The BANK OF NOVA SCOTIA

ESTABLISHED 1832

ONE HUNDRED AND SIXTEENTH ANNUAL REPORT

31st October, 1947

The
Bank of Nova Scotia

Incorporated 1832

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ANNUAL REPORT**

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PRINTED IN CANADA

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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, N.S.

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DIRECTORS' REPORT

Your Directors beg to submit herewith the One Hundred and Sixteenth Annual Report of the Bank covering its operations for the fiscal year ended 31st October, 1947, with a statement showing the Assets and Liabilities at that date.

The profits for the fiscal year ended 31st October, 1947, after making appropriations to Contingency Reserves, out of which accounts full provision for Bad and Doubtful Debts has been made, amounted to..................		$4,486,710.81
Provision was made out of this for the following:		
Depreciation on Bank Premises......................	$ 399,433.01	
Dominion and Provincial Government Taxes..........	2,095,000.00	2,494,433.01
Leaving the total available for distribution.............		$1,992,277.80
This has been appropriated as follows:		
Quarterly Dividends of 30c per share................	$1,440,000.00	
Extra Distribution of 20c per share, payable 2nd January, 1948..	240,000.00	$1,680,000.00
Leaving a balance to be carried forward................		$ 312,277.80
To which is added the balance brought forward last year..		$1,698,089.26
Making the balance in Profit and Loss Account, 31st October, 1947....................................		$2,010,367.06

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 298 Branches of the Bank in operation at the beginning of the fiscal year; during the year 14 Branches were opened and none closed, so that there were 312 Branches of the Bank in operation as at 31st October, 1947. Of these 274 are in Canada, 14 in Newfoundland, 22 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 deep regret that your Directors record the death, since last Report, of their esteemed colleagues, Hon. W. D. Ross, Vice-President, Mr. E. Crockett, Executive Vice-President, Mr. Sidney T. Smith and Mr. L. A. Lovett, K.C. Your Directors also regret to advise the resignation, owing to indifferent health, of Mr. S. J. Moore, a former President and Chairman of the Board. Your Directors wish to pay tribute to the devoted service which these gentlemen have rendered to the Board.

In order to fill the vacancies created, Mr. W. A. Murphy, Mr. P. R. Gardiner, Mr. H. L. Enman, Mr. W. Norman McLeod and Mr. Fred C. Manning were elected to the Board, and Mr. James Y. Murdoch, O.B.E., K.C., LL.D. and Mr. H. L. Enman were elected Vice-Presidents.

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

On behalf of the Board,

H. D. BURNS,

President.

Halifax, N.S., 3rd December, 1947.

General Statement as at 31st October, 1947

LIABILITIES

Capital paid up		$ 12,000,000.00	
Rest or reserve fund		24,000,000.00	
Dividends declared and unpaid		372,954.62	
Provision for extra distribution		240,000.00	
Balance of profits, as per profit and loss account		2,010,367.06	
			$ 38,623,321.68
Notes in circulation		$ 1,726,765.67	
Deposits by and balances due to Dominion Government	$ 15,531,057.72		
Deposits by and balances due to provincial governments	2,082,327.13		
Deposits by the public not bearing interest	246,803,146.47		
Deposits by the public bearing interest, including interest accrued to date of statement	363,674,445.52		
		628,090,976.84	
		$629,817,742.51	
Deposits by and balances due to other chartered banks in Canada		5,838,366.00	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada		6,754,193.97	
			$642,410,302.48
Acceptances and letters of credit outstanding			32,526,669.12
Liabilities to the public not included under the foregoing heads			884,385.88
H. D. BURNS, President			$714,444,679.16

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, 1947,
Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were
explanations that we have required, and in our opinion the transactions of the Bank which have come
We report that in our opinion the above statement discloses the true condition of the Bank and is as

TORONTO, CANADA, 20th November, 1947.

