in some quarters as quite unrealistic at this time last year. It is possible that the current atmosphere of optimism is somewhat over-done. Though I do not suggest that there is reason to look for an early downturn in the United States, I believe we should endeavour to keep a balanced view and that as Canadians we should be well advised to assume that the trend away from the seller's market which has been evident for some time will continue, and that conditions in the U.S. market will be highly competitive. We in this country shall have to be on our toes to keep up our exports to the United States.

If this view is correct, it follows that we shall be increasingly concerned during the coming year with the difficulties facing our overseas export trade—difficulties which are already our foremost economic problem. We have been facing serious restriction of our exports in the sterling area, in Europe, and in Latin America. We have been losing markets not through lack of ability to compete but because of restrictions imposed by overseas governments designed to save dollar expenditures. This lack of balance in world trade, or as it is more popularly known, the dollar shortage, is, of course, at the root of our difficulties. Its seriousness is vividly illustrated by the recent sharp devaluation of sterling and many other currencies.

### **Devaluation and the Dollar Problem**

No easy or early solution of the dollar shortage is in prospect. However, devaluation of sterling and the many other currencies may properly be viewed as an essential first step toward an eventual solution. These devaluations set rates which are regarded as more realistic and which should permit Britain and other overseas countries to compete more effectively in dollar markets. By increasing the cost in devalued currencies of goods

from dollar countries, it should reduce reliance on controls and restrictions. In short, it establishes relative prices which should help to solve the dollar problem rather than aggravate it as the earlier exchange rate structure was tending to do.

But the recent devaluations are no more than a first step toward a solution of the dollar problem. There is little hope of restoring more balanced conditions at a satisfactory level of trade unless at least the more important countries concerned are prepared to allow price incentives and price competition to work and make even greater efforts to get their money on a sound basis. An expanding system of international trade—a multi-lateral system—depends on the working of price incentives and price competition and on the convertibility of currencies.

The working of the price system relies on the verdict of the market. It simply represents a balance between the interests of buyers and sellers. It relies on the hope of gain and the fear of loss. These are not the only motives behind human effort but they are important. If rewards for greater effort, imagination, and risk-taking are unduly diminished, these qualities will be less in evidence and the results may be far-reaching. Governments, of course, have a major role to play in economic life—a role which includes provision for social security and for the enlargement of opportunity and which also includes the regulation of monopoly and restrictive practices. But if governments act in a manner which gravely reduces incentives to produce or which is contrary to the clear verdict of the marketplace, the result is apt to be a slowing of economic progress and a lack of balance in production and trade. As an example, it is fair to ask whether the level of taxation in Britain today combined with policies of widespread control, and also of nationalization, are not tending to discourage production in a number of directions. And to take an example on this continent, one might ask whether the high level and the structure of support prices for farm products in the United States—a level related to scarcity conditions and a structure based on formulae anchored in the past—are not encouraging accumulation of surpluses and unbalanced production.

The attainment of sound money, that is money the value of which people outside the jurisdiction of the government concerned will accept, depends in the main on keeping the national expenditure from outrunning the national production. If, whether through the activities of its government or through those of its citizens, a country persistently tries to spend more than its production warrants, it faces rising prices and a weak exchange rate.

This is a simple fact which is all too evident at the present time. Many countries in the sterling area, in western Europe, and elsewhere have recently been endeavouring to spend more than their national production has warranted. The forces leading them to expand their expenditures are cogent ones, for in contrast to us on this continent they suffered staggering economic losses as a result of the war or, as in the case of India,

their standards of living are very low and their peoples impatient for some improvement. But the unpleasant fact remains that despite the notable recovery in their production—and their production has increased remarkably—most of these countries have been trying to spend more than their increased production and the assistance from the European Recovery Programme and other sources have justified. Whatever one thinks about this, it is a fact which must be faced and overcome largely by the efforts of the countries concerned. If over-spending or inflation is not stopped, or to put it another way, if sound money is not re-established, then the improved competitive position gained by the recent devaluations will be all too quickly dissipated.

### **North America Must Import More**

The rebuilding of a healthy system of international trade also depends greatly on the actions and policies of North America. There are two sides to the dollar shortage and it is up to the people of the United States, and also of Canada, to play their part in solving it. We, in North America, who so readily express our belief in the price system in such general though expressive phrases as "free enterprise" or "multilateral trade" have now got to show that we mean what we say in a really concrete way. We on this continent must let the competitive advantage, which overseas countries have gained by devaluation, work in our own markets and the United States in particular should give better access to foreign goods in her markets. It may well be that we in Canada should also reduce trade barriers against overseas goods, but it is fair to note that our tariffs and their administration, especially as they apply to sterling countries are a considerably less formidable barrier to imports.

The United States contains within its own borders a great free trade area and yet, as Canadians well know, that large domestic market is often effectively protected from outside competition. If foreign goods are needed or if U.S. production is inadequate—they get in easily enough. But if there is a large U.S. production, as there so frequently is, protection is apt to be very effective, and what is more the political response to pressure groups affected by foreign competition has in the past been all too apparent. The United States still has a protective system characteristic of a young country striving to develop its manufacturing industries and, superimposed on that, a protective system more typical of an older country trying to shelter its farmers from foreign competition. Yet the United States is the strongest and most efficient producer of manufactured goods on earth and the largest and one of the most efficient producers of foodstuffs. And the United States has a surplus in her current trade running at a rate of over \$7,000 millions per annum—a substantial part of which she is generously financing through the European Recovery Programme. So, for the United States, the challenge is to change its approach and to hasten the heartening but very gradual trend of recent years toward reduced trade barriers. The world cannot buy more from the United States

than it can pay for. How much it buys depends on how much it can sell to that country and on how much the United States gives, lends, or invests abroad. ERP outlays are being gradually reduced and are in any case temporary. The revival of private investment on a really substantial scale depends heavily on establishing a greater degree of convertibility of currencies and of confidence in economic affairs abroad, and these conditions can scarcely be attained unless there is a substantial increase in overseas sales to the United States. So the core of the problem is to increase the sale of overseas goods and services to the United States. There is no escaping the conclusion that if overseas countries cannot increase their sales to the United States very substantially they will further restrict their purchases.

What I have been saying about the United States applies in part to Canada. We, in this country, must also buy more from overseas or we shall surely sell less. Canada's problem, however, differs from that of the United States since we do not have any significant surplus in our total trade. We do have a surplus with overseas countries, but we have a roughly corresponding deficit with the United States, which means that we, too, have a U.S. dollar problem. So our problem is more one of diverting some of our purchases from the United States to overseas countries, and of sustaining and if possible increasing our sales to the United States. That is the logic in the recent moderate devaluation of the Canadian dollar. It helps to maintain the competitive position of our exports in the U.S. market and as against U.S. competition in other markets, and it makes imports from the United States somewhat more expensive. The much greater devaluation of sterling and a number of other overseas currencies improves the competitive position of those countries in the Canadian market, while the 10% increase in the cost of most U.S. goods provides a real incentive for Canadian importers to look for alternative sources of supply.

