

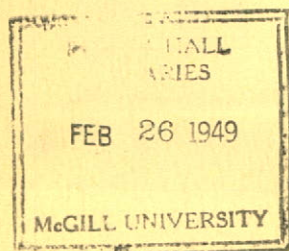


THE ROYAL TRUST COMPANY

49th
ANNUAL
REPORT

FOR THE YEAR ENDED 31st DECEMBER

1948



THE ROYAL TRUST COMPANY
49th ANNUAL REPORT



ESTABLISHED 1899

OFFICES ACROSS CANADA FROM COAST TO COAST

HALIFAX	OTTAWA	CALGARY
SAINT JOHN	TORONTO	EDMONTON
QUEBEC	HAMILTON	VANCOUVER
MONTREAL	WINNIPEG	VICTORIA

ST. JOHN'S, NEWFOUNDLAND
LONDON, ENGLAND

CAPITAL, RESERVE AND SURPLUS
\$8,010,000

ASSETS UNDER ADMINISTRATION
\$958,000,000

BOARD OF DIRECTORS

*HUNTLY R. DRUMMOND

Honorary President

*ROBERT P. JELLET

President

*ROSS CLARKSON

Vice-President and General Manager

*JAMES A. ECCLES

*B. C. GARDNER, M.C.

Vice-Presidents

THE HON. C. C. BALLANTYNE, P.C.

LAMONTE J. BELNAP

FREDERIC E. BRONSON

GEORGE A. CAMPBELL, K.C.

D'ALTON C. COLEMAN, C.M.G.

NORMAN J. DAWES

THE HON. CHARLES A. DUNNING, P.C.

G. BLAIR GORDON

GEORGE W. HUGGETT

RICHARD G. IVEY, K.C.

THE HON. S. C. MEWBURN, K.C.

HERBERT W. MOLSON

THE HON. ALPHONSE RAYMOND, LL.D., M.L.C.

HENRY E. SELLERS, C.B.E.

CHARLES F. SISE

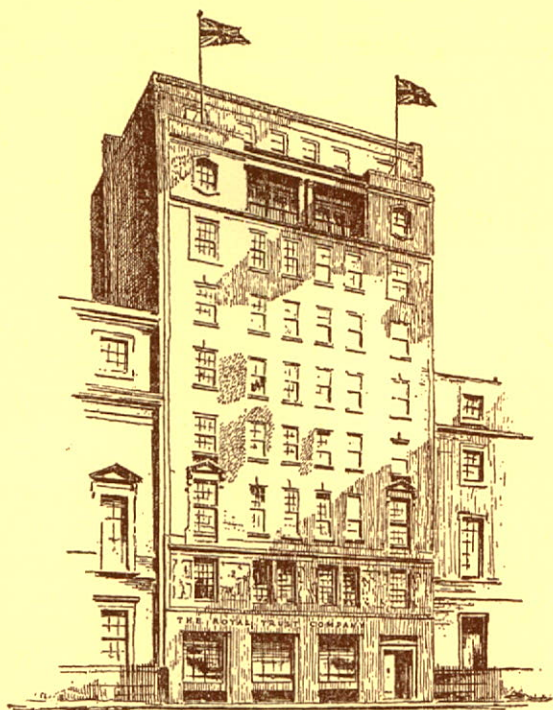
WALTER M. STEWART

THE HON. L. A. TASCHEREAU, K.C., LL.D.

AUSTIN C. TAYLOR, C.B.E.

JULES R. TIMMINS, O.B.E.

**Members of Executive Committee*



3 ST. JAMES'S SQUARE

LONDON ENGLAND BRANCH

The Forty-ninth Annual General Meeting

OF SHAREHOLDERS WAS HELD AT THE HEAD OFFICE, MONTREAL
ON TUESDAY, THE EIGHTH OF FEBRUARY, NINETEEN FORTY-NINE

THE ROYAL TRUST COMPANY

Head Office

105 ST. JAMES STREET WEST
MONTREAL

THE PRESIDENT'S REMARKS

As our Company enters its fiftieth year, our report is one of continued progress, but moderate profit considering the growth of the Company and the vast extent of its business across Canada, in London, England, and in Newfoundland.

Our shareholders will have realized by this time that stable earnings are all that can be hoped for in a business which appears to be incapable of making particularly high profits in any year.