General Statement as at 31st October, 1947

ASSETS

Gold and subsidiary coin held in Canada	$ 851,054.94	
Gold and subsidiary coin held elsewhere	1,186,885.43	
Notes of Bank of Canada	13,359,312.75	
Deposits with Bank of Canada	36,585,929.31	
Notes of and cheques on other banks	31,391,543.02	
Government and bank notes other than Canadian	29,247,214.97	
	$112,621,940.42	
Due by banks and banking correspondents elsewhere than in Canada	12,943,350.05	
	$125,565,290.47	
Dominion government direct and guaranteed securities maturing within two years, not exceeding market value	64,960,674.98	
Other Dominion government direct and guaranteed securities, not exceeding market value	156,195,551.86	
Provincial government direct and guaranteed securities maturing within two years, not exceeding market value	9,211,957.04	
Other provincial government direct and guaranteed securities, not exceeding market value	15,285,656.36	
Canadian municipal securities, not exceeding market value	7,772,165.87	
Public securities other than Canadian, not exceeding market value	13,776,333.87	
Other bonds, debentures and stocks, not exceeding market value	22,586,958.29	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover	11,322,069.07	
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	8,002,950.00	
		$434,679,607.81
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$191,908,358.79	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	34,756,636.68	
Loans to provincial governments	8,948,649.31	
Loans to cities, towns, municipalities and school districts	2,865,559.41	
Non-current loans, estimated loss provided for	58,619.10	
	$238,537,823.29	
Liabilities of customers under acceptances and letters of credit as *per contra*	32,526,669.12	
Mortgages on real estate sold by the bank	10,868.85	
Bank premises, at not more than cost, less amounts written off	6,234,038.32	
Deposit with the Minister of Finance for the security of note circulation	107,553.31	
Shares of and loans to controlled companies	1,459,984.55	
Other assets not included under the foregoing heads (including refundable portion of Dominion Government taxes amounting to $678,549.54)	888,133.91	
		$279,765,071.35
		$714,444,679.16

H. L. ENMAN, General Manager

and compared it with the books at the Chief Office and with the certified returns from the Branches. The
confirmed by us at the close of business on 31st October, 1947. We have obtained all the information and
under our notice have been within the powers of the Bank.
shown by the books of the Bank.

W. L. L. McDONALD, F.C.A., of Price, Waterhouse & Co.
G. T. CLARKSON, F.C.A., of Clarkson, Gordon & Co.
Auditors

Controlled Company

Empire Realty Company, Limited

Balance Sheet, 31st October, 1947

ASSETS

LAND, AT COST		$2,542,075.00
BUILDING MATERIALS		92,909.55
		$2,634,984.55

LIABILITIES

ADVANCES FROM THE BANK OF NOVA SCOTIA		$ 134,984.55
CAPITAL STOCK:		
Authorized: 50,000 shares of par value $100.00 each	$5,000,000.00	
Subscribed: 30,000 shares	$3,000,000.00	
Unpaid Subscriptions	500,000.00	(1)2,500,000.00
		$2,634,984.55

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 as $1,325,000.00.

(2) At 31st October, 1947, 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, 1947, 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.
G. T. CLARKSON, F.C.A., of Clarkson, Gordon & Co.
Auditors

TORONTO, CANADA, 20th November, 1947.

Minutes of the One Hundred and Sixteenth 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 3rd, 1947

The following were present:

Mr. H. D. Burns, Hon. F. B. McCurdy, P.C., Mr. J. Y. Murdoch, O.B.E., K.C., 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. W. C. Harris, Mr. W. J. Hastie, Mr. Hugh Mackay, Mr. Fred C. Manning, Miss S. W. A. Almon, Mr. Norman T. Avard, Dr. Jane L. Bell, Mr. M. R. Chappell, Hon. Sir Joseph A. Chisholm, Mr. Gordon Dunnett, Miss Georgene L. Faulkner, Mrs. Muriel L. Gibson, Mr. Gordon A. Gladwin, Mr. J. W. Godfrey, K.C., Mr. Eric McN. Grant, Captain John M. Grant, C.B.E., Mrs. Isabel M. Hay, Col. F. H. M. Jones, Mr. M. J. Kaufman, Mr. A. H. Lamy, Colonel K. C. Laurie, Mr. Donald McInnes, K.C., Mr. Harry I. Mathers, Dr. R. Evatt Mathers, Mr. Charles C. Mitchell, Mr. N. Cyril Mitchell, Mr. R. A. Mingie, Mr. R. J. R. Nelson, Mr. F. A. Nightingale, Mrs. Janet G. Oxley, Mr. W. L. Payzant, K.C., Mr. Robert Pettigrew, Mr. Benjamin Rogers, Mr. E. L. Rowan-Legg, Captain Peter M. Seeley, Mr. L. V. Smith, Mr. Charles J. A. Wambolt, Miss M. Grace Wambolt, Mr. A. B. Wiswell, Mr. A. L. Ormiston, Mr. C. B. Simmons, Mr. J. G. Black, Mr. D. I. Chetwynd, Mr. M. D. McDonald, Mr. W. E. Starrak, Mr. W. E. Benson, Mr. J. H. Rattee, Mr. T. W. Mitton, Mr. J. F. Gill, Mr. T. F. Mitchell, Mr. A. E. Wilson, Mr. H. F. Cunningham, Mr. J. O. Walsh, Mr. G. G. Bennett, Mr. G. W. Bonnell, Mr. S. H. Crockett, Mr. J. B. Tarlton, Mr. H. G. Dustan, Mr. W. A. Clark, Mr. M. A. Girvan, Mr. R. H. Dewar, Mr. R. E. Macdonald, Mr. H. N. Hubley, Mr. R. C. Calpin, Mr. R. V. Hickson, Mr. R. E. Tower, Mr. J. W. Hahn, Mr. F. W. Nicks, Mr. J. M. Hayman, Mr. H. F. Gordon, Mr. R. L. Dales, Mr. F. J. Finlay, Mr. W. H. Silver, and Mr. H. L. Enman, General Manager.