A solution of the dollar problem at a high level of trade is certainly possible. It can be solved if there is the will to solve it. It seems to me, however, that all the countries concerned will have to give this objective a higher priority if it is to be reached. Expressions of belief in multilateral trade are being made constantly by officials and businessmen in every country of the democratic world. But as yet they have not been accompanied by sufficient action to stop inflation, to give more scope to price incentives and competition, and to reduce trade barriers where reductions are most needed. Action along such lines is the only way the dollar problem can be solved at a high level of trade. If it is not solved through a larger flow of overseas goods to North America and through a following revival of capital movements, it will be solved through further restriction of trade. A solution through further restriction of trade would have most unfavourable effects on the economic position of all the countries concerned. More than that, it would contribute to a degree of friction and division in the western world which the democratic countries cannot afford to permit.





*general manager says  
rising government  
expenditure calls for  
active public interest*

I am grateful for the kind remarks with which the President introduced me to this Meeting. His own outstanding record as General Manager is a great example and challenge for his successor, and I can assure you that I am deeply aware of the responsibility attached to my new position.

Turning to the Bank's affairs, our Assets showed a considerable further increase during the banking year: Total Assets now exceed \$800 millions. The increase in Assets and the roughly corresponding rise in Deposits reflect sustained business activity, the continued strong demand for credit, and the fiscal and monetary policies of the Government.

Our Loans have risen notably. Our Investments, while still high, show a slight decline. In this last respect our experience differs to some extent from that of the banking system as a whole, where investment holdings have shown some increase. The reason is that our Loans have increased somewhat more than the average for the whole banking system and to provide the needed funds we have slightly reduced our holdings of securities.

#### **A Notable Increase in Loans**

The increase in Loans is the most striking feature of our Statement, since it is the major item in the growth of Assets and the principal reason for the somewhat better level of earnings. Actually, Loans increased by no less than \$47 millions during the year to a total of \$340 millions. This is a larger increase than in the preceding year and we have certainly held our relative position in this highly competitive field maintaining proper regard for the quality of our loans.

The further increase in bank loans, and there was a substantial increase for the banking system as a whole, calls for an explanation in view of the fact that, though business activity has held at a relatively high level, it has not generally increased as compared with a year ago. One reason for the further rise in loans is that some businesses have found it necessary to replenish their inventories in view of the well-sustained demand for their products.

At this time last year there was a quite widespread tendency to pare down inventories as a precaution in the event of any reduction in demand or prices. In many cases, demand and prices have been better sustained than was expected and some additions have been made to inventories to meet working requirements. In addition, more credit has been provided and terms have been somewhat lengthened in the sale of a number of lines of goods, and this has led to some expansion in bank loans to merchandisers and to companies financing instalment sales.

Another general influence, which has been apparent for several years, is the indirect effect on bank lending of the large capital expansion programme. More and more businesses have invested their available surplus funds in fixed assets and as a result have been more dependent on bank accommodation for current operating needs. In addition, the security markets have been more active with the result that loans to dealers have risen.

There are thus good and sufficient reasons for the increase in bank loans. At the same time, I believe that the business community should be on its guard against undue optimism, against the impression which some are inclined to draw from the strength

of the stock market in recent months that the trend of business after a period of indecision is again firmly upward. The outlook in the United States, while far from discouraging, is by no means assured and in Canada we are additionally and rightly concerned with the problem of maintaining our exports.

### **A Notable Expansion in Bank Deposits**

In line with the substantial increase in our Assets, our total deposits have risen notably. They have increased by no less than \$60 millions over the year to \$728 millions. This is an increase of 9% as compared with a year ago and is part of a general expansion of bank deposits in this country.

It may be remembered that during 1947 the long upward movement in Canadian bank deposits was checked. In 1948, however, the expansion was renewed and the increase this year has been greater than last. In other words, there has been a considerable and accelerated increase in the supply of money. It is true that the greater part of the recent increase has occurred in notice deposits which are, of course, much less active than demand deposits, and this to some extent lessens the inflationary implications of the increase. Nevertheless, the fact that we, in Canada, have experienced a further increase in bank deposits at a time when the national production has shown little change is a matter of significance.

This expansion in bank deposits is related in part to the general increase in the demand for bank credit to which I have referred. However, it also reflects the reduction in the cash surplus of the Federal Government and the continuance of the official policy of maintaining comparatively low interest rates on the national debt.

The increase in bank loans did not lead to any net sale of government securities by the banking system because the central bank saw to it that the cash reserves of the chartered banks were sufficient to permit the increase in loans and also to induce the banks as a group to add somewhat to their holdings of government securities. The official policy has indeed led to some decline in interest rates on government securities over the year, and

appears to have followed the corresponding trend in the United States.

No one in his senses wants depressed conditions and most of us believe that fiscal and monetary policies should be used to combat depression. Yet in this country, and perhaps even more in the United States, there appears to be such widespread anxiety about deflationary tendencies that there is a real danger of adding to inflationary influences, and thus of postponing or interfering with readjustments which would lay the basis for more balanced expansion in future. And there is also the danger of reducing further the value of money which, as most people know full well, has lost a good deal of value in the last decade.

### **Rising Government Expenditures**

These observations lead to consideration of the Federal Government's fiscal position. Tax reductions, coupled with an upward trend in expenditures, have resulted in a decline in the surplus to a moderate amount in the present fiscal year. The gradual reduction in taxation has been welcome, though it has limited retirement of the national debt. Lower taxes have increased incentives and eased to some extent the burden on those groups in the community who have not shared fully in the general rise in incomes.

The rise in expenditures, however, is a matter which, I believe, deserves far more public consideration than it has received in the past. In part, the increase has been unavoidable, reflecting the higher costs of government associated with the general increase in the price level and the needs of defence, admittedly pressing. Social security and welfare benefits have also contributed to the higher outlays, and to some extent the increase is probably the result of the lack of strong pressure for economy because of buoyant revenues. Moreover, the trend of expenditures is upward. Outlays for defence are, if anything, likely to increase further, and added social security and welfare measures may well be discussed at the coming meeting of the Federal Government and the Provinces.

It is earnestly to be hoped that a more stable and workable division of powers and responsibilities between the Federal Government and the Provinces may be reached. That Canadians should have national minimum standards in regard to basic social services is desirable, and social security and welfare plans should be integrated and balanced. And it is clearly the part of wisdom that attention should be centered on the problems which would arise in the event of widespread unemployment. A live question is the one relating to public works, whether more could not be done to hold back desirable projects, which would help to sustain employment in times of declining activity. To the extent that it is practicable—and there are real limitations—employment on municipal, provincial or federal projects is a more desirable way of coping with unemployment than is ordinary relief for the able bodied.

With strong forces at work to increase Government expenditures, the situation is one of vital concern to us all. At present, the Government has a balanced budget, with a relatively small surplus at a time when the national income is at a peak level. If business activity should decline to any considerable extent, the surplus could readily turn into a large cash deficit. Even assuming continued high activity, increasing Government expenditures have certain unavoidable consequences, which may be stated very simply as higher taxes or deficit financing.

There are obviously few who are ready to consider higher taxes—they still seem quite high enough and they are high by any but recent standards. It may be easy to run a deficit, but that does not alter the fact that the deficit has to be paid for by the community at large. There is no way in which a Government can get money without cost.

Though wise expenditures may help to increase the national production, each dollar that a Government spends, whether it raises the money through taxes or deficit financing, must come from the work and savings of the people.