The profit from operations was about the same as in the previous year, in spite of the increased business done, but, owing to a reduction in the provision needed for taxes, there was some improvement in the net, as shown by the Report of the Directors which I have just read.

The General Manager will review the year's results but I draw your attention to two unusual items in the Profit and Loss Account.

The first is a credit of \$250,000 representing an amount no longer needed in our undisclosed reserves because of the clearing up of certain situations which had previously entailed a risk of loss, and the sale of a property in Vancouver which we bought some years ago as a building site, but never used.

The second item is a debit of \$550,000 representing a payment which the Directors decided to make to the Pension Fund Society of The Royal Trust Company, subject to your approval, in order to assure more adequate pensions to the older employees in respect of their services prior to the time the Pension Fund began to operate in March 1936. Some additional payment, which is not likely to exceed \$50,000, may be required during 1949 when the position of the Fund has been further examined by the actuaries. I shall presently explain, in greater detail, the necessity for the payment, and ask for a resolution to cover it.

valuation of shares

In conformity with our By-laws, it is necessary to establish at this Meeting the value of the shares of the Company for the ensuing year, and an appropriate resolution will be submitted to you for the purpose. In view of the limited earning power of the Company and the uncertain outlook for increased profits, the

Directors consider that the value of the shares of the Capital Stock of the Company should remain at \$90 a share. At the present dividend rate of \$3.20, disregarding the extra dividend of 60c. paid on the 1st February, which should not be considered as regular, the shares at the price of \$90 yield 3.56%, and with the extra dividend 4.22%.

directors

The Company suffered a loss in the death of Joseph A. Kilpatrick who had been a member of the Board of Directors since 1945. His passing is recorded with deep regret. Ross H. McMaster, who had served as a Director for over twenty-two years, resigned owing to his desire to be relieved of some of his many responsibilities, and while we deplored his loss from the Board, we had reluctantly to accept his decision. He has earned your thanks, and if you approve, I shall have pleasure in communicating them to him. Bertie C. Gardner was elected to the Executive Committee of the Board, and he and James A. Eccles were elected Vice-Presidents of the Company. G. Blair Gordon and Jules R. Timmins were appointed Directors during the year, and we shall be glad to have the benefit of their counsel.

branch advisory boards

The following changes have taken place in Branch Advisory Boards: Fred E. Osborne, a member of our Calgary Board, died in October, I regret to report. L. L. Sinclair joined the Calgary Board and was appointed Chairman, and Walker L. Taylor became a member of the same Board in January 1949. Vance B. Graveley has also been appointed to the Calgary Board as from this date. At Saint John, N.B., Gerald Lawson resigned following his retirement from the Bank of Montreal. At Vancouver, M. E. Nichols resigned because of his desire to devote all his time to literary work. At Victoria, W. C. Mainwaring and J. N. Taylor resigned, the former to become Vice-President of the B. C. Electric Railway Company at Vancouver, and the latter owing to his retirement from the service of the Bank of Montreal. Mr. Taylor's successor, R. D. Mulholland, became a member and Chairman of the Victoria Board. At Winnipeg, W. A. Mather resigned upon his appointment to the Presidency of the Canadian Pacific Railway Company, and J. D. Perrin joined the Board in January of this year.

officers and staff

As always, much credit is due to the Staff for the success of our operations. The role which they play is second to none in importance. While the Managers and other Officers are responsible for the allocation and supervision of the work, it is the Staff which must carry it out to the satisfaction of our clients. It requires a high level of loyalty, industry and co-operation on the part of both Officers and Staff to enable them to accomplish their tasks. I thank them for their fine performance throughout 1948.

economic uncertainty

Looking at the general economic condition of the Country, it is evident that business, despite many difficulties, has kept at buoyant levels, and a substantial advance has been made towards attaining a better balance between production and demand.

Yet this present favourable condition ought not to be allowed to disguise certain underlying causes for anxiety. It is well to bear in mind that the economic condition of the world is abnormal, and that much of the exceptional economic activity is artificial and undependable. More than this, there are a number of restrictive influences at work which will make themselves increasingly felt, especially as the unnatural stimulation of the present time gradually passes away.