On motion of Mr. J. Y. Murdoch, O.B.E., K.C., seconded by Colonel J. D. Fraser, Mr. H. D. Burns was appointed Chairman of the meeting.

On motion of Mr. W. J. Hastie, seconded by Mr. Hugh Mackay, Mr. W. H. Silver was appointed Secretary of the meeting.

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

On motion of Mr. Gordon A. Gladwin, seconded by Mr. A. B. Wiswell, Mr. Harry I. Mathers and Mr. Charles C. Mitchell 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 Colonel K. C. Laurie, seconded by Mr. W. L. Payzant, K.C., 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, 1947, 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, 1947, having been placed in the hands of the Shareholders, were considered as read.

At the request of the Chairman, those present stood for one minute in silence, in memory of those Directors who had passed away during the past year.

THE CHAIRMAN THEN ADDRESSED THE MEETING AS FOLLOWS:

A Record Level of Production and Employment

More than two years have passed since the end of the war and during that time we in Canada have been enjoying active and favourable economic conditions. The changeover from wartime to peacetime activities was accomplished, all things considered, with remarkable facility, and great progress has been made in expanding and improving productive capacity of many kinds. Production of most goods and services, especially household and durable goods, has increased very notably in the year that is just closing. It is true that there have been some disappointments: the grain crops were below average and the shortage of feeds is restricting the production of livestock. Gold production has still a long way to go to regain the pre-war level, though the assistance to this important industry which the Government announced recently will provide an inducement to increased output. But though there are exceptions, the general level of primary and industrial production in this country is probably half again as great as in the years immediately preceding the war. Never before in peacetime has Canada approached her present level of production.

Employment and income have continued at record figures. In the middle of August, the date of the last official labour survey, civilian employment exceeded 5 millions for the first time on record. Conditions of labour shortage have prevailed in most areas of the Dominion, and, apart from a limited number of localities where the problem of readjustment was unusually difficult, unemployment has been at a minimum. Consumer spending, sustained by high employment, increased rates of pay, and a lower rate of saving from current income, has continued very high. Retail sales have been running well above last year in dollar value, and although the physical volume of sales in some lines has been but little higher and in some cases slightly lower than a year ago, it has been notably larger for such categories as household appliances and automobiles.

The recent business picture shows most of the characteristics of a period of high prosperity. Canada is one of the few fortunate countries whose production is large and whose capacity to produce has much expanded, and it is to be hoped that the new policy designed to develop industry in a manner that will reduce the deficiency in our United States dollar trade will result in a still larger and more diversified Canadian industrial structure. We have the essential basis of material welfare—high production and rising capacity to produce—which is lacking in so many other countries today. At the same time we do have problems, problems which may be much less acute than those of European nations but which are serious none the less. Our most serious and immediate problem is the large deficiency of United States dollars in our current trade. This deficiency is the direct result of the difficulties of other countries, particularly those of Western Europe, and its seriousness has been brought into sharp relief by the deterioration in Europe's trading position this year. The program now being undertaken to expand our receipts and to conserve our dwindling supplies of United States dollars brings home to us the fact that because of the dislocation of international trade even Canada has been living somewhat beyond her means. We have also the continuing problem of increasing prices and costs which have recently shown signs of restricting demand in some directions and which have been creating difficulty for those groups in the population whose money incomes are fixed or have lagged seriously behind the rising cost of living.

The Recent Upswing of Prices

Let me first draw your attention to the inflationary tendencies which are still actively at work in the business structure and which, if anything, will be strengthened for the time being by the necessary measures just adopted to conserve United States dollar exchange. As everyone knows, prices in Canada have recently been moving decidedly upward. The official cost of living index is now 42% over the 1935-39 average compared with an increase of 27% twelve months ago. The wholesale price level is up 74% over pre-war whereas a year ago the increase was 42%. To a large extent, the recent rise in the cost of living is a reflection of the discontinuance of government subsidies and bulk purchasing arrangements in the general process of decontrol. Sooner or later, we had to face the fact that cotton and vegetable oils, and milk and bread, cost far more than was reflected in our consumer prices. While the Government, in my opinion wisely, carried out the decontrol program gradually, these special wartime subsidies could not be continued indefinitely, both because of the temporary nature of the powers behind price control and because of the altered conditions of peacetime.