It is not realistic to expect governments, which are representative and responsive to public opinion and group pressure, to worry unduly about the cost of government unless there is a

wide body of public opinion which does. Government expenditures increase so readily because most of the purposes are desirable in themselves. All of us, therefore, have strong reasons to take an active interest in the effect of Government expenditures. *Though the practical difficulties are great, there is need to improve on the present method of budgeting one year at a time.* A longer-term budgeting system would seem to be desirable, with some effort made to state priorities in regard to expenditures, in order to help us form an intelligent opinion of what we want or do not want in the light of the probable cost.

Our own and other democratic governments are involved in economic planning and have accepted major responsibilities in economic affairs. This surely means that their plans—their contemplated expenditures and revenues—should be seen in perspective and frequently reviewed by the public. There are too many examples in the world today of the trouble in which we, too, could find ourselves by simply pyramiding expenditures, however desirable individually, without endeavouring to count the cost.

### **Newfoundland Joins Canada**

Since we met a year ago the union of Canada and Newfoundland has been consummated and now the people of Newfoundland are our fellow-Canadians. As an official of the first Canadian Bank to establish in Newfoundland more than half a century ago, and as one who lived for some years in Newfoundland, I say with confidence that the decision of that country to become the tenth Province of Canada is a fine thing for Canada, and I trust, also, that it will prove to be of lasting benefit to the new Province. The natural resources which Newfoundland brings to Confederation, in the island itself and in Labrador—forests, minerals, waterpower—the fisheries of the coastal waters, and the military strategic position, are important considerations. These, however, are but a part of the contribution which Newfoundland is destined to make. A greater participation will spring from the fortitude, vigour, and self-reliance of her people. They will

contribute their full share in strengthening and enriching our national life.

### **Growth of the Bank**

It is appropriate to make a few comments on the recent growth of the Bank. In the last few years, we—and our competitors, too—have been engaged in the task of expanding our facilities to meet the needs of a bigger Canada. Since the end of the war, we have added 75 new branches and in doing so we have been able to obtain a better balanced representation across the country.

We have gone vigorously at this job of increasing our branches not only because our competitors have also been active but because, as the President has emphasized, the underlying trend in this country is toward expansion. As a result of such activities, banking facilities have been brought to new communities and facilities in expanding communities have been suitably enlarged. It is fair to say that economical and efficient banking service has accompanied, and often preceded, business expansion in all parts of the country.

During the past year we have completed new Branch buildings at Chester, N.S., Summerside, P.E.I., Mount Dennis, Ont., Windsor, Ont., Emerson, Man., Prince Albert, Sask., and Princess Street, Kingston, Jamaica. In addition, a considerable number of our offices have been modernized and enlarged to meet the demands of increased business. This programme of premises improvement is continuing, our aim being to provide, as far as practicable, adequate facilities at all points where we are represented.

### **Earnings**

Profits after taxes are \$292,000 higher than last year. This gratifying increase can be accounted for mainly by the substantial increase in loans which, of course, yield a higher return than other earning assets; some recoveries of a non-recurring nature relating to prior years also contributed to the higher profits.

I should add that the satisfactory level of earnings in recent years can be attributed to the general and substantial expansion

in the volume of banking business and in particular to the notable increase in loans. It should, however, be borne in mind that because business has been so active and prosperity so widespread since the war, losses, which in the loaning business are inevitable, have been remarkably small. There is certainly no assurance that such favourable conditions will continue, and it would be imprudent to assume that losses will not return to their normal ratio.

It should also be noted that expenses have risen substantially and are still tending to increase. Supplies, equipment and premises cost much more than before the war. Our salaries and wages, the largest item in expenses, are up a good deal, which is not only natural in the circumstances but necessary in order to maintain a high standard of service and efficiency. However, overhead has been spread over a much larger volume and improved methods and mechanization have helped to retard the increase in unit costs. I may say in this connection that our Bank has made a number of significant improvements in methods and routines during the past year.

### **Personnel**

This report would not be complete without paying tribute to our staff. The goodwill of the public must be recognized as our most important asset and the extent to which it flourishes is determined by the staff in its day-to-day associations. Of our personnel, therefore, much is expected. Intelligence, courtesy, tact, and a willingness to be helpful are all characteristics essential to the cultivation and maintenance of public confidence and friendship. Industry and initiative are qualities requisite to the conduct of our internal affairs and the application of these qualities by a loyal staff, to which it is my privilege to give grateful acknowledgment, is reflected in the successful outcome of the year's operations.

Our staff now numbers 4,335 men and women, an increase of 127 over a year ago. It is significant and a further tribute to the efficiency and co-operation of the staff that with this relatively moderate addition not only has a larger volume per branch been handled, but the 24 new branches opened during the year have been fully staffed.



Minutes of the One Hundred and Eighteenth Annual  
General Meeting of the Shareholders of  
The Bank of Nova Scotia, held at the Head Office  
of the Bank in the City of Halifax, N.S.,  
on Wednesday, December 7th, 1949.

The following were present:

Mr. H. D. Burns, D.Cn.L.  
Mr. H. L. Enman  
Hon. F. B. McCurdy, P.C.  
Mr. W. M. Birks, C.B.E., LL.D.  
Colonel J. D. Fraser  
Brig.-General C. H. Maclaren,  
C.M.G., D.S.O.  
Dr. J. G. MacDougall  
Mr. W. A. Winfield  
Mr. Hugh Mackay,  
Mr. W. A. Murphy,  
Mr. W. N. McLeod,  
Mr. Fred C. Manning  
Mr. W. K. Whiteford  
Miss S. W. A. Almon,  
Dr. Jane L. Bell  
Mr. R. B. Colwell  
Mr. Gordon Dunnet  
Miss Georgene L. Faulkner  
Mr. G. P. Flavin, K.C.  
Mr. Eric McN. Grant,  
Mrs. Muriel L. Gibson  
Mr. C. L. Gundy  
Mr. C. E. Hand  
Mr. Gilbert S. Hart  
Mrs. Isabel M. Hay  
Colonel F. H. M. Jones  
Mr. Ellery S. Johnston  
Mrs. Jean S. King  
Mr. M. J. Kaufman  
Mr. George W. Kenney  
Mrs. K. C. Laurie  
Colonel K. C. Laurie  
Mr. G. R. K. Lynch  
Mr. J. A. Maelsaac  
Miss Mary Mackay  
Mr. Donald McInnes, K.C.  
Mr. Harry I. Mathers  
Miss Jane A. Malcolm  
Mr. N. Cyril Mitchell  
Dr. C. S. Morton  
Mr. F. A. Nightingale, C.A.  
Mr. W. L. Payzant, K.C.  
Mr. Robert Pettigrew  
Mr. R. J. Pinchin  
Mrs. Janet G. Oxley  
Mr. George B. Robertson  
Mr. Benjamin Rogers