These restrictive influences to which I refer arise mainly from high taxation. The danger here is not simply that taxes happen to be high at the present time. It lies rather in the tendency of taxation to become fixed at permanently high levels to maintain the high level of Government spending.

Federal revenue has now reached dimensions which should permit a substantial reduction in taxation, and the people are entitled to some relief. It is even probable that this could be accomplished without greatly affecting the exchequer, first, by the practice of greater economy on the part of Government, and, secondly, by the fact that the extra money left in the hands of the people would itself attract additional taxes through its use in ways which the people themselves may choose, including investment for the purpose of saving.

Little is gained by having Governments do for people what they might better do for themselves. It is true that some measure of State regulation will always

be necessary, and that there are many temporary controls that can only gradually be reduced. But I am convinced that the operation of the natural laws of supply and demand, and a larger scope for enterprise and competition would automatically provide much of the economic regulation that is now being supplied by Government bureaus. The support of those employed by such bureaus becomes a public charge. Moreover, the employment of such persons by Governments consumes time and energy that might be used more productively in business and industry.

encourage independence

Taxation is probably the most depressing factor in the living problems of many. Not only direct taxation but the various indirect and nuisance taxes with which we are plagued are a source of irritation and discouragement, especially to the wage-earner and the salaried man who is trying to get ahead and secure his future.

At present rates, taxation makes saving so difficult for the average man that the practice of thrift is gradually being abandoned. Unless something is done to check this, there is danger of the eventual disappearance of the traditionally solid middle-class citizen, the man who recognizes his responsibility to provide for his old age and the security of his family. The man who likes independence and is willing to work and save for it. The State should encourage this philosophy rather than dependence upon the State.

The scaling down of tax rates generally would be the fairest way to reduce taxation rather than, for instance, raising the statutory exemption. In the United States, the exemption is considerably less than in Canada, and so are the tax rates. It is the collection of a small to moderate tax from the many that should provide the bulk of the funds needed to run a country, not excessive taxation of the few. To make democracy work to its best effect, it is highly desirable that practically all of the citizens should realize its cost, particularly when it tends to develop into a bureaucracy, by having to pay their share of it, through something so direct and easily understood as the personal income tax.

Another means of lessening the burden of income tax would be to follow the example of the United States, which provides the right to married couples to file a joint income tax return and divide the total income equally between them for the purpose of computing the tax.

artificial exchange controls

Restrictions on currency exchange, especially as between our currency and that of the United States, are a form of artificial regulation that should be relaxed as soon as possible. Though some improvement has been effected during the past year, the situation will remain far from satisfactory, while the movement of capital from this Country is controlled almost to the point of prohibition. Canada will have no reason to be proud of her financial position so long as she is unable to permit the free and unrestricted withdrawal of capital moneys invested in Canada by non-residents.

The ultimate cure for the situation lies in the further development of Canada's natural resources. The prospects of such development have been greatly broadened by the oil discoveries in the West, by the vast deposits of iron ore on the Labrador-Quebec boundary, and of titanium ores on the Lower St. Lawrence.

supporting freedom

I inform you that during the year your Company has made contributions to charitable and educational causes (either in actual payments or in commitments) amounting to the sum of \$26,830. I hope you will not protest. The handling of the many appeals received is difficult, as well as costly in the time that must be devoted to them. But this is unavoidable. As high taxation has lessened personal incomes, and reduced the contributions that can be obtained from individuals, corporations feel obliged to extend assistance. They believe that it is in the interest of their shareholders, as part of the defence of a free economy, to aid in preserving the independence of such institutions, rather than to force them to appeal to Governments for too great a proportion of their requirements. For insofar as such institutions become mainly dependent upon direct Government support, they entail the risk of having Governments control the management of their affairs.

investors' tax pyramid

Though the contributions of corporations are at present helping to maintain the independence of charitable and educational institutions, corporations are them-

selves faced with difficulties in their own future. For the present distribution of the heavy tax burdens has been concentrated upon the investor and upon the corporations in which his savings are invested. In fact, it will be found that investment income is being subjected to double taxation.

In the first place, investment income is taxed in the form of corporation profits. While taxes on corporation profits have been substantially reduced from the war-time level, they still aggregate about thirty-seven per cent, leaving sixty-three per cent to the Company. It is evident that many well managed industries and businesses, faced with abnormally high costs for replacing machinery and other equipment, have to withhold about fifty per cent of net profit for replacements and reserves. As a result, the shareholders receive only fifty per cent of net profits, or thirty-one point five per cent of profits before taxes. So it is that Governments are cutting themselves in on considerably more than a fifty-fifty basis with the owners.

But this exaction, which is surely extreme, is not all. Double taxation appears when a second tax is imposed upon the portion of corporation profits which is paid as dividends to the shareholders. And the tax is applied not only at the regular rates, but a surtax of 4% is charged on investment income above a very moderate amount. The unfairness of this has been recognized in England, where the precedent has been established of permitting shareholders to make allowance in their individual returns for taxes paid at the source on the profits of corporations from which they received dividends. In Canada the unfairness has yet to be recognized and corrected.

This double taxation discloses the way in which the investor has been selected as the main burden-bearer. No doubt this practice flows from the old maxim that Governments will tax wherever taxing is easiest. But the effects of such taxing practice amount to a penalty upon the investor. And yet it is only by the accumulation and investment of capital that the industry and business of the Country can be maintained and expanded.

enterprise — national prosperity

To penalize the investor is a self-defeating policy. Any form of discriminatory taxation brings into operation the law of diminishing returns. In course of time

THE PRESIDENT'S REMARKS

it decreases the revenue of which it seeks to take an undue advantage. If, on the other hand, taxes are adjusted to give encouragement and to remove unfairness, the field will tend to broaden, and the just tax will be found, in the end, to yield the highest returns.

More broadly, the amount of capital saved by thrift and invested with enterprise is the measure and index of any nation's prosperity. To discriminate against the investor is to discriminate against national development. It is well for Governments to seek to provide for the welfare of their citizens. But nothing should be done to imperil or curtail the security of enterprise and self-reliance. Only by protecting the security of these primary sources of economic energy can any nation hope to look forward to a free and expanding future.

THE DIRECTORS' REPORT

To the Shareholders of

THE ROYAL TRUST COMPANY

The directors have pleasure in submitting the forty-ninth annual report of the Company showing the results of its operations for the year ended 31st December, 1948, accompanied by the General Financial Statement, in which is incorporated the Balance Sheet of the Company as at that date.

Profit for year ended 31st December, 1948, after deducting management and all other expenses and providing for all contingencies	\$	730,232.25
Less—Provision for taxes		250,391.15
Net Profit		479,841.10
Less—Dividends	\$320,000.00	
Reserve for Extra Dividend	60,000.00	380,000.00
Surplus	\$	99,841.10
Balance at credit of Profit and Loss Account, 31st December, 1947		1,210,383.26
Reserves recovered, no longer required		250,000.00
		<u>\$1,560,224.36</u>
Less—Special Contribution to Staff Pension Fund		550,000.00
Balance carried forward		<u>\$1,010,224.36</u>

Under the charter and by-laws of the Company the real value of the Company's shares is to be estimated and established by resolution at each annual general meeting of the shareholders, and your directors recommend that the value of the shares, which have a par value of \$20.00 each, should be established at \$90.00 per share, which is the same as the valuation placed on the shares a year ago.

Respectfully submitted,

ROBERT P. JELLETT,

President.

MONTREAL, 8th February, 1949.

THE ROYAL TR

BALANCE SHEET AS A

ASSETS

READILY REALIZABLE ASSETS (less Reserves)	1948	1947
Bonds—Dominion and Provincial.....	\$ 17,794,114	\$ 16,042,872
Other Bonds.....	4,389,666	2,915,992
Stocks..... (Not exceeding market values)	1,023,342	865,678
	<u>\$ 23,207,122</u>	<u>\$ 19,824,542</u>
Cash.....	339,405	220,956
Loans.....	4,248,589	3,829,394
Sundry Accounts.....	81,894	68,257
Readily realizable assets.....	<u>\$ 27,877,010</u>	<u>\$ 23,943,149</u>
OTHER ASSETS (less Reserves)		
Mortgages.....	2,028,012	1,458,386
Stocks of Subsidiary Companies.....	191,033	190,003
Premises.....	962,455	844,002
Real Estate held for sale.....	1	1
Total Assets.....	<u><u>\$ 31,058,511</u></u>	<u><u>\$ 26,435,541</u></u>

On behalf of the Board:

(Signed) HUNTLY R. DRUMMOND }
(Signed) ROBERT P. JELLETT } *Directors.*

MONTREAL, 17th January, 1949.

Verified as per our report of this date.

(Signed) JOHN PATERSON, C.A. }
(Signed) C. GORDON WALLACE, C.A. } *Auditors.*

ASSETS UNDER ADMINISTRATION

At 31st December

	1948	1947
Funds and Investments of Estates, Trusts and Agency Accounts under administration—at nominal values.....	\$927,246,623	\$918,543,736
Company's Own and Guaranteed Accounts Assets.....	31,058,511	26,435,541
Security held against Contingent Liability.....	9,382	35,332
	<u><u>\$958,314,516</u></u>	<u><u>\$945,014,609</u></u>

A copy of the Balance Sheet, in more detail, may be obtained upon request.

UST COMPANY

31st DECEMBER, 1948

LIABILITIES AND CAPITAL

LIABILITIES	1948	1947
Accounts due and accrued.....	\$ 265,379	\$ 175,985
Reserve for Extra Dividend.....	60,000	60,000
Bank Loans—secured by pledge of securities.....	6,918,550	6,477,680
Funds for Guaranteed Investment.....	15,804,358	11,511,484
Liabilities.....	<u>\$23,048,287</u>	<u>\$18,225,158</u>
CAPITAL		
Capital Stock—100,000 shares fully paid—\$20.00 par value.....	2,000,000	2,000,000
Reserve.....	5,000,000	5,000,000
Undivided Profits.....	1,010,224	1,210,383
Capital.....	<u>\$ 8,010,224</u>	<u>\$ 8,210,383</u>
Total Liabilities and Capital.....	<u>\$31,058,511</u>	<u>\$26,435,541</u>

PROFIT AND LOSS ACCOUNT

	For Year ended 31st December, 1948	Comparative figures for previous year
Profit for year ended 31st December, 1948, after deducting management and all other expenses and providing for all contingencies.....	\$ 730,232	\$ 728,051
Less—Provision for taxes.....	250,391	275,676
Net Profit.....	<u>\$ 479,841</u>	<u>\$ 452,375</u>
Less—Dividends.....	320,000	320,000
Reserve for Extra Dividend.....	60,000	60,000
Surplus.....	<u>\$ 99,841</u>	<u>\$ 72,375</u>
Balance at credit of Profit and Loss Account, 31st December, 1947...	1,210,383	1,163,008
Reserves recovered, no longer required.....	250,000	—
	<u>\$ 1,560,224</u>	<u>\$ 1,235,383</u>
Less—Special Contribution to Staff Pension Fund.....	550,000	25,000
Balance carried forward.....	<u>\$ 1,010,224</u>	<u>\$ 1,210,383</u>

AUDITORS' REPORT

We have audited the books and accounts of The Royal Trust Company for the year ended 31st December, 1948. In connection therewith, we have accepted the audited accounts for the same period, certified by independent auditors of the Company's Branches at Quebec, Saint John, N.B., Halifax, St. John's, Nfld., and London, England.

We have obtained all the information and explanations we have required and we report that all transactions of the Company that have come within our notice have been within the powers of the Company.

Cash, bank balances, and securities held by the Company for Guaranteed and Trust Accounts and in any other capacity are kept separate from the Company's own funds and securities and are so earmarked on the books of the Company as to show the accounts to which they belong. All cash, bank balances, and securities have been verified.

In our opinion, the foregoing Balance Sheet as at 31st December, 1948, verified by us, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) JOHN PATERSON, C.A.	} Auditors.
(Signed) C. GORDON WALLACE, C.A.	

MONTREAL, 17th January, 1949.

VISUAL COMPARISON CHART

Income, Outgo and Profit 1948



THE GENERAL MANAGER'S REMARKS

BEFORE reviewing the figures for the year, I wish to thank the President for his words of appreciation of the Officers and Staff, and to extend my thanks for the co-operation and assistance which I have received in the carrying out of my duties as General Manager.

I should be in a position to know, possibly better than anyone else, how sincere and painstaking are the efforts of each member of our organization to render efficient service, and to extend to clients with whom they deal, a personal and friendly interest in their affairs.

earnings and balance sheet

I shall mention first some figures which are not in the General Financial Statement. Gross Earnings reached the record figure of \$3,962,000, an increase of \$225,000 over the previous year, while Expenses before Taxes also set a record at \$3,232,000, being up \$223,000.