Removal of subsidies, however, does not account for the full increase in living costs or for more than a limited part of the advance in wholesale prices. The truth is that the cycle of rising costs and prices has continued upward as higher prices and wages have acted and reacted upon each other, as controls have been removed, and, above all, as external prices have continued to increase. Rising prices abroad have not only affected the cost of the great variety of Canadian imports but have also pushed upward the prices of the very important products which are exported in volume—wheat, hogs, lumber, pulp and paper, and base metals, to cite some of the leading items. Prices in the United States have continued to rise, and today the wholesale price level in that country is almost double what it was pre-war. In these circumstances, it is not surprising that the Canadian price level has been rising substantially.

I do not propose to examine in detail the disadvantages and risks of a sharply rising price level. These are well known, and the uneven impact of rising prices on various groups and individuals in the community is a matter of day-to-day discussion and concern. One of the greatest risks inherent in sharply rising prices is that prices and incomes tend to get out of balance, thus necessitating later readjustment. Another is that costs tend to get established at levels which would create serious difficulties in the event of a reversal of the upward trend. Canadian prices and costs have, on the average, risen less than prices and costs in the United States, and to that extent we have a margin of protection against any downward movement that might develop in that country. This margin of protection, however, has narrowed considerably during the present year, as controls have been gradually removed and as market conditions in the United States have been increasingly reflected in this country. Moreover, the new restrictions on imports will reduce the supplies of a variety of consumer goods in this country and in a number of lines this will undoubtedly produce additional upward pressure on prices.

The Trend of Prices in the United States

On the occasion of this meeting last year, I expressed some doubt as to the permanence of the sharp upward movement of prices in the United States. Since then, the United States price level has moved notably higher—a year ago the official index of wholesale prices was 67% above the pre-war level, while today it is almost double pre-war, having increased by 97%. A year ago, there was a good deal of talk about a recession in the United States. Today, the atmosphere is more optimistic. The fact remains, however, that the apparent maladjustments in the structure of United States prices and incomes, which were a matter of widespread concern not very long ago, are still present. It is true that wages have increased in many activities, but the cost of living has continued to rise with adverse effects on many groups of consumers.

Prices of building materials have advanced further, though supplies have improved. Even the cost of money, which until recently had been almost immune from the general rising trend, has shown signs of increasing. Prices of raw materials, and of farm products in particular, have held their forward position in the upward spiral.

There are, of course, a number of explanations of the continued rise in United States prices. The most emphasized is the near-desperate food shortage in overseas countries which was so much aggravated by the poor crops in Western Europe. This has, of course, accentuated the demand for supplies from the United States and has unquestionably been a major factor in the further rise in grain prices and, through grains, in food prices generally. But this is only part of the story. The leading factor in raising prices has been the maintenance of an extraordinary demand in the United States itself. Consumer spending and business spending have continued at very high levels. Though many consumers have been "squeezed" between rising prices and less rapidly rising incomes, there is no widespread reflection of this in the total of consumer spending. The disposition to spend has been strong and that to save much weaker. The rate of saving from current income has declined, and accumulated savings have been drawn upon to a considerable extent. Consumer credit has expanded rapidly. Expenditures by business for expansion and modernization, which showed some sign of slackening early in the year, have continued at a high level despite rising costs. Though inventory accumulation levelled off in the middle of the year, the trend is again reported to be upward.

I do not intend to try my hand at forecasting the timing of a price correction or readjustment in the United States. Nevertheless, I believe that serious attention should be paid to the lessons of the past. In the light of experience, prices in the United States are high today. They were high after the first World War, but after adjusting themselves to the conditions of temporary shortage which were the aftermath of war, they declined sharply as production began to recover. There was far more damage and dislocation to the world's productive capacity during the recent war, and production in many countries is certainly taking longer to recover. This may mean that prices will be high for a longer period this time, but it does not mean that they will be sustained indefinitely. What is perhaps more important is that some prices have risen much more sharply than others and are particularly high in relation to the general average of prices—farm products are a case in point and building materials another. It would surely be most surprising if the present pattern of demand, which in large measure reflects the destruction, dislocation and postponed needs resulting from the war, were to persist for years to come. We cannot forget that North America is an island of prosperity in a world of poverty and dislocation. The things that the world needs so urgently today from the United States may be less urgently needed in the future, when reconstruction has gone farther and when harvests have improved. Moreover, the ability to satisfy these special current needs will depend for some time on large-scale assistance from the United States.