Mr. E. L. Rowan-Legg  
Mr. Austin A. Seales  
Mr. W. H. Silver  
Mr. Frank H. Sohey  
Mr. L. V. Smith  
Mr. K. S. Smith  
Miss M. Grace Wambolt  
Mr. A. B. Wiswell  
Mr. W. B. Williams  
Mr. L. J. Abbott  
Mr. C. L. Bowlby  
Mr. W. A. Clark  
Mr. R. L. Dales  
Mr. C. L. Drew  
Mr. H. G. Dustan  
Mr. R. C. Calpin  
Mr. F. W. Chenhall  
Mr. F. D. Dunn  
Mr. J. F. Gill  
Mr. M. A. Girvan  
Mr. H. F. Gordon  
Mr. A. E. Griffin  
Mr. J. W. Hahn  
Mr. J. M. Hayman  
Mr. R. V. Hickson  
Mr. H. N. Hubley  
Mr. A. G. Macdonald  
Mr. C. R. MacLaggan  
Mr. C. G. Matthews  
Mr. T. H. Miller  
Mr. T. F. Mitchell  
Mr. T. W. Mitton  
Mr. A. L. Ormiston  
Mr. J. H. Reector  
Mr. G. N. Roberts  
Mr. C. B. Simmons  
Mr. Reid J. Smith  
Mr. W. E. Starrak  
Mr. J. B. Tarlton  
Mr. C. G. Webster  
Mr. A. E. Wilson  
Mr. W. S. Wilson  
Mr. J. Douglas Gibson, O.B.E.  
Mr. F. J. Finlay  
Mr. R. A. S. Elliot  
Mr. C. Sydney Frost,  
General Manager.

On motion of Mr. W. M. Birks, C.B.E., LL.D., seconded by Mr. W. N. McLeod, Mr. H. D. Burns, D.Cn.L., was appointed Chairman of the meeting.

On motion of Mr. W. K. Whiteford, seconded by Mr. Fred C. Manning, Mr. F. J. Finlay was appointed Secretary of the meeting.

Before asking the Secretary to read the notice calling the meeting, the Chairman made reference to the 200th Anniversary of the founding of the City of Halifax. He spoke of the great tradition which had grown up around Halifax and of the role which it had played in peace and war as one of the great ports and naval bases of the North Atlantic. He concluded by voicing pride in the City of Halifax, the birthplace of the Bank.

At the request of the Chairman, the notice convening the meeting was read by the Secretary.

On motion of Miss M. Grace Wambolt, seconded by Mr. George B. Robertson, Mr. Harry I. Mathers and Mr. G. P. Flavin, K.C., were appointed Scrutineers for the meeting.

The Minutes of the last Annual Meeting, having been printed and distributed to the Shareholders, were taken as read, and on motion of Mr. Eric McN. Grant, seconded by Mr. N. Cyril Mitchell, were confirmed.

At the request of the Chairman, the Secretary read the Report of the Directors for the past fiscal year and the Auditors' Report to the Shareholders of the Bank. The General Statement of Liabilities and Assets as at October 31st, 1949, and the Statement of Profit and Loss Account for the fiscal year ended that date, together with the Statement of the Empire Realty Company Limited, as at October 31st, 1949, having been placed in the hands of the Shareholders, were considered as read.

The Chairman then asked the President to address the meeting.

Mr. Enman spoke as reported on page 12.

It was moved by Mr. H. D. Burns, D.Cn.L., seconded by Hon. F. B. McCurdy, P.C., that the Report of the Directors be adopted, that the appropriations therein be confirmed and that the Report, together with the Statement of Liabilities and Assets and Profit and Loss Account, be printed and distributed to the Shareholders.

Before putting the motion to adopt the Report to the meeting, the Chairman asked Mr. C. Sydney Frost, the General Manager, to address the meeting.

Mr. Frost spoke as reported on page 16.

The motion to adopt the Report of the Directors was then put to the meeting by the Chairman and passed unanimously.

It was moved by Colonel K. C. Laurie, seconded by Miss Georgene L. Faulkner, and carried:

That Mr. William Leslie Laclan McDonald, F.C.A., of the firm of Price, Waterhouse & Company, and Mr. John Grant Glassco, O.B.E., F.C.A., of the firm of Clarkson, Gordon & Company, be appointed auditors for the ensuing year under Section 55 of The Bank Act, that an appropriation not to exceed \$22,000 be hereby authorized for their remuneration to be divided between them in

such manner as the Directors shall consider just and reasonable, and that one ballot be cast.

The ballot having been taken and the Scrutineers having reported it in favour of the foregoing resolution, the Chairman declared the gentlemen named duly appointed as Auditors, and the appropriation for their remuneration authorized as stated.

It was moved by Mr. F. A. Nightingale, C.A., seconded by Mr. R. B. Colwell, and carried:

That the following be, and they are hereby nominated as Directors for the ensuing year, that a vote be taken for their election, and that one ballot be cast.

H. D. Burns, Esq., D.Cn.L., Toronto, Ont.; H. L. Enman, Esq., Toronto, Ont.; Hon. F. B. McCurdy, P.C., Halifax, N.S.; James Y. Murdoch, Esq., O.B.E., K.C., LL.D., Toronto, Ont.; W. W. White, Esq. M.D., Saint John, N.B.; Russell Blackburn, Esq., Ottawa, Ont.; F. P. Starr, Esq., Saint John, N.B.; Hon. Leighton McCarthy, P.C., K.C., LL.D., Toronto, Ont.; W. M. Birks, Esq., C.B.E., LL.D., Montreal, Que.; A. L. Ellsworth, Esq., Toronto, Ont.; Colonel J. D. Fraser, Ottawa, Ont.; Christopher Spencer, Esq., C.B.E., Vancouver, B.C.; Brig.-General C. H. Maclaren, C.M.G., D.S.O., Ottawa, Ont.; J. G. MacDougall, Esq., M.D., C.M., Halifax, N.S.; W. A. Winfield, Esq., Halifax, N.S.; W. C. Harris, Esq., Toronto, Ont.; Hugh Mackay, Esq., Rothesay, N.B.; W. A. Murphy, Esq., Winnipeg, Man.; P. R. Gardiner, Esq., Toronto, Ont.; W. N. McLeod, Esq., Toronto, Ont.; Fred C. Manning, Esq., Halifax, N.S.; W. K. Whiteford, Esq., Toronto, Ont.; F. A. Sherman, Esq., Hamilton, Ont.

The ballot having been taken and the Scrutineers having reported it in favour of the foregoing resolution, the Chairman declared the gentlemen named duly elected Directors for the ensuing year.

In moving the foregoing resolution, Mr. Nightingale said he wished on behalf of the shareholders to express sincere appreciation to the gentlemen nominated and to assure them of the high esteem in which each one of them is held. The Bank, he said, has a splendid record and enjoys a high standing, much of the credit for which is due to the Board of Directors. The Directors in effect are the trustees for the shareholders, he continued, and the Bank has been fortunate in always having men of experience and ability to direct its affairs. Business, Mr. Nightingale concluded, is largely conducted on faith and he felt sure that the shareholders had great faith in the ability, judgment, and wise counsel of the gentlemen whom he had much pleasure in nominating as Directors for the ensuing year.

It was moved by Brig.-General C. H. Maclaren, seconded by Mr. W. A. Murphy, and carried:

That in accordance with Section 53, Sub-section 5, of The Bank Act, Mr. Horace L. Enman, or failing him, Mr. C. Sydney Frost, be appointed to act as proxy for the Bank at any and all shareholders' meetings of the Empire Realty Company, Limited, and that one ballot be cast.

The ballot having been taken, and the Scrutineers having reported it in favour of the foregoing resolution, the Chairman declared the gentlemen named duly appointed to act as proxy for the Bank at any and all shareholders' meetings of the Empire Realty Company, Limited, in accordance with Section 53, Sub-section 5, of The Bank Act.

It was moved by Mr. K. S. Smith, and seconded by Colonel F. H. M. Jones, that the thanks of the shareholders be tendered to the General Manager, the executive officers and staff for their efficient and loyal service during the past year.

In moving the foregoing resolution, Mr. Smith said it would not be possible for the shareholders to examine the Balance Sheet of the Bank without paying tribute to those who were responsible for the splendid results achieved. While The Bank of Nova Scotia, he added, is old in years, it has young ideas and follows sound policies, which form a happy combination of progress with experience. Since the war banking has become more complex, he continued, and it is a further tribute to the members of the staff that they had taken those complexities in their stride. The Bank is fortunate, he said, in possessing a loyal and devoted staff which renders such courteous and efficient service. It therefore gave him a great deal of pleasure on behalf of the shareholders to move a sincere vote of thanks to the General Manager, executive officers and staff for their loyal and efficient service during the past year.

The motion was carried unanimously.

In replying to this resolution, Mr. C. G. Webster, Agent of the Bank in New York, said that he was proud to have been asked to respond on behalf of the staff to the resolution conveying the thanks of the shareholders to the General Manager, executive officers and staff. He felt sure that he was speaking for all members of the staff, now numbering more than 4,000, when he said that there was a general feeling among them of belonging to a big family. A feeling of mutual confidence also exists between the staff and the shareholders, Mr. Webster added, reflecting the policies which have been followed over many years and which have promoted both the growth of the Bank and the proper selection and training of the staff.

The members of the staff found satisfaction, Mr. Webster concluded, in having a pride in their work and in the service which they rendered to the public and it therefore gave him distinct pleasure on behalf of the General Manager and the staff to voice to the shareholders sincere thanks for their resolution.

The proceedings then terminated.

At the meeting of the newly elected Directors held at the conclusion of the Annual Meeting of Shareholders, Mr. H. D. Burns, D.Cn.L., was elected Chairman of the Board, Mr. H. L. Enman was elected President, and Hon. F. B. McCurdy, P.C., and Mr. James Y. Murdoch, O.B.E., K.C., LL.D., were elected Vice-Presidents.

here are the  
branch points at which  
your bank does business  
(including sub-branches)  
as at October 31st, 1949

BRANCH	MANAGER
Amherst, N.S.	C. B. Simmons
Annapolis Royal, N.S.	J. L. Jelly
Antigonish, N.S.	J. S. Taylor
Aylesford, N.S.	H. R. Flewelling
Bedford, N.S.	L. J. Abbott
Bridgetown, N.S.	C. A. Maertens-Poole
Caledonia, N.S.	W. S. Wilson
Canning, N.S.	S. J. Dunsford
Chester, N.S.	E. L. Piggott
Dartmouth, N.S.	H. N. Hubley
Digby, N.S.	R. B. W. Ward
Freeport, N.S.	M. H. Gilmore
Glace Bay, N.S.	H. M. Carty
Halifax, N.S. (Head Office)	(F. D. Dunn J. M. Hayman, Asst. H. F. Gordon, Asst.)
379 Barrington Street	F. W. Chenhall
Coburg & Robie	J. W. Hahn
North & Agricola	B. V. Hickson
North West Arm	B. C. Calpin
Kennetcook, N.S.	J. H. Wiles
Kentville, N.S.	A. G. Macdonald
Liverpool, N.S.	M. D. McDonald
Middleton, N.S.	A. S. MacKenzie
New Glasgow, N.S.	W. E. Starrak
New Waterford, N.S.	J. G. Black
North Sydney, N.S.	H. J. Johnson
Oxford, N.S.	F. T. McLellan
Pictou, N.S.	J. F. Palfrey
Pugwash, N.S.	H. O. Connell
River Hebert, N.S.	W. E. Benson
River John, N.S.	J. E. Langille
Sheet Harbour, N.S.	R. Furneaux
Stellarton, N.S.	C. G. Matthews
Sydney, N.S.	J. H. Bector
Sydney Mines, N.S.	W. S. Shields
Tatamagouche, N.S.	E. G. Mosher
Trenton, N.S.	H. P. Desborough
Truro, N.S.	T. W. Mitton
Westport, N.S.	Sub to Freeport
Westville, N.S.	M. L. Humphrey
Windsor, N.S.	J. F. Gill
Yarmouth, N.S.	G. M. Schurman

NEWFOUNDLAND	
Bay Roberts, Nfld.	E. V. Hall
Bell Island, Nfld.	C. B. Shaw
Bonavista, Nfld.	W. F. Noel
Burin, Nfld.	W. J. Brien
Carbonear, Nfld.	F. Davis
Catalina, Nfld.	L. L. Russell
Channel, Nfld.	N. W. Lehans
Clarenville, Nfld.	H. M. Diamond

BRANCH	MANAGER
Corner Brook, Nfld.	F. D. Barrett
Pogo, Nfld.	R. H. A. Coppin
Freshwater & Parade, Nfld.	D. M. Wornell
Grand Bank, Nfld.	S. T. Jones
Harbor Grace, Nfld.	N. D. Bishop
Lewisporte, Nfld.	D. Templeman
St. John's, Nfld.	(H. G. Dunsan A. J. Henderson, Asst.)
Twillingate, Nfld.	A. M. Stoodley

PRINCE EDWARD ISLAND	
Albany, P.E.I.	A. A. Niles
Charlottetown, P.E.I.	(T. F. Mitchell G. R. Henry, Asst.)
Kensington, P.E.I.	F. R. Naus
Montague, P.E.I.	G. N. Rendell
Morell, P.E.I.	G. F. Bonnell, Actg.
O'Leary, P.E.I.	D. C. Holland
Summerside, P.E.I.	W. Hayward
Victoria, P.E.I.	D. E. Hart

NEW BRUNSWICK	
Albert, N.B.	W. S. Bent
Bath, N.B.	J. G. Wicks
Black's Harbour, N.B.	C. A. Beacom
Campbellton, N.B.	C. B. MacLaggan
Chatham, N.B.	J. O. Walsh
Chipman, N.B.	G. G. Bennett
Doaktown, N.B.	K. L. Crowley
East Florenceville, N.B.	J. C. Butt
Fairville, N.B.	S. H. Crockett
Fredericton, N.B.	(J. B. Tarlton C. L. Mahan, Asst.)
Gagetown, N.B.	J. W. Barrigar
Grand Manan, N.B.	G. H. Wilcox
Hampton, N.B.	C. L. Flemming
Hillsborough, N.B.	A. T. Jost
Jacquet River, N.B.	L. J. Hoyt, Actg.
McAdam, N.B.	P. E. Gallie
Minto, N.B.	E. H. Acteson
Moncton, N.B. (Main Office)	(H. A. Fillmore C. S. Robertson, Asst.)
323 St. George St.	J. C. Robinson
Newcastle, N.B.	E. J. Lutz
Petiteodide, N.B.	G. A. Mowat
Port Elgin, N.B.	C. L. Drew
St. Andrews, N.B.	A. E. Wilson
St. George, N.B.	W. C. Hawker
St. John, N.B. (Main Office)	(W. A. Clark A. L. Bailey, Asst.)
Charlotte St.	(M. A. Girvan G. H. Beresford, Asst.)
Haymarket Square	J. T. Holder
Mill and Paradise Bow	H. M. Sherwood
North End	H. H. Burton
West Saint John	G. B. Clarkson
St. Stephen, N.B.	G. W. Bonnell
Sackville, N.B.	J. R. Curry
Shippegan, N.B.	J. G. Demers
Sussex, N.B.	T. H. Miller
Woodstock, N.B.	R. H. Dewar

QUEBEC	
Brownburg, Que.	J. L. Duchastel
Buckingham, Que.	W. Redpath
Campbell's Bay, Que.	A. W. Pequegnat
Fort Coulonge, Que.	A. M. Gervais
Grenville, Que.	J. R. Monty
Hull, Que.	A. Bourgon
Laclute, Que.	W. M. Steeves
Longueuil, Que.	J. R. Ruel
Maniwaki, Que.	F. A. Duhamel
Montreal, Que.	(E. W. Nicks G. J. Touchie, Asst.)
St. James St. and Victoria Sq.	(D. B. McGee, Asst.)
(Main Office)	(J. A. Hamilton, Asst.)

BRANCH	MANAGER
Mt. Royal A. & St. Urbain	C. R. Tibert
Park & Fairmount Ave.	(A. A. McIntosh G. A. Bailey, Asst.)
St. Catherine & Peel	(R. P. Webb A. Rideout, Asst.)
St. Catherine & St. Alexander	(J. G. H. Sutherland G. W. Sinclair, Asst.)
St. Lawrence (Crown Industrial)	W. E. Boyne
St. Lawrence & Jean Talon	J. L. Dudgeon
Sherbrooke & Harvard	H. E. Boyles
New Carlisle, Que.	L. G. Baiden
New Richmond, Que.	J. A. Field
Port Daniel Station, Que.	A. R. O'Flaherty
Quebec, Que. (Main Office)	(W. R. Monteith H. E. LeGallais, Asst.)
St. Malo	J. A. Seale
St. Roch	S. D. Bergeron
St. Andrews East, Que.	R. L. Seguin
Sherbrooke, Que.	H. J. Langille
Trois Rivières, Que.	D. Menard
Westmount, Que.	C. H. Cameron

ONTARIO	
Acton, Ont.	A. W. Haydon
Agincourt, Ont.	B. B. Walters
Alexandria, Ont.	J. O. Bridge
Apple Hill, Ont.	Sub to Maxville
Arnprior, Ont.	C. P. Jones
Avonmore, Ont.	E. G. Rawson, Actg.
Balmertown, Ont.	Sub to Red Lake
Bancroft, Ont.	G. E. Calbeck
Barrie, Ont.	H. A. Hancock
Beachburg, Ont.	H. G. Macellan
Beardmore, Ont.	G. C. Springer
Belleville, Ont.	J. A. Thornbury
Belmont, Ont.	F. W. Hill
Bracebridge, Ont.	I. Y. Murphy
Brantford, Ont.	W. F. Smith
Bridgen, Ont.	F. C. Marshall
Brookville, Ont.	W. E. Macdonald
Campbellville, Ont.	F. E. Quinlan
Carleton Place, Ont.	W. C. Cross
Carp, Ont.	A. E. Smith
Chatham, Ont.	R. J. Millicham
Chesterville, Ont.	W. A. McLaggan
Cobden, Ont.	F. A. McCallum
Cobourg, Ont.	W. P. Blakeston
Cochrane, Ont.	R. N. Follett
Consecon, Ont.	J. A. Treloar
Cornwall, Ont.	C. A. New
Forest Hill Village, Ont.	O. MacNaughton
Fort William, Ont.	M. K. Pugsley
Glen Robertson, Ont.	Sub to Alexandria
Guelph, Ont.	E. R. McClafferty
Haileybury, Ont.	H. Brown
Hamilton, Ont. (Main Office)	(R. C. Stoddard S. E. Burwash, Asst.)
James St. S. & Brucedale	B. R. Kennedy
King St. & Sherman Ave.	D. A. Wood
Main & Kenilworth	D. A. Y. Merriek Jr.
Hawkesbury, Ont.	L. B. Monderie
Kemptville, Ont.	R. D. Leavitt
Kenmore, Ont.	Sub to Russell
Kenora, Ont.	W. L. Watson
Kingston, Ont.	W. D. Stewart
Kitchener, Ont.	G. W. G. Williamson
La Cave, Ont.	Sub to Mattawa
Lanark, Ont.	G. A. Blackie
Leaside, Ont.	C. Roberts
Linwood, Ont.	E. P. Warneford
London, Ont. (Main Office)	(D. R. Platt W. G. Johnston, Asst.)
Dundas & English	A. G. Baird
Malton, Ont.	A. Droppo
Markham, Ont.	V. F. Sedgewick

BRANCH	MANAGER
Martintown, Ont.	R. A. Thompson
Mattawa, Ont.	E. S. Dihn
Maxville, Ont.	T. J. Bourke
Merrittton, Ont.	E. G. Rankin
Milton, Ont.	H. C. Morris
Milverton, Ont.	F. G. McKinnin
Morewood, Ont.	Sub to Chesterville
Mount Dennis, Ont.	D. G. Rowntree
New Liskeard, Ont.	A. S. Meisner
New Toronto, Ont.	P. V. Coulton
North Augusta, Ont.	R. J. Sherman
North Bay, Ont.	L. E. Shatford
Ottawa, Ont. (Main Office)	{A. L. Ormiston
Bank & Fourth	{H. L. Cumming, Asst.
Bank & Gladstone	H. K. Stevens
Bank & Gloucester	M. W. Rrnton
Elgin & Frank	S. Macdonald
Hintonburgh	J. F. Thompson
Ottawa East	G. S. Jourdan
Ottawa South	E. Edmunds
Rideau & William	M. C. Chisholm
Somerset & Bronson	A. A. Armstrong
Pamour, Ont.	H. J. Clarke
Parry Sound, Ont.	Sub to Timmins
Pembroke, Ont.	G. R. Underwood
Perth, Ont.	W. D. McArthur
Peterborough, Ont.	J. W. B. Thompson
Petrolia, Ont.	R. E. Macdonald
Pictou, Ont.	J. R. Stewart
Port Arthur, Ont.	K. I. Mitchell
Port Carling, Ont.	B. Howard
Port Hope, Ont.	C. A. Shannon
Powassan, Ont.	F. H. Saul
Red Lake, Ont.	F. L. Galvin
Renfrew, Ont.	D. F. Bennett
Richmond, Ont.	S. Rowsell
Russell, Ont.	C. B. Lewis
St. Catharines, Ont.	M. Cress
St. Isidore de Prescott, Ont.	W. H. Harris
St. Jacobs, Ont.	A. E. Cyr
Sarnia, Ont.	G. N. Thompson
Sault Ste. Marie, Ont.	G. A. Stewart
Smiths Falls, Ont.	C. B. Guest
South Mountain, Ont.	A. T. F. Cobb
Stratford, Ont.	H. A. McInnes
Streetsville, Ont.	L. S. Nicks
Sudbury, Ont.	F. M. Pidgeon
Sutton West, Ont.	M. G. Trainor
Timagami, Ont.	J. W. Nicolson
Timmins, Ont.	E. A. Walters, Actg.
	W. Long
Toronto, Ont.—	{Reid J. Smith
39 King St. W. (Main Office)	{R. B. Hall, Asst.
	{J. A. Robertson, Asst.
	{N. B. Moore, Asst.
Bloor & St. Clarens	R. C. Clark
Bloor & Spadina	E. M. Robinson
Broadview & Gerrard	W. W. Mitchell
College & Bathurst Sts.	F. L. Fields
Danforth & Greenwood	N. W. R. Hamilton
Danforth & Pape Aves.	I. C. Cooper
Dundas & Brock Ave.	L. B. Kerr
Eglinton & Castle Knock	J. D. Allan
Gerrard & Woodbine	I. Galt
King & Victoria	{W. S. Jamieson
	{W. H. Farrell, Asst.
Kingston Rd. & Bingham	D. H. MacLeod
Kingsway	H. E. Wales
Pape & Gowan	C. J. Roblin
Queen & Church	{J. S. Clinch
	{W. A. Woodburn, Asst.
Queen & Lansdowne Ave.	G. W. Poole
St. Clair & Avenue Road	J. F. Lynch
St. Clair & Oakwood	C. R. Dickie

BRANCH	MANAGER
Queen & McCaul Sts.	{G. F. Gardner
	{P. M. Dakin, Asst.
	{T. H. Cuff, Asst.
Queen & Pape Ave.	H. B. Nelson
Queen & River	J. W. Wylie
Spadina & Dundas	W. A. Meyer
Spadina & Dupont	W. T. Thompson
51 York St.	A. A. Acheson
Yonge & Dundas	H. C. Morton
Vankleek Hill, Ont.	C. F. Hibbard
Virginatowin, Ont.	W. S. Bridgen, Actg.
Walkerville, Ont.	A. Johnston
Welland, Ont.	W. L. Pomeroy
Wellington, Ont.	J. H. Mace
Westboro, Ont.	H. A. Ballard
Weston, Ont.	H. A. Dewolfe
Willowdale, Ont.	E. W. Hay
Windsor, Ont.	G. N. Roberts

#### MANITOBA

Dauphin, Man.	H. H. Hill
Emerson, Man.	B. A. Oakden
Portage la Prairie, Man.	D. Samson
St. James, Man.	R. Skinner
	{K. S. Russell
Winnipeg, Man. (Main Office)	{J. D. Hubbert, Asst.
	{R. W. McCain, Asst.
Main & Rupert	F. E. Lawson
Winnipegosis, Man.	H. J. Laidlaw

#### SASKATCHEWAN

Avonlea, Sask.	J. Paxton
Aylsham, Sask.	C. C. Ainslie
Beechy, Sask.	T. W. Miller
Carrot River, Sask.	W. J. Buckley
Choiceland, Sask.	C. W. Babcock, Actg.
Codette, Sask.	J. A. Chevalier
Glaslyn, Sask.	T. W. Seekins
Hudson Bay, Sask.	A. MacDonald
Kinistino, Sask.	D. I. Chetwynd
Moose Jaw, Sask.	J. A. Cranstoun
Nipawin, Sask.	R. H. Urquhart
Prince Albert, Sask.	S. K. Crawford
Regina, Sask.	{C. M. Killam
	{N. S. Sherritt, Asst.
Saskatoon, Sask. (Main Office)	C. J. Ash
West Side Branch	J. A. Kyle
Shellbrook, Sask.	W. A. Thompson
Smeaton, Sask.	Sub to Choiceland
Spiritwood, Sask.	B. A. Evans
Star City, Sask.	N. B. Johnston
Swift Current, Sask.	V. F. Steeves
Tisdale, Sask.	J. N. Adams
Yorkton, Sask.	E. S. Ross

#### ALBERTA

Arrowwood, Alta.	J. H. Ingram
Brooks, Alta.	J. S. Burehell
Cadomin, Alta.	A. D. MacLeod
Calgary, Alta. (Main Office)	{H. A. Bell
	{K. B. Ruse, Asst.
North Hill	G. Williams
West End Branch	A. R. Rendell
Derwent, Alta.	C. J. Borm
Edmonton, Alta. (Main Office)	{N. R. Campbell
	{E. G. Taylor, Asst.
	{E. C. Hack, Asst.
Jasper & 114th Street	W. Baldock
South Edmonton	L. B. McPhee
Grande Prairie, Alta.	J. Liddell
Legal, Alta.	F. G. McCann
Lethbridge, Alta.	E. Wheeler
Lloydminster, Alta.	W. A. Sparks
Milo, Alta.	H. A. Johnson
Olds, Alta.	G. A. Bezin
Picture Butte, Alta.	W. A. McMullen
Stettler, Alta.	J. P. Crow

BRANCH	MANAGER
Thorhild, Alta.	H. B. Warren
Vauxhall, Alta.	J. Mair

#### BRITISH COLUMBIA

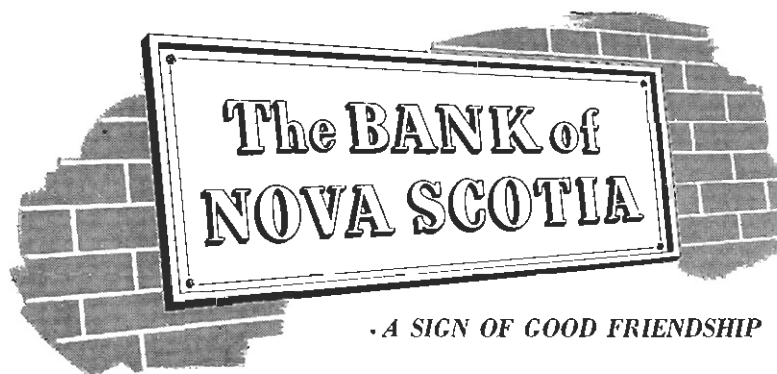
Chilliwack, B.C.	J. H. Cathro
Kamloops, B.C.	W. H. Payzant
Kelowna, B.C.	P. W. Meek
Lumby, B.C.	H. D. Millar
Maillardville, B.C.	F. T. Fritz
Mission City, B.C.	H. W. Davis
Nanaimo, B.C.	F. W. Robinson
New Westminster, B.C.	W. J. Peers
Penticton, B.C.	A. G. Schell
Port Alice, B.C.	W. Barclay
Priore George, B.C.	W. R. McLure
South Westminster, B.C.	J. B. Pawson
Squamish, B.C.	T. G. Dunn

Vancouver, B.C. (Main Office)	{W. H. Byers
	{H. F. Summers, Asst.
	{E. C. Bower, Asst.
	{G. S. Robinson, Asst.
Broadway & Commercial Drive	B. L. Dewey
Davie & Granville St.	W. J. V. Rontcliffe
Dunbar & 41st Avenue	W. E. Pixley
41st Ave. & Granville St.	R. J. Dunn
49th Ave. & Fraser	H. H. Bartlett
Hastings & Columbia	E. J. S. Dudley
Kingsway & Victoria	H. L. Smith
Main St. & Second Ave.	T. L. C. McMaster
North Vancouver	L. A. Hannah
12th Ave. & Granville St.	G. M. Hamilton
Vancouver Heights	W. E. Frier
Victoria, B.C.	J. A. Baxter
Woodfibre, B.C.	Sub to Squamish

#### BRANCHES OUTSIDE CANADA

Black River, Jamaica, W.I.	W. S. Wood
Brown's Town, Jamaica, W.I.	Sub to St. Ann's Bay
Christiana, Jamaica, W.I.	E. V. Parke
Cross Roads, Jamaica, W.I.	J. K. Eaton
Kingston, Jamaica, W.I.	{D. C. Lounsbury
(Main Office)	{K. R. Elliott, Asst.
Princess Street	{E. B. Brown, Asst.
	{E. E. Condell
Mandeville, Jamaica, W.I.	D. S. M. Clark
May Pen, Jamaica, W.I.	D. Lawrence
Montego Bay, Jamaica, W.I.	G. A. Bartlam
Port Antonio, Jamaica, W.I.	W. M. Doherty
Port Maria, Jamaica, W.I.	P. R. Miller
St. Ann's Bay, Jamaica, W.I.	C. B. Cooper
Savanna-la-Mar, Jam. W.I.	A. R. de Roux, Actg.
Spanish Town, Jamaica, W.I.	J. S. Hall
Camaguey, Cuba	M. A. Fornaris
	{F. Montane
Cienfuegos, Cuba	{E. Marabotto, Asst.
	{M. J. Betancourt
Havana, Cuba (Main Office)	{H. E. Curran, Asst.
	{C. E. Tanner, Asst.
	{J. H. Nesta, Asst.
Avenida de Italia	J. A. Gonzalez
Padre Varela	{F. O. Perez
	{P. Cuevas, Asst.
Manzanillo, Cuba	{G. Ferrer
	{D. L. Lindsay, Asst.
Santiago de Cuba	{I. Batlle
	{G. A. Griffiths, Asst.
Fajardo, Puerto Rico	R. Martin
San Juan, Puerto Rico	{E. G. MacIntyre, Agent
	{A. R. Phillips, Asst.
Ciudad Trujillo, R.D.	T. W. Evans
New York Agency—	{C. G. Webster, Agent
New York, N.Y. (49 Wall St.)	{K. Helstern, Asst.
London, E.C. 2 Eng.	{C. I. Archibald, Asst.
(108 Old Broad St.)	{G. C. Hitchman
	{R. A. Elder, Asst.





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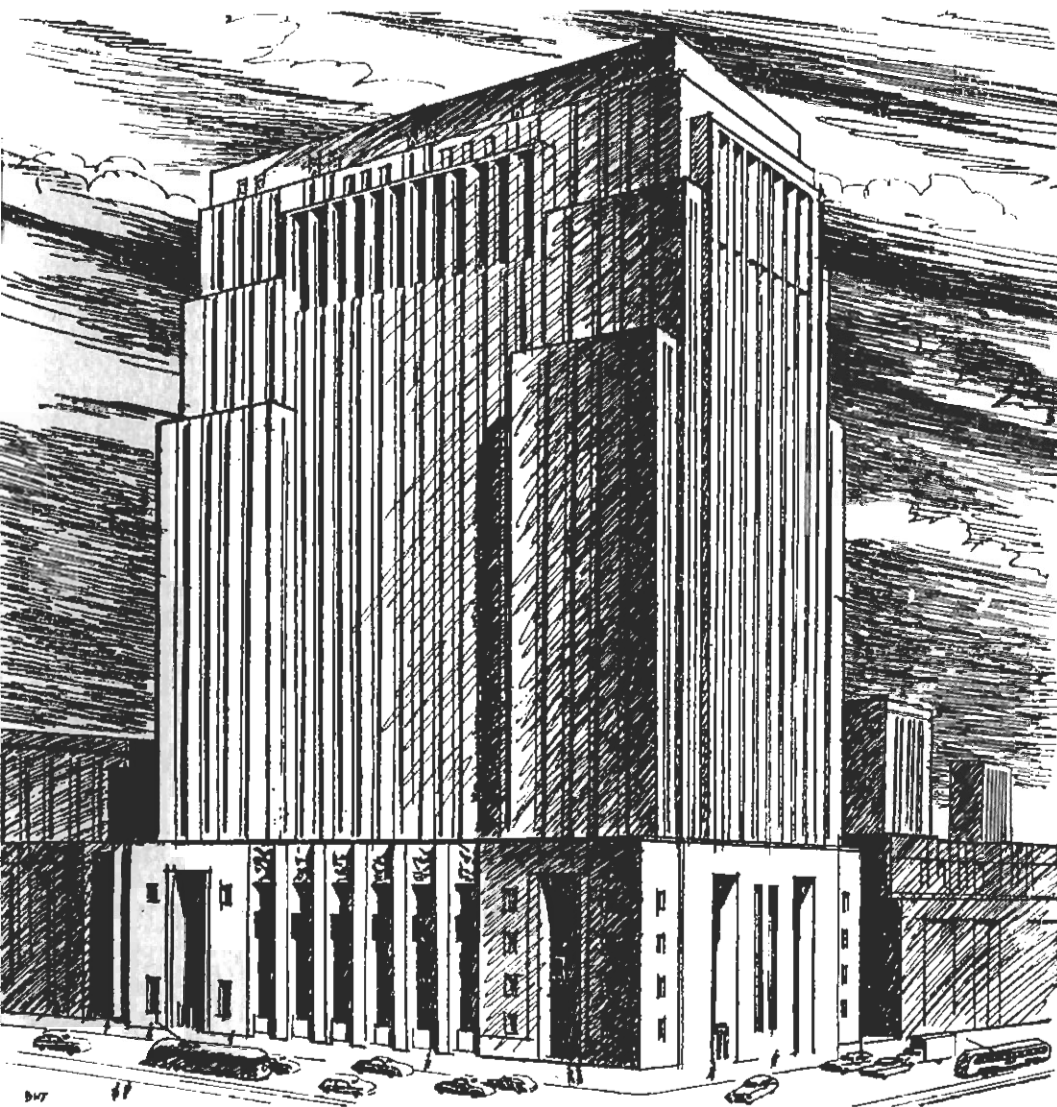
Capital Authorized . . . . \$15,000,000.00

Capital Paid-Up . . . . 12,000,000.00

Reserve Fund . . . . 24,000,000.00

Head Office . . . . Halifax

General Office . . . . Toronto



Work is progressing rapidly on the Bank's new, 25-storey building at King and Bay Streets, Toronto. Third tallest bank building in the British Empire, it is an example of modern architecture in which the vertical, rather than the horizontal elements are emphasized. On completion of the building, about the end of 1950, the Bank will occupy the first 7 floors, and the remaining space will be rented to business firms. Completely air-conditioned, and incorporating many of the latest engineering features, it will not only be Canada's most modern office building, but will serve as a symbol of the strength and magnitude of this Bank's operations.