An interesting but regrettable feature of these figures is that a breakdown of Earnings shows that revenue from Fees and Commissions, that is, from the sale of our services, was \$47,000 less than our Expenses. This illustrates clearly the need for higher fees to offset, at least in part, the mounting cost of carrying on the business. In 1946 our earnings from services exceeded expenses by \$97,000, and in 1947 by \$61,000. The deficiency which occurred last year will not, we hope, be repeated in 1949 when the slightly higher charges which we are now making will have been in effect for the full year.

The primary reason for our increased costs is, of course, higher salaries, made necessary by the rising cost of living, and the need to maintain adequate staff. From 1938 to 1948 the staff grew in number from 915 to 1,003, or 9.6%, while during the same period salaries rose 61%.

Earnings from our own investments representing Capital, Reserves and Guaranteed Account, or in other words, the results of the use of money at our command, tend to increase, but it is difficult to make a profit out of the selling of services.

Turning now to Profit and Loss Account, Gross Profit at \$730,000 is up \$2,000 from the previous year. Provision for Taxes being down \$25,000 at \$250,000, enabled us to show an improvement of \$27,000 in Net Profit.

THE GENERAL MANAGER'S REMARKS

The President has explained the \$250,000 transfer from General Reserves and the payment of \$550,000 to the Pension Fund, subject to your approval. After allowance for these items, the balance of Profit and Loss Account carried forward is \$1,010,000, down \$200,000.

The Balance Sheet shows the combined assets of the Company's Own and Guaranteed Accounts at \$31,058,000, an increase of \$4,623,000, and these assets were \$8,010,000 in excess of liabilities.

Assets under Administration consisting primarily of funds and investments of Estates, Trusts and Agency Accounts, but including the Company's Own and Guaranteed Accounts amount, at conservative valuations to \$958,000,000, which is \$13,000,000 above the previous year's figure. This assets total is subject to wide variation, with the many changes in accounts under our administration from year to year, and does not necessarily reflect the actual growth in our business.

The Reserve, on the Liabilities side, is unchanged at \$5,000,000.

A more detailed form of Balance Sheet has been prepared, and copies may be had upon request.

office premises

Providing adequate office space and modern facilities has become a major problem, and one which receives much attention.

Four years ago we purchased a six-storey building at the corner of Government and View Streets in Victoria, and, after complete renovation and modernization of the lower floors and basement, our Victoria Branch moved in at the beginning of 1949. The new premises provide Victoria Branch with one of the most attractive, efficient and spacious trust company offices in Canada. The President recently attended the formal opening of the new office, and was much impressed by the interest taken in it by the people of Victoria.

With the Province of British Columbia enjoying a period of marked business expansion, our Vancouver office is also undergoing extensive alterations, which will provide added space and improved facilities. Plans for the necessary changes have been drawn, and work on the alterations commenced the beginning of this year. They should be completed by midsummer.

THE GENERAL MANAGER'S REMARKS

Our Montreal office underwent considerable alteration during 1948, when the first and second floors, where the Estates and Trusts Departments are located, were extensively rearranged, great attention being paid to improved lighting.

branch appointments

Several senior appointments were made at Branches during the year:—At Toronto, Walter Archer was appointed Assistant Manager, having previously served as Manager at Halifax, where he was succeeded by H. F. Haliburton, formerly Secretary of that Branch. At Ottawa, G. O'Neill Lynch was appointed Manager, succeeding George L. Dean, who retired on pension after forty-two years' service, and H. G. Kirton, formerly Secretary at London, England, and transferred to Montreal a year ago, replaced Mr. Lynch as Assistant Manager and Secretary. At Vancouver, W. S. McNab was appointed Assistant Manager and Secretary, having had a long and varied experience in Montreal.

estates and trusts

Expansion of our Estates and Trusts business continued in 1948, and at an accelerated pace, for the very growth of our business from year to year tends, in itself, to attract additional appointments, as more people come to know the Company and the value of the services which it performs. Specialization is a trend of the times in most professions and businesses. Our Company was formed to specialize in the administration of estates and trusts, and that is what we do. We believe that we have the knowledge, experience and organization to do the work well, and our charges are small indeed, compared to the high cost of inexperience so often found in individuals acting as executors.

management of investments

Disturbed world conditions point to the need for caution and vigilance on the part of all investors. The growth of our Investment Management business is stimulated by these conditions, and we feel that we render a valuable service in this field. Our sources of information and systematic records of all investments

under our care enable us to act promptly, and to give helpful advice to those who place their securities with us for management.

Personal Holding Companies for which we provide the management, help to facilitate the handling of large investment portfolios, and offer certain other advantages to their owners.

The fact that many of our Management Accounts are opened by beneficiaries of estates which we have administered and distributed, is gratifying.

The management of Pension Fund Trusts for Corporations is a steadily growing department of our business, and one which holds promise of expansion.

real estate and mortgages

The strong market in Real Estate continues, and the high prices paid for some properties in recent months have established new records. There are signs, however, that buyers are becoming more inclined to wait than to pay the prices asked, but continued short supply of accommodation of all kinds is likely to hold prices up for some time.

The number and dollar value of our sales were again substantial, and 1949 should be another fairly active year for Real Estate.

Removal of rent controls from commercial space was followed by a sharp rise in rentals in many cases. The easing of controls in regard to residential property permitted some increase in rents, but the principal controls remain, and are not likely to be removed except gradually as the supply of housing space catches up with the demand. While new building is affected little by the controls and can command high rentals, excessive building costs and shortage of materials are hampering construction generally. These conditions make the investment risk in new construction unattractive to many who would otherwise be ready to build.

Our Mortgage business was somewhat more active, but with money plentiful, the demand for loans was comparatively light. Then, too, inflated values dictate caution in the making of loans.

corporate trusts

The Corporate Trusts Department, which embraces Bond Trusteeships and Stock Transfer Agencies, had a busy year in both divisions as a result of new

THE GENERAL MANAGER'S REMARKS

financing by Corporations, several reorganizations, and a fairly active stock market.

Charges for Stock Transfer and Registrarship work had remained unchanged for many years until the beginning of 1949, when we were obliged to ask for a small increase in our fees to help meet our rising costs.

With much industrial expansion and development of natural resources in sight, there should be considerable new financing in 1949, in connection with which Trust Company services will be required.

selling service

Our business is one of management—the selling of service. Its success depends to a large extent upon our being able to develop men and women who have the ability and wisdom to deal with the problems arising out of the administration of estates and personal accounts, and who display that sympathetic interest in the affairs we manage which gains appreciation from the Company's clients, and reduces any feeling of impersonality in the management provided by a Company like ours. Qualifications of patience and human understanding on the part of our Officers and Staff are essential in the close and confidential relationship between Company and client. Our constant aim is to seek improvement through experience, in our facilities and in our methods of operation. Suggestions from our shareholders and clients are always most welcome.

The Report of the Directors was adopted; the value of the shares of the Company's Capital Stock was established at \$90 per share; the action of the Directors in regard to the Staff Pension Fund was approved; and By-law No. 40 was confirmed.

EXECUTIVE OFFICERS

ROBERT P. JELLETT

President

ROSS CLARKSON

Vice-President and General Manager

J. F. WILKES

J. PEMBROKE

W. E. BICKLEY

Assistant General Managers

G. G. W. GOODWIN

Supervisor of Staff and Manager Montreal Branch

E. D. PARKER

Superintendent of Branches

G. A. CARON

Supervisor of Estates and Trusts

J. A. SUTHERLAND

Supervisor of Real Estate

J. M. WELLS

Supervisor of Investments

H. GILBERT, C. A.

*Chief Accountant and
Assistant Secretary*

J. E. PETERS

*Asst. Superintendent
of Branches*

BRANCH ADVISORY BOARDS AND MANAGERS

CALGARY

L. L. SINCLAIR, *Chairman*
C. G. DUNNING VANCE B. GRAVELEY SIDNEY KIDD
ALICK C. NEWTON FREDERICK STAPELLS
WALKER L. TAYLOR
A. R. DINGMAN, *Manager*

EDMONTON

THOMAS DICKSON, *Chairman*
CLAUDE GALLINGER E. N. KENNEDY
C. F. NEWELL, K.C. S. H. SMITH
R. STEELE, *Manager*

HALIFAX

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