In these circumstances, it seems to me, there are good reasons for adopting a questioning attitude—for avoiding the assumption that prices will continue upward indefinitely or level out when they reach their peak. If the emphasis is placed on keeping costs and prices as low as is feasible, if unnecessary accumulation of inventories and too rosy a view of capital values are avoided, we shall, I believe, be acting in the manner best calculated to face whatever changes the future may hold in store.

Canada's Dollar Deficiency

Though economic conditions in Canada are and will continue to be closely related to developments in the United States, we have one outstanding and urgent problem in common with Western Europe—that is, a serious shortage of U.S. dollars. The world economic crisis of 1947, and Europe's difficulties in particular, are all too faithfully reflected in Canada's trading position—in our inability to use our large trading surplus with the rest of the world to cover our large trading deficit with the United States. While a heavy loss in our foreign exchange reserves was anticipated during the transition period, it was hoped that the countries which we were assisting with credits would experience a sufficient recovery to permit them to finance an increasing proportion of their purchases from Canada with convertible exchange and with a larger return flow of goods. The events of recent months, including the breakdown of Britain's effort to restore convertibility of sterling, the near-exhaustion of United States loans to Europe, and the virtual prohibition by that continent of all but the most essential imports from dollar countries, have made it perfectly clear that such hopes are still far from realization. Meanwhile the deficit in our trade with the United States grew to such large proportions—the official reserve of gold and U.S. dollars fell from $1245 millions at the end of last year to only slightly over $500 millions on November 15th—that remedial measures became urgently necessary.

The steps that are now being taken approach the problem from a number of different directions, some of a positive or constructive character and others of a restrictive nature. While the Government expects that its policies for trade expansion and industrial development will lead to a lasting solution of the dollar shortage, such policies will take time before they yield their full results, and in the interval restrictions are unavoidable. Canada certainly cannot face the continuation of a trend which would exhaust her exchange reserves in the comparatively near future, for the complete loss of reserves would undoubtedly involve restrictions and controls of a much more widespread and drastic character.

There will be few who will welcome the restrictive program, and it is certainly to be hoped that those industries which obtain unexpected protection as a consequence will keep their prices as low as possible, bearing in mind the continuing inflationary dangers and the short-run nature of the restrictions. To most of us, I think, the program comes as something of a shock. We were living under conditions of prosperity, and the wartime restrictions on our consumption and freedom of action were fast becoming things of the past. We all hoped that recovery overseas would come soon enough to avoid the kind of readjustment with which we are now faced, though for some months it has been clear to those who follow our trading position that such hopes were doomed to disappointment. While the restrictions may seem severe, and will cause real difficulty for some businesses, there can be no question of their necessity. Fortunately, they are but mild in comparison with the severe restrictions which prevail in most overseas countries, and for the great majority of Canadians they will involve no more than inconvenience and postponement of desired purchases.

The most important part of the program is its constructive side, and here a number of the policies remain to be worked out. The

Geneva Agreements which include an early and substantial scaling down of the United States tariff represent an important first step. The proposal that the United States Administration has made to Congress to permit use of Marshall Plan funds in other countries than the United States will, when implemented, much improve our exchange position. Diversion of exports to hard currency markets will also help and the incentive payment on additional gold production should stimulate greater output of this major exchange-producing commodity. Much, of course, will depend on the development of plans for expansion of Canadian exports to the United States and for a re-arrangement of production and markets of industries which are heavily dependent on imported components and materials from the United States. There are many difficulties in such a program, but if Canada is to maintain a high standard of living, its necessity is clear. Moreover, there is much evidence of a co-operative attitude on the part of our southern neighbour, and in these circumstances bold and imaginative plans have good prospects of success. While the Government is properly taking the lead in urging and encouraging the policy of industrial re-direction and expansion, its success will depend on the efforts which industry puts forth to make the policy effective, and in this respect, I believe that active co-operation will be forthcoming.

Success at Geneva

There can be little doubt that the Government desired to avoid the use of special trade restrictions. Indeed, Canada's desire to contribute to the success of the Geneva meeting is the main reason given for not embarking on an exchange-saving program at an earlier date. Our interest in a freer and multilateral system of international trade is so great that it is better to have delayed than to have acted before it was quite clear that restrictions could not be avoided. From all reports, it appears that Canada played a very important part in contributing to the tariff agreements recently concluded at Geneva, and I believe that Canