

THE **BANK**^{OF} **TORONTO**

Incorporated 1855

Ninety-Third Annual Report

Nov. 30, 1948





THE BANK OF TORONTO

Incorporated 1855

Ninety-Third **ANNUAL REPORT**

November 30th, 1948

CAPITAL AUTHORIZED	- - - - -	\$10,000,000.
CAPITAL PAID-UP	- - - - -	6,000,000.
RESERVE FUND and UNDIVIDED PROFITS	- -	15,114,787.

Board of Directors

F. H. MARSH,
CLARKSBURG.

CHAIRMAN OF THE BOARD

Director, Dome Mines Limited.
" The Excelsior Life Insurance Company.

JAMES L. CARSON,
TORONTO.

PRESIDENT

B. S. VANSTONE,

TORONTO.

VICE-PRESIDENT

DIRECTORS

FREDERICK K. MORROW,
TORONTO.

Chairman, Wilsil Limited.
" Loblaw Groceries Incorporated.
Director, Canadian International Paper Co. Ltd.
" The Ogilvie Flour Mills Co. Limited.
" Remington Rand Limited.
" Ward Baking Company.

J. DOUGLAS WOODS,
O.B.E.,

TORONTO.

President, York Knitting Mills Limited.
Vice-President, Canadian Management Co. Limited.
Director, Canada Life Assurance Company.

GEORGE KIDD, C.B.E.,
VANCOUVER.

Vice-President, Bralorne Mines Limited.
" British Columbia Pulp & Paper Co. Limited.
Director, Canadian Collieries (Dunsmuir) Ltd.
" British Columbia Packers Limited.
" McLennan, McFeely & Prior Limited.

AUBREY DAVIS,
NEWMARKET.

Vice-President and Director, The Toronto General Trusts Corporation.
Director, Canadian Oil Companies Limited.
" St. Lawrence Paper Mills Co. Limited.
" Lake St. John Power & Paper Co. Limited.

EDWARD D.
GOODERHAM, TORONTO

President, Canada Permanent Mortgage Corporation.
" The Canada Permanent Trust Company.
" The Dominion of Canada General Insurance Company.
" The Casualty Company of Canada.
Director, Hiram Walker - Gooderham & Worts Limited.

Directors—continued

HARRY J. CARMICHAEL, C.M.G., ST. CATHARINES.	{	Vice-President, Conroy Manufacturing Co. Limited, St. Catharines.
		Director, Polymer Corporation Limited.
		" Buffalo Ankerite Gold Mines Ltd.
		" Argus Corporation Limited.
		" Abitibi Power & Paper Co. Limited.
		" Foster Wheeler Limited.
	{	Massey-Harris Company Limited.
HORACE T. HUNTER, TORONTO.	{	President, Maclean-Hunter Publishing Co. Limited.
ARTHUR H. CAMPBELL, MONTREAL.	{	President & Managing Director, Campbell, MacLaurin Lumber Co. Limited.
		Vice-President & Director, Dominion Square Corporation.
		Director, Fraser Companies Limited.
		" Lake St. John Power & Paper Co. Ltd.
		" St. Lawrence Paper Mills Co. Limited.
		" Brompton Pulp & Paper Co. Limited.
R. L. BEATTIE, COPPER CLIFF.	{	Vice-President, General Manager (Canadian Operations) and Director The International Nickel Company of Canada Limited.
J. J. VAUGHAN, TORONTO.	{	Retired. Formerly Vice-President The T. Eaton Company Limited, and Subsidiaries.
JOHN R. READ, O.B.E., HAMILTON.	{	Chairman & President, Canadian Westinghouse Company Limited.
		Director, B. Greening Wire Company Limited.
		" The Toronto General Trusts Corporation.
		" Canadian Surety Company.
JOHN J. E. McCAGUE, ALLISTON.	{	Owner Manager, Glenafton Farm, Alliston.
J. LYMAN TRUMBULL, C.B.E., VANCOUVER.	{	President, J. L. Trumbull Ltd., Vancouver.
		Director, British Columbia Power Corp. Ltd., Vancouver.
		" Confederation Life Association, Toronto.
		" Johnston National Storage Ltd., Vancouver.
		" Steele Briggs Seed Co. Limited, Toronto.

Head Office, Toronto

J. L. CARSON	-	-	-	President
B. S. VANSTONE	-	-	-	Vice-President
L. G. GILLET	-	-	-	General Manager
P. J. HANLEY	-	-	-	Assistant General Manager
W. A. RUTHERFORD	-	-	-	Superintendent of Investments
F. G. CLEMINSON	-	-	-	Executive Assistant
JAS. ALLAN	-	-	-	Chief Inspector
H. S. GUTHRIE	-	-	-	Chief Accountant

SUPERVISORS' DEPARTMENT

E. S. BRAY, Chief Supervisor

E. BROWN	R. S. BOOTH
L. C. E. LAWRENCE	W. G. M. WALKER
H. J. CARMICHAEL (Montreal)	V. D. S. TENNEY (Winnipeg)

SUPERVISOR OF STAFF

A. M. ROSS

SUPERVISOR OF PREMISES

E. J. MITCHELL

WINNIPEG

Wm. KERR	-	-	-	-	Western Superintendent
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VANCOUVER

W. B. McCRIRICK	-	-	{	Superintendent of British Columbia Branches
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MONTREAL

J. J. WINSBY	-	-	Superintendent of Montreal Branches
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AUDITORS FOR 1949

GEOFFREY T. CLARKSON, F.C.A.
of Clarkson, Gordon & Company,
Toronto, Ont.

W. D. GLENDINNING, F.C.A.
of Glendinning, Jarrett, Gray and Roberts,
Toronto, Ont.

A MESSAGE FOR 1949

from

The President's Speech

We in Canada can surely be proud of the innumerable businesses whose growth and development have been entirely due to the initiative and efficiency of hardworking, honourable and talented people—business men who have been fair with their employees, customers and suppliers and who have rendered service to the public over a long period of years. Evidence comes to us daily from the operations of our customers that enterprise and ambition are the greatest forces that lead to progress.

PROCEEDINGS OF THE

Ninety-Third

ANNUAL GENERAL MEETING

held on

Wednesday, 19th January, 1949

The Annual General Meeting of the Shareholders of The Bank (being the Ninety-Third since the commencement of business) was held, pursuant to the terms of the Charter, at the Banking House of the Institution, corner King and Bay Streets, Toronto, on Wednesday, 19th January, 1949.

Moved by Mr. J. D. WOODS, seconded by Mr. AUBREY DAVIS, and

Resolved—That Mr. J. L. CARSON be appointed Chairman of the Meeting and that Mr. P. J. HANLEY be requested to act as Secretary.

Carried.

Moved by Mr. H. J. CARMICHAEL, seconded by Mr. E. D. GOODERHAM, and

Resolved—That the Minutes of the last Annual Meeting, printed copies of which were sent to all shareholders, be taken as read and confirmed.

Carried.

Moved by Mr. H. T. HUNTER, seconded by Mr. J. J. VAUGHAN, and

Resolved—That Mr. W. M. HARGRAFT and Mr. PAUL M. HARRIS be appointed Scrutineers, and that after the ballot they report to the Chairman.

Carried.

The Secretary then read the Directors' Report as follows,—

The Directors of The Bank of Toronto take pleasure in presenting to the shareholders their report on the results of the Bank's operations for the year ending 30th November, 1948, together with the General Statement of Assets and Liabilities as on that date.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1948, after making appropriations to Contingency Reserves out of which full provision for bad and doubtful debts has been made	\$2,113,294.85
Less:	
Depreciation on Bank Premises and Equipment	178,880.43
	<u>\$1,934,414.42</u>
Provision for Dominion and Provincial Government Taxes	743,594.13
	<u>\$1,190,820.29</u>
Dividends	\$720,000.00
Provision for Bonus payable 3rd January, 1949	120,000.00
	<u>\$ 840,000.00</u>
Balance of Profits carried forward	\$ 350,820.29
Balance of Profit and Loss Account, 29th November, 1947	763,967.58
Balance of Profit and Loss Account, 30th November, 1948	<u><u>\$1,114,787.87</u></u>
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> J. L. CARSON, <i>President</i> L. G. GILLET, <i>General Manager</i> </div>	

It is with deep regret that we record the death since our last report of Mr. Richard J. Cullen. He was elected to the Board on October 2nd, 1945.

During the year, new branches have been opened at the following points:

ONTARIO

Eglinton Avenue East & Laird Drive, Leaside.
Lansing.

QUEBEC

Queen Mary Road & Decarie Blvd., Montreal.
Grand River.

MANITOBA

St. Vital.

SASKATCHEWAN

Stenen.

BRITISH COLUMBIA

Kingsway & Fraser Avenue, Vancouver.

In addition to the above, part time service has been commenced at Delta, Ontario.

Following our customary practice, the Head Office and all Branches, with the exception of those established a few months only, have been inspected during the year by the Bank's Inspection Staff.

The auditors appointed by the Shareholders, Mr. G. T. Clarkson, F.C.A., and Mr. W. D. Glendinning, F.C.A., have made their examination of the Bank's affairs and their report accompanies the General Statement.

J. L. CARSON, *President*.

GENERAL STATEMENT

November 30th, 1948

ASSETS

Gold and Subsidiary coin held in Canada	\$ 596,622.06
Notes of Bank of Canada	9,068,240.00
Deposits with Bank of Canada	32,899,937.64
Notes of and Cheques on other banks	25,183,036.43
Government and bank notes other than Canadian	586,518.75
Due by banks and banking correspondents elsewhere than in Canada	6,696,347.12
	<u>\$ 75,030,702.00</u>
 Dominion Government direct and guaranteed Securities maturing within two years, not exceeding market value	 \$ 46,888,926.92
Other Dominion Government direct and guaranteed Securities, not exceeding market value	126,098,363.20
Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	3,187,169.00
Other Provincial Government direct and guaranteed Securities not exceeding market value	14,899,462.00
Canadian Municipal Securities, not exceeding market value	6,555,189.96
Other Bonds, Debentures and Stocks, not exceeding market value	16,339,051.55
	<u>\$213,968,162.63</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	 8,494,765.00
	<u>222,462,927.63</u>
	<u>\$297,493,629.63</u>
 Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	 \$125,759,114.84
Loans to cities, towns, municipalities and school districts	3,844,430.04
Non-Current Loans, estimated loss provided for	22,665.11
	<u>129,626,209.99</u>
	<u>\$427,119,839.62</u>
 Liabilities of Customers under acceptances and Letters of Credit, as per contra	 3,963,294.08
Mortgages on Real Estate sold by the Bank	8,959.86
Bank Premises, at not more than cost, less amounts written off	5,053,517.74
Deposit with the Minister of Finance for the security of note circulation	33,319.02
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes amounting to \$172,717.82)	196,155.11
	<u>\$436,375,085.43</u>

LIABILITIES

Notes in Circulation	\$ 611,166.00
Deposits by and balances due to Dominion Government ..	\$ 13,275,555.46
Deposits by and balances due to Provincial Governments ..	4,836,651.14
Deposits by the public not bearing interest	122,208,944.23
Deposits by the public bearing interest, including interest accrued to date of statement	264,747,441.32
Deposits by and balances due to other chartered banks in Canada	306,579.39
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada	4,751,407.19
	<u>410,126,578.73</u>
 Acceptances and Letters of Credit outstanding	 3,963,294.08
Liabilities to the public not included under the foregoing heads	258,545.03
	<u>\$414,959,583.84</u>
 Dividends declared and payable	 \$ 180,713.72
Bonus declared and payable	120,000.00
	<u>300,713.72</u>
 Capital paid up	 \$ 6,000,000.00
Reserve Fund	14,000,000.00
Balance of Profits as per Profit and Loss Account	1,114,787.87
	<u>21,114,787.87</u>
	<u>\$436,375,085.43</u>

J. L. CARSON, *President.*

L. G. GILLET, *General Manager.*

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of assets and liabilities as at the 30th November, 1948, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon & Co.
W. D. GLENDINNING, F.C.A.
of Glendinning, Jarrett, Gray & Roberts

Toronto, 18th December, 1948

President's Address

GENTLEMEN:

It is with deep regret that I have to record the passing in November last of Mr. Richard J. Cullen, who was elected a director in October, 1945.

Of international reputation as an industrialist and engineer, he was widely known both in Canada, where he was born, and in the United States, where he rose to prominence as President and thereafter Chairman of the Board of the International Paper Company.

We join with his many friends in paying tribute to his memory.

I have pleasure in announcing that Mr. J. Lyman Trumbull, C.B.E., of Vancouver, has consented to join our Board and his name is being submitted at this meeting for election.

We have had an acquaintance with Mr. Trumbull extending over many years. His wide experience of business will be of decided advantage to us, and we are confident that he will be a highly desirable addition to the Board.

In this land of peace and plenty, we Canadians are reminded constantly that although countries have been brought closer together in time and space, the world still is far from happy in its international relations. The struggle for power and influence continues — and the threat of war this brings cannot be ignored. Indeed, in several countries at this moment there is armed conflict between forces which draw support from major powers.

The economic world likewise is divided. Recovery in Western Europe has been only partial despite the unprecedented mutual efforts of the 19 members of the European Recovery Programme. These nations are trying to establish a prosperous European economy but in 1948 were able to increase production over the previous year only by approximately twelve per cent. They still rely on aid from America to a degree that balks early hope of trade on a normal, genuinely prosperous scale. Fortunately, the United Nations Organization continues as a nucleus from which remedies or corrections may be applied to the political and economic ills of the world.

Home Industry

Here at home, industry has been operating at an exceptionally high level during the three postwar years, and has filled much of the demand which accumulated in the war period. Obviously, each year and each month brings us nearer to a state of balance between demand and supply. Peak production still prevails in some industries — notably steel, automobile, construction, base metals and newsprint — but in others

there is an undercurrent of softness, and more adjustments are likely to occur as we go along. Goods have come into ample supply in an increasing number of lines and consumer resistance to goods that are highly priced or of inferior quality is evident. Order backlogs are melting and more competitive conditions are returning. Defence stockpiles provide a useful outlet for industry but it must be remembered that much of this is specialized production. The construction industry, with its radiating effect on so many associated lines has been one of the mainstays of the postwar boom, but with the completion or near-completion of many expansion programmes, this important industry may show signs of a slowing up before we commence another year.

Return to Competition

Whether inflation is levelling off, or deflation is already under way, is indiscernible at the moment. In any event we are at a stage of life which calls for a business technique quite different to that of the war period. Then there was no consideration for control of expense, nor incentive for efficiency of operation. Now it is the part of prudence for business executives to mend their fences and get back to fundamentals — to watch credits and avoid accumulation of excess inventories. Once prices or volume begin to fall appreciably, with a much higher break-even level than formerly, net profits can drop very rapidly and even disappear. Efficiency in all phases of operation must be the watchword.

Under the abnormal business conditions prevailing in recent years a tremendous increase in plant capacity has taken place, and the ratio of debt to share capital has increased very substantially. Business can run on credit for a time, but there must be the backbone of equity capital to support the credit structure or it may collapse under strain.

Export Trade

The future of Canada's export trade, which up to now has been supporting approximately 30 per cent of our people, bristles with complex problems. Its impetus at the moment stems chiefly from our own gifts, credits and loans, and from the generosity of our good neighbour to the south — which condition can not continue indefinitely. A change in the pattern of our trade appears to be imminent.

Between the United States and Canada there is a volume of trade exceeding that between any other two countries in the world. During 1947 our imports from the United States were nearly two billion dollars while our exports to that country were just a little over half that sum, and it meant that while the average Canadian bought about \$160 of American goods the average customer to the south purchased only \$7 in goods from Canada. Constructive efforts were undertaken and 1948 came much closer towards a balance in the gross.

Looking towards a permanent solution of our export trade problem a greater volume of Canadian sales to the United States would seem to be in our best interest, even though it may not solve completely the difficulties of a few of our important commodities. In view of the importance of the Canadian market itself, it would seem to be in the best interest of the United States to keep Canada in a strong trade position by using our products. Reasonable and stable tariff arrangements should assist Canada in this problem. Large scale selective immigration might also become a factor.

Agriculture

Canada was blessed with excellent crops in 1948, the prairie provinces alone producing a high quality wheat yield of 360 million bushels. The occupation of farming, with its close contact with nature, supplies elements in our mental and physical life which the nation can ill afford to jeopardize. We depend upon it for much that we use at home and for an important part of our exports. Canadian farms may play a major part in history at some future date, if world population continues to increase at its present startling rate.

Whatever we can do to encourage agriculture, therefore is wise development. Both federal and provincial governments are promoting technical training and research, and undertaking irrigation and soil conservation measures. Adequate schools for primary and secondary education are also important in the life of the prairies and other farm areas. It is important, too, that a continuing supply of competent farm and domestic help be a consideration in our immigration policy.

Industrial Partnership

It is encouraging to note that time loss due to work stoppages arising out of industrial disputes showed a substantial decrease in 1948 from the previous year. This is evidence of a more harmonious relationship between employers and labour. Differences often shrink when opened to the light of toleration, co-operation and friendship.

The time when it was believed that the interests of capital and labour were inevitably opposed, happily is passing. Labour is entitled to its fair reward, as also are capital and management, and more and more it is recognized that all draw from the common pool which is the national income. Selfish practices by any one element can hardly produce lasting benefit, whereas improvements in production and distribution make possible an increase in the gross output which then becomes available for all to share.

MINERAL PRODUCTION GOES STEADILY UP

Official figures show production as follows,
in round figures:

1886	-	-	\$ 10	million
1900	-	-	64	"
1910	-	-	106	"
1920	-	-	227	"
1930	-	-	279	"
1940	-	-	529	"
1946	-	-	503	"
* 1947	-	-	619	"
** 1948	-	-	750	"

*From Preliminary Report on Mineral Production of
Canada, 1947, Department of Trade and Commerce.

** Estimated.

*Photo: Stacks of the Inco Smelter at Copper
Cliff are landmarks for the surrounding country.*



Free Enterprise

The majority of Canadians believe that individual initiative and effort should be allowed full scope, and be restricted only where the public welfare may be endangered. Through this freedom of enterprise we have attained in Canada a standard of living second only to that of the United States. With a broad foundation of natural resources and an industrious people, there is no necessary limit to our further material progress.

We properly condemn greed and selfishness to which the fluctuating conditions of recent years gave some opportunity. Nevertheless the reasonable incentive provided under the free enterprise system has been proved to be the only real basis for prosperity of the nation.

The story of business and its responsibility to employees, the public and national well-being now is being told through the comparatively modern art of public relations. The information, education and service being made available to people of all ranks already is resulting in a better understanding of the problems of living, working and doing business in today's world.

We in Canada can surely be proud of the innumerable businesses whose growth and development have been entirely due to the initiative and efficiency of hardworking, honourable and talented people — business men who have been fair with their employees, customers and suppliers and who have rendered service to the public over a long period of years. Evidence comes to us daily from the operations of our customers that enterprise and ambition are the greatest forces that lead to progress. Should not such examples of success be advertised across Canada?

In contrast to these achievements, we encounter schools of thought which advocate rigid systems and controls for the production and distribution of wealth. Some of these, indeed are being put into practice in other lands. But as yet there is no evidence of success even approaching our own. Instead, we read of misery and starvation — often occasioned, it is true, by other causes but certainly not helped by unsound economy. In this era of political strife and economic experiment, we will surely be wise to retain those freedoms and incentives for labour, capital and management which have served us so well in the past and which are contributing so strongly to our stability in the present.

Canada's North Country — A Veritable Treasure House

One of the reasons why Canada can look forward with enthusiasm and even optimism is the possession, in our north country, of a treasure house rich in assets of ore, timber, oil and power. Each year brings to light some new wealth and brings into being some new industries. This opens a path to new horizons, where promotion, capital, technical knowledge and labour are all needed and are all due for reward.

Our forest crop alone yielded approximately 2 billion dollars of value in 1948. Under proper conservation — which should have serious attention of our governments, owners and operators, in ever increasing measure — Canada's forests are capable of being maintained indefinitely into the future and should rank high in the commerce of the world.

Our mineral production approaches an annual value of one billion dollars — this in spite of the depressed condition of the gold industry, which it is well to remember proved a tower of strength in the depression years. If we consider the oil of Alberta, the iron of Labrador, the titanium of Quebec, the pitchblende of east and west, and the copper, zinc, lead, nickel and asbestos in various parts of Canada, we have good reason to be optimistic. And as yet we have touched only the fringe of a territory so vast that it makes up roughly 75 per cent of the land and water area of Canada. Of the north itself, no more than ten per cent has been surveyed and mapped.

Water Power and Chemicals

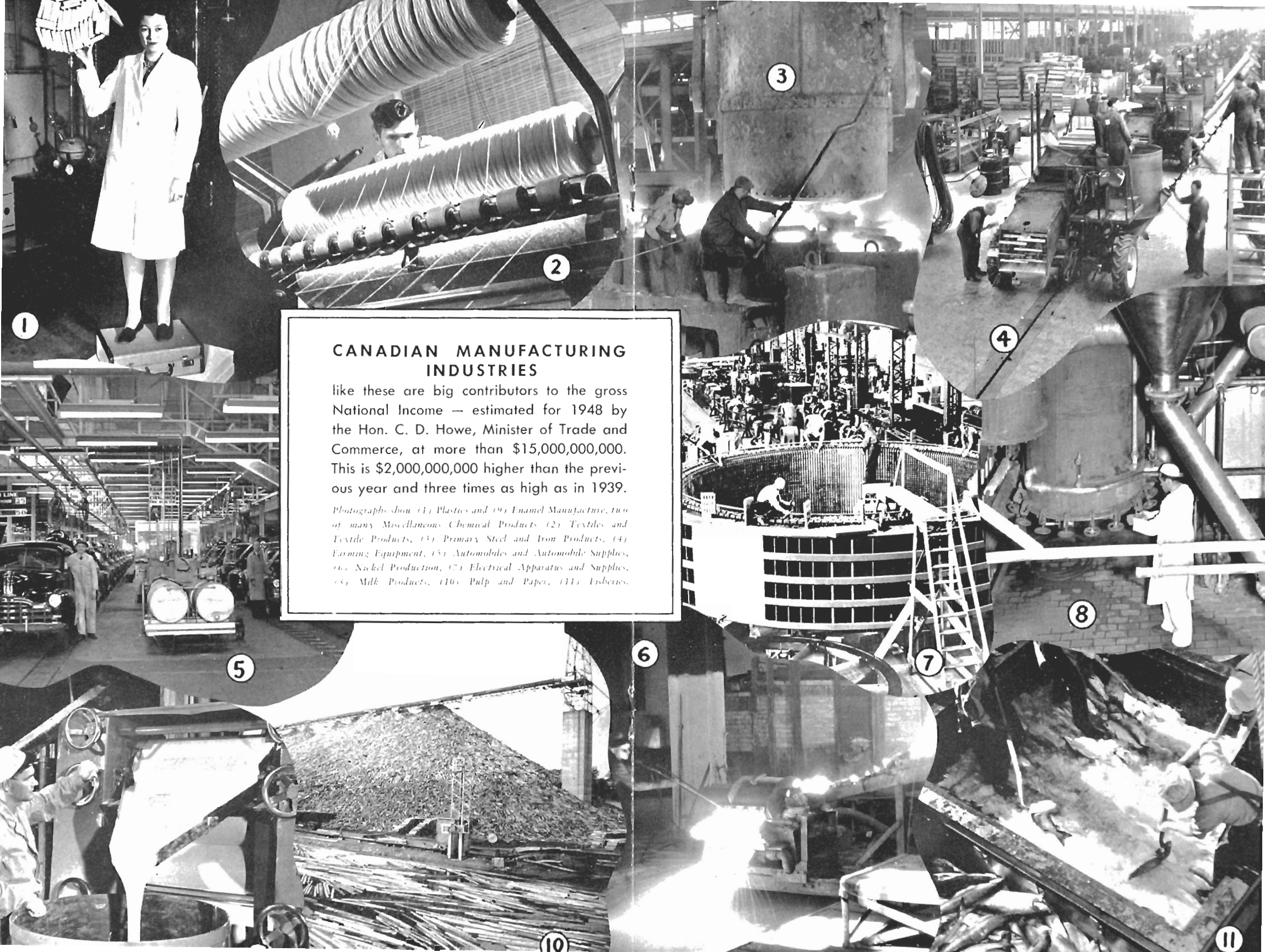
Water power is a servant both of industrial and domestic life, and has already contributed much to the Canadian record. Numerous accessible power sites are in line for early development, while others which are more remote may become factors of value if needed for mining development. The power potential of the Great Lakes, St. Lawrence and Ottawa watersheds is so vast as to make possible in this region an industrial development comparable with any in the world.

Utilizing our power and other resources, we have in Canada a chemical industry that has made tremendous strides in recent years. A great deal of the research and invention in this field is now developing into industrial form. Under wise, courageous and enterprising leadership, there has been steady advance in both volume and diversity of products. Today it stands as one of the nation's leading industries and includes some of the largest establishments in the Dominion. Further developments are under way to widen the scope of the industry and to expand many activities which are associated with it.

Sure Future

These developments and potentials are features of the synthetic age in which we are living — and of the atomic era into which we appear to be moving. Our gifts from nature are a heritage which should compel thought and action because, properly handled, they provide a sure future for Canada.

Basically sound, virile and imaginative — aggressive, clear-headed and resourceful — and cheerful despite taxes and controls — the Canadian people plus their immense national resources, God willing, may write a chapter in history which will rival that of the most brilliant of ancient or modern times.



CANADIAN MANUFACTURING INDUSTRIES

like these are big contributors to the gross National Income — estimated for 1948 by the Hon. C. D. Howe, Minister of Trade and Commerce, at more than \$15,000,000,000. This is \$2,000,000,000 higher than the previous year and three times as high as in 1939.

Photographs show: (1) Plastics and (9) Enamel Manufacture, two of many Miscellaneous Chemical Products; (2) Textiles and Textile Products; (3) Primary Steel and Iron Products; (4) Farming Equipment; (5) Automobiles and Automobile Supplies; (6) Nickel Production; (7) Electrical Apparatus and Supplies; (8) Milk Products; (10) Pulp and Paper; (11) Fisheries.

General Manager's Address

Our Ninety-Third Annual Statement presented to you today reflects another year of progress.

Profits

Despite a sharp increase in operating expenses, we again report satisfactory earnings. After full provision for Bad and Doubtful Debts, Depreciation on Premises and Equipment, the usual contribution to the Pension Fund, and provision for Government Taxes, the net amount available for shareholders was \$1,190,820., an increase over last year of \$3,058. In addition to payment of dividends during the year at the rate of \$1.20 per share, our directors authorized a special year-end bonus of twenty cents a share payable January 3, 1949. The total distributed to shareholders was, therefore, \$840,000. or \$120,000. greater than for 1947, leaving \$350,820. carried forward to Profit and Loss Account.

Our Paid-up Capital, Reserve Fund and Profit and Loss Account now total \$21,114,000. Of this amount the shareholders have paid in \$10,074,000., as in large part our shares have been issued at a substantial premium. The remainder, \$11,040,000., represents that part of our annual earnings which each year (after payment of all taxes) has been retained and reinvested. It represents the accumulated savings of ninety-three years of careful management.

The amount distributed for 1948 by way of dividends and bonus represents a yield on the shareholders' capital of 3.97%.

On the total funds employed by us, our net earnings this year, after taxes, were less than 3/10 of 1%.

Total Assets

Total Assets have increased \$42,800,000. to \$436,000,000., again a new peak. The ratio of quick assets to all liabilities to the public, 71.69%, is fractionally higher than a year ago.

Securities

Our investment in securities, \$214,000,000., is \$27,000,000. greater than a year ago. The increase is in our holdings of Dominion and Provincial securities, which total \$191,000,000. Municipal and other securities, \$23,000,000., are, in total, practically unchanged.

Call Loans

Call Loans, \$8,400,000., are up \$1,700,000.

Current Loans and Discounts

Under this important heading we again report a very satisfactory gain, the total \$125,700,000. being \$13,700,000. higher. Business activity has continued at a high level and it pleases us to feel that we have

contributed our share to its maintenance in taking care of the requirements of our customers.

Acceptances and Letters of Credit Outstanding

At \$3,900,000. these appear low in comparison with last year's total of \$9,900,000. but exchange and import restrictions have necessitated that certain of our important clients finance their requirements by other methods.

Bank Premises

Bank Premises, \$5,053,000., are higher by \$966,000. With construction material of all kinds, particularly steel, still in short supply, we are restricting new construction to essential projects. The growth of our business, however, has necessitated the erection of new buildings at several points, notably at Edmonton, where the premises our main office presently occupies are totally inadequate for our needs. In addition, we have spent a quite substantial amount in building new vaults, strengthening others, and installing more up-to-date safekeeping equipment.

Deposits

The gain here is notable. Total deposits are now \$410,000,000., an all-time high, and deposits from the public, \$387,000,000., are up \$50,000,000. from a year ago. This further evidence of the confidence of the public in the strength and integrity of our institution must be as gratifying to our shareholders as it is to the management.

Dominion Government deposits, \$13,000,000., are \$3,600,000. lower.

Branches

We opened eight new offices during the year and now have a total of 208 branches, an increase of 33 since the war ended.

Inspections

The Bank's Inspectors have, during the year, inspected all branches with the exception of six opened in the last few months, and the shareholders' auditors have made the customary audit of cash, securities, and loans at Head Office and the principal branches at Toronto, Montreal, Winnipeg, and Vancouver.

Competition

It is, of course, gratifying not only that the statement presented today is satisfactory, but that it compares favourably with those of competing institutions. In their operations banks are not in any way apart from the business fabric, but a part of it. Their volume and profits rise as business in general expands, but of necessity contract as the requirements of the public fall off. This year higher operating costs have been an important factor, but we have not only done well, but competitively we have held our own.

Each turn in the cycle brings a change in problems, but in facing them our viewpoint can never change — that in the long run our success must always depend on the welfare of our customers. It is not sufficient that the transaction be profitable to the bank, but that we be sure that it will also further our clients' interests. Good banking is essentially the exercise of good judgment.

In Canada's banking system there are ten institutions in extremely active competition, at all times looking for opportunities to expand their operations and make new connections. A great deal has been said, and is being said, of what the picture would be if, in place of this competition, we had only one government bank. It is not our thought to enlarge on this, but each individual bank has always to bear in mind that a client, no matter how well his requirements have been taken care of in the past, may go elsewhere for the accommodation he desires if, in his opinion, his present bank is not taking care of him satisfactorily.

Tied in with good lending judgment is the matter of service and, in fact, it is difficult to know where one begins and the other ends. One could say that the two must always be merged, as to our mind service can only mean taking the closest personal interest in everything that pertains to the business welfare of our clients, coupled with the desire to help them in every way possible.

We are not one of the largest banks in Canada, but our resources are ample to service any type of account. Equally important, our operation is such that we are organized to give personal attention, not only at branches but at *Head Office*, to the requirements of individual customers.

The aim of our Executive has always been to know as many as we can of our customers throughout the country, and it is a matter of pride that so many are personal friends and frequent visitors at *Head Office*.

Thanks to Staff

On this occasion it is the custom to say a few words in appreciation of our staff, and this I gladly do. Our organization now numbers 2,214, of whom 976 are women. They have done excellent work throughout the year and our thanks to them are freely extended. In building up and maintaining the spirit of a bank, an efficient *Head Office* organization is not enough; it is the managers, their assistants, and the staff throughout the branches, who have day-to-day contacts with our customers, and in many respects they are the most important part of our organization. I like to feel that throughout our 208 branches there exists a loyalty to the institution which is evinced in cheerful and efficient service, and this is borne out by the voluntary expressions of appreciation which we continually receive.

Customers and Shareholders

My concluding words are to thank our customers and our shareholders for their loyalty and support throughout the year. To those who have newly come to us, we extend a welcome; to all of them we express our thanks.

Moved by Mr. J. L. CARSON, seconded by Mr. GEORGE KIDD, and

Resolved—That the report of the Directors and Statement which has now been presented be adopted.

Moved by Mr. W. M. ANDERSON, seconded by Maj. Gen. A. BRUCE MATTHEWS, and

Resolved—That Mr. GEOFFREY T. CLARKSON, F.C.A., of Clarkson, Gordon & Company, and Mr. W. D. GLENDINNING, F.C.A., of Glendinning, Jarrett, Gray & Roberts, be appointed Auditors of this Bank for the ensuing year, and that their remuneration shall not exceed the sum of \$18,000., to be divided between them in such manner as the Directors shall consider just and reasonable.

Moved by Mr. J. G. PARKER, seconded by Mr. H. R. STEPHENSON, and

Resolved—That By-law Number 50 of the Bank be and the same is hereby repealed and the following enacted in lieu thereof:

For each fiscal year, an amount to be determined from time to time by the Board of Directors but not exceeding Two Thousand Five Hundred Dollars for each Director may be paid from the funds of the Bank to remunerate each Director for his services.

Moved by Mr. T. D'ARCY LEONARD, seconded by Col. K. R. MARSHALL, and

Resolved—That the thanks of the Shareholders be tendered to the President, Vice-President and Directors for the capable manner in which they have directed the Bank's affairs and to the General Manager and other officers and staff for the loyal, capable and efficient way in which they have discharged their duties during the year.

In presenting his motion Mr. LEONARD said in part:—

My motion is one of congratulations and appreciation for the work of those responsible for the very fine Statement of Affairs presented today and amplified by the remarks of the President and the General Manager.

I am sure all of us can take a great deal of pride in the Statement which reflects the confidence of the public in this fine old institution. The fact that, as the General Manager said, your deposits have increased \$50 million in the past year, shows how high the Bank stands in the trust of the public.

Mr. VANSTONE, in responding, said,—

It is a pleasure to reply to this Resolution of thanks, which I feel should be directed more particularly to our staff who maintain contact with the public at large.

Our progress depends upon the loyalty and efficiency of our staff and the Bank is judged by the qualities of our men who represent the Bank in the widely scattered areas of the Dominion.

That they are held in high esteem is indicated by the gratifying results shown in the Statement today, and in thanking Mr. LEONARD and Col. MARSHALL for their very kind remarks I would like also to extend the appreciation of the directors and executive to the men in the field who have represented us so excellently in the past year.

Moved by Mr. W. G. WATSON, seconded by Mr. HENRY S. GOODERHAM, and

Resolved—That the Scrutineers cast one ballot for the election of the following named gentlemen as Directors of The Bank of Toronto,—

FREDERICK K. MORROW
J. DOUGLAS WOODS
GEORGE KIDD
AUBREY DAVIS
EDWARD D. GOODERHAM
HARRY J. CARMICHAEL
HORACE T. HUNTER
ARTHUR H. CAMPBELL
R. L. BEATTIE
JOHN J. VAUGHAN
JOHN R. READ
J. J. E. McCAGUE
J. L. TRUMBULL
F. H. MARSH
J. L. CARSON
B. S. VANSTONE

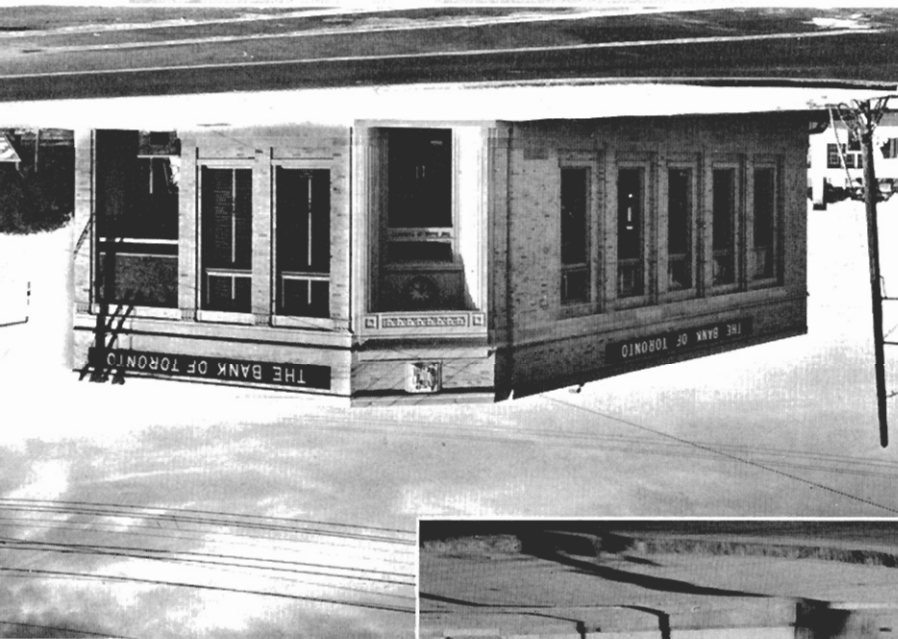
The Scrutineers reported the ballot in favour of the above named gentlemen and the Chairman declared them duly elected.

At a subsequent meeting of the new Board, Mr. F. H. MARSH was elected Chairman, Mr. JAMES L. CARSON, President, and Mr. B. S. VANSTONE, Vice-President.

By Order of the Board,

L. G. GILLET,
General Manager.

New Branch Offices
of
The Bank of Toronto
erected during 1948



At right —
Snowdon Branch,
Queen Mary Rd. &
Decarie Blvd.,
Montreal, Que.

Lansing, Ontario, Branch

18th Ave. & Cambie St.
Branch, Vancouver, B.C.



**The following comparative figures taken from the
Annual Statements show the growth of the
Bank since its incorporation**

Year	Capital and Reserves	Deposits	Loans and Investments	Assets
1857	\$ 439,148	\$ 263,100	\$ 1,103,078	\$ 1,268,413
1868	1,070,003	1,557,285	2,685,782	3,492,460
1878	3,002,314	2,406,168	5,477,613	6,325,416
1888	3,360,514	5,370,868	8,362,251	10,145,715
1898	3,900,347	10,225,768	12,754,568	16,032,794
1908	8,727,050	26,879,805	31,252,289	39,755,604
1918	11,625,623	79,039,274	75,958,234	100,207,997
1928	12,901,175	105,326,798	97,286,096	135,273,454
1938	17,005,464	121,401,567	113,601,653	148,612,365
1948	21,114,787	410,126,578	352,089,137	436,375,085
<div> <div> Paid-up Capital Rest Account Profit and Loss Account </div> <div> \$ 6,000,000 14,000,000 1,114,787 </div> </div> <div> <hr/> \$21,114,787 <hr/> </div>				



The 2nd **CANADIAN INTERNATIONAL TRADE FAIR**

will take place at
Toronto
May 30th - June 10th
1949

More than 1400 exhibitors displayed the products of 28 separate countries in 1948. Visiting businessmen came to buy from 70 different nations. Every indication for 1949 points to an even wider representation of exhibitors and a greater attendance of business visitors.

BRANCHES

ONTARIO

Toronto, King & Bay Sts. (Main Office)	R. J. Burtis,	Manager
	H. E. Burns,	Asst. Mgr.
	H. L. Willis,	"
" Avenue Road & Fairlawn Ave.	H. A. Ackerman,	Manager
" Avenue Road & Joicey Blvd.	R. H. N. Rowland,	"
" Bathurst St. & Glencairn Ave.	C. J. Cracknell,	"
" Bloor & Bay Sts.	H. A. Daykin,	"
" Bloor & Jane Sts.	C. P. Roper,	"
" Bloor & Royal York Rd. (Kingsway)	J. Harding,	"
" Church & Wellington Sts.	S. R. Way,	"
" Danforth & Dewhurst Blvd.	W. S. Dick,	"
" Donlands & O'Connor Drive	W. R. Butcher,	"
" Dundas & Keele Sts.	W. J. Strathdee,	"
" Dundas & Ossington Ave.	G. M. Kennedy,	"
" Dundas & Roncesvalles Ave.	G. L. Reid,	"
" Eglinton & Avenue Road	L. N. Hicks,	"
" Eglinton & Bathurst St.	R. P. Wright,	"
" Eglinton & Heddington Ave.	J. R. Clark,	"
" Eglinton & Shortt St.	H. C. Stephen,	"
" Eglinton & Winona Drive	J. E. Wilson,	"
" Eglinton Ave. East & Laird Drive	J. M. Smith,	"
" Elm & Elizabeth Sts.	J. C. Thomas,	"
" King & Bathurst Sts.	A. F. Sanders,	"
" Kingston Road & Warden Ave.	R. F. Gowans,	"
" Mount Pleasant & Belsize Drive	J. A. MacDonnell,	"
" Queen & Kenilworth Ave.	W. D. Cooper,	"
" Queen & Logan Ave.	L. S. Barr,	"
" Queen & Parliament Sts.	H. L. Lennan,	"
" Queen & Spadina Ave.	Jas. Stewart,	"
" Queensway & Royal York Road	A. E. Hall,	"
" St. Clair & Bathurst St.	G. A. Hetherington,	"
" St. Clair & Christie St.	S. S. Martin,	"
" Yonge St. No. 205	W. B. Young,	"
" Yonge & Bedford Park Ave.	J. G. McLaren,	"
" Yonge & Belsize Drive	J. E. H. Campbell,	"
" Yonge & St. Clair Ave.	G. D. Woolley,	"
Allandale	F. Stevenson,	"
Alliston	H. J. Lancashire,	"
Barrie	H. R. Nettleton,	"
Bethany	J. K. Hamilton,	"
Brantford	H. E. Lambert,	"
Brockville	B. F. A. Lewis,	"
Burford	R. J. Sim,	"
Burlington	S. P. Coe,	"
Cardinal	G. D. Gowans,	"
Carlisle	Sub to Freulton	"
Chatham	J. R. Jones,	"
Clarksburg	G. E. Liesemer,	"
Cobourg	W. N. Bradley,	"
Coldwater	I. G. Weylie,	"
Collingwood	W. F. Hyde,	"
Copper Cliff	R. Gray,	"
Creemore	J. H. Lawrence,	"
Creighton Mine	W. D. Stephenson,	"
Delta	Sub to Lyndhurst	"
Dorchester	H. C. Francis,	"
Dunnville	F. C. Millard,	"

BRANCHES

Elmvale	W. J. Schaefer,	Manager
Everett	Sub to Alliston	
Feversham	F. W. Hannah,	"
Fort William	C. C. Eddy,	"
Freelton	H. J. Little,	"
Frood Mine	Sub to Sudbury	
Galt	F. A. Maples,	"
Gananoque	J. H. Mills,	"
Garson Mine	Sub to Sudbury	
Hamilton, 37 James St. S. (Main Office)	W. E. Sharpe,	"
" Aberdeen & Dundurn St.	E. M. Wallwin,	Asst. Mgr.
" Market Branch	W. W. Wright,	Manager
"	H. R. Cluff,	"
Havelock	S. J. W. Clarke,	"
Keene	F. L. Wismer,	"
Kerwood	W. A. Caesar,	"
Kingston, King & Brock (Main Office)	C. A. Dixon,	"
" West End Branch	E. W. Cook,	"
Kitchener	H. S. Chambers,	"
Lansing	E. L. Willard,	"
Levack	C. H. Brown,	"
London, Richmond & King Sts. (Main Office)	J. R. Wright,	"
"	R. A. Echlin,	Asst. Mgr.
" City Hall Branch	T. C. Margrett,	Manager
" East End Branch	K. S. King,	"
" Market Branch	M. S. Hargreaves,	"
Lyndhurst	A. V. Darroch,	"
MacTier	M. Weller,	"
Markdale	A. E. Hunt,	"
Meaford	B. C. McArthur,	"
Millbrook	H. Perkin,	"
Morrison	Sub to Freelton	
New Lowell	Sub to Stayner	
Newmarket	A. C. Lord,	"
Oakville	H. G. McKillop,	"
Oil Springs	A. H. A. Padgham,	"
Omeme	N. Toland,	"
Orangeville	G. M. Lawrence,	"
Ottawa, 106 Sparks St. (Main Office)	Geo. Hay,	"
" Ottawa South Branch	E. J. Fitzgerald,	"
" Union Station Branch	J. H. Smith,	"
" West End Branch	R. C. Waldie,	"
Owen Sound	A. MacKay,	"
Paris	T. B. Chester,	"
Parry Sound	P. E. Butler,	"
Penetanguishene	C. H. Smith,	"
Peterboro	J. L. Thompson,	"
Petrolia	T. R. Menzies,	"
Port Hope	E. G. Britton,	"
Preston	W. A. McEvoy,	"
St. Catharines	E. J. H. Vanston,	"
St. Mary's	H. B. Newton,	"
Sarnia, 172 Front St. (Main Office)	J. W. Simpson,	"
" Blue Water Branch	E. J. Reid,	"
Seeley's Bay	Sub to Lyndhurst	
Shelburne	Jas. Milmine,	"
South Porcupine	W. S. McDowell,	"
Stayner	L. A. Gould,	"
Stratford	S. G. Page,	"

BRANCHES

Sudbury, Durham St. (Main Office)	G. E. Armstrong,	Manager
" North End	H. Nightingale,	"
Thornbury	M. A. Patterson,	"
Trenton	B. F. Joyce,	"
Walkerville	D. W. Marks,	"
Wallaceburg	C. N. Robinson,	"
Waterloo	J. S. McMillan,	"
Welland	J. E. Curry,	"
Westboro	J. E. Peacocke,	"
Windsor, Wyandotte & Ouellette Ave. (Main Office)	W. H. Hiscock,	"
" West End Branch—(2161 Wyandotte St. W.)	J. F. Zuber,	"
Wyoming	F. O. Johnston,	"

QUEBEC

Montreal, St. James & McGill Sts. (Main Office)	J. J. Winsby,	Manager
	S. G. Bickley,	Asst. Mgr.
	S. T. Paton,	"
" Atwater & St. Antoine St.	B. C. Case,	Manager
" Bernard & Hutchison St.	H. B. Anderson,	"
" Board of Trade	V. R. Tufford,	"
" Maisonneuve	E. J. Valois,	"
" Peel St. No. 1232	B. M. Currie,	"
" St. Catherine & Guy Sts.	A. H. Walsh,	"
" St. Catherine St. East No. 1490	J. J. L. Senecal,	"
" St. Hubert & Belanger Sts.	J. E. Long,	"
" St. Lawrence Blvd. & Ontario St.	H. J. Stone,	"
" Sherbrooke & Claremont Ave., Westmount	A. K. Young,	"
" Snowdon Br.—Queen Mary Rd. & Decarie Blvd.	A. B. Clarke,	"
" Van Horne Ave. No. 1555, Outremont	J. E. Boyle,	"
Gaspé	W. W. Annett,	"
Grand River	J. A. Cassin,	"
Malartic	A. E. Woods,	"
St. Lambert	R. A. Ross,	"
Val d'Or	J. A. Campeau,	"

MANITOBA

Winnipeg, 454 Main St. (Main Office)	R. J. Fox,	Manager
	M. E. Kerr,	Asst. Mgr.
" Academy Road & Niagara St.	James Souter,	Manager
" Portage & Edmonton St.	N. G. Henderson,	"
" Sherbrook & Westminster Ave.	L. A. McAuley,	"
Benito	G. F. Stonehouse,	"
Birch River	H. G. Law,	"
Cartwright	A. B. Fee,	"
Minitonas	D. L. Nicholson,	"
Pilot Mound	M. C. Manhard,	"
Rosburn	K. L. Holmes,	"
St. Boniface (Union Stock Yards)	F. J. Goldsmith,	"
St. Vital	J. K. Heap,	"
Swan River	E. R. Ridgway,	"
Transcona	W. R. Lawrie,	"

SASKATCHEWAN

Assiniboia	Geo. Kay,	Manager
Bredenbury	V. Hughes,	"
Colonsay	J. C. Thom,	"
Glenavon	W. E. Hyatt,	"
Glidden	Sub to Madison,	"
Gravelbourg	V. E. French,	"

BRANCHES

Hodgeville	C. L. Thompson,	Manager
Kipling	L. Gemmill,	"
Kyle	N. E. Weaver,	"
La Fleche	J. W. Runge,	"
Langenburg	C. A. Venn,	"
Madison	Robert Steel,	"
Mazenod	H. F. Deutscher,	"
Meyronne	J. H. Thomsen,	"
Montmartre	M. W. Paul,	"
Neilburg	G. Hunter,	"
Preeceville	J. E. Conn,	"
Regina	H. R. Chapin,	"
	A. Stephenson,	Asst. Mgr.
Rocanville	R. O. Gunning,	Manager
Rosetown	H. W. Thompson,	"
Smiley	E. B. Little,	"
Stenen	E. W. Keyes,	"
Welwyn	D. L. Fyfe,	"
Wolseley	K. H. Wilson,	"
Yorkton	N. S. Jackman,	"

ALBERTA

Barrhead	C. E. Beirnes,	Manager
Bonnyville	H. Desroches,	"
Calgary	F. C. Burnet,	"
	R. S. Wells,	Asst. Mgr.
Cardston	J. M. Reinheimer,	Manager
Clandonald	C. H. Langridge,	"
Coronation	B. Collins,	"
Edmonton, Jasper Ave. & 100 A Street (Main Office)	I. J. Hutton,	"
	G. A. R. Ferguson,	Asst. Mgr.
" Garneau Branch (S.E.)	H. A. McCullough,	Manager
" West End Branch—142nd St. & 102nd Ave.	E. G. Cruikshank,	"
Marwayne	T. S. Norcross,	"
McLennan	G. Gagne,	"
Oyen	S. P. Bielby,	"

NORTHWEST TERRITORIES

Yellowknife	P. W. Atkinson,	Manager
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BRITISH COLUMBIA

Dawson Creek	W. R. Topham,	Manager
Lake Cowichan	J. P. Allan,	"
New Westminster	W. Dickie,	"
Pioneer Mine	G. A. Gardiner,	"
Vancouver, Hastings & Seymour Sts. (Main Office)	C. D. O. McGill,	"
	C. D. Valpy,	Asst. Mgr.
" Burrard & Robson Sts.	J. McKendrick,	Manager
" 18th Ave. & Cambie St.	Alan Keenlyside,	"
" Kerrisdale Branch	E. P. Rush,	"
" Kingsway & Fraser Ave.	E. H. Jones,	"
" 10th Ave. & Alma Road	F. H. Stewart,	"
" 12th Ave. & Granville St.	S. H. Abrams,	"
" West Georgia St., 545	R. I. Alston,	"
Victoria, Yates & Broad St. (Main Office)	J. H. Brown,	"
" Douglas St.	S. D. Markham,	"

Principal Agents and Correspondents

BRITISH and FOREIGN

GREAT BRITAIN	Midland Bank, Limited
“	Brown Shipley & Company
“	National Provincial Bank Ltd.
“	Williams Deacon's Bank Ltd.
AFRICA	Barclays Bank (Dom. Col. and Overseas)
“	Standard Bank of South Africa Ltd.
AUSTRALIA	Bank of Australasia
“	Union Bank of Australia Ltd.
“	Bank of New South Wales
BELGIUM	Kredietbank, S. A.
“	Banque de Bruxelles S. A.
CHINA	Bank of China
“	National City Bank of New York
“	The Chase Bank
DENMARK	Kjobenhavns Handelsbank
FRANCE	Credit Commercial de France
GREECE	Ionian Bank Ltd.
HOLLAND	Nederlandsche Handel Maatschappij
INDIA	National City Bank of New York
“	Chartered Bank of India, Australia & China
ITALY	Banca Commerciale Italiana
NEW ZEALAND	National Bank of New Zealand
NORWAY	Den Norske Creditbank
SWEDEN	Goteborgs Handelsbank
SWITZERLAND	Banque Populaire Suisse
“	Union Bank of Switzerland

UNITED STATES

ALBANY, N.Y.	National Commercial Bank & Trust Co.
BOSTON, MASS.	Brown Bros., Harriman & Co.
“	First National Bank of Boston
“	National Shawmut Bank of Boston
BUFFALO, N.Y.	Manufacturers & Traders Trust Company
“	Marine Trust Company of Buffalo
CHICAGO, ILL.	Continental Illinois National Bank & Trust Co.
“	First National Bank of Chicago

UNITED STATES—Continued

CINCINNATI, OHIO	Fifth, Third Union Trust Company
"	First National Bank
CLEVELAND, OHIO	Central National Bank of Cleveland
DETROIT, MICH.	National Bank of Detroit
LOS ANGELES, CAL.	Bank of America National Trust & Savings Ass'n.
"	California Bank
MINNEAPOLIS, MINN.	First National Bank & Trust Co.
NEW YORK, N.Y.	Bank of The Manhattan Co.
"	Bankers Trust Company
"	Brown Bros., Harriman & Co.
"	Chase National Bank of New York
"	Chemical Bank & Trust Co.
"	Empire Trust Company
"	Guaranty Trust Company of New York
"	Irving Trust Company
"	National City Bank of New York
"	Public National Bank & Trust Company
PHILADELPHIA, PA.	Brown Bros., Harriman & Co.
"	Central Penn National Bank
"	Corn Exchange National Bank & Trust Co.
"	Market St. National Bank
"	Philadelphia National Bank
PORTLAND, ORE.	United States National Bank
PROVIDENCE, R.I.	Industrial Trust Co.
ST. LOUIS, MO.	Boatmens National Bank
SAN FRANCISCO, CAL.	American Trust Company
"	Bank of America National Trust & Savings Ass'n.
SEATTLE, WASH.	People's National Bank of Washington
"	Seattle First National Bank





INCORPORATED 1855

Head Office
TORONTO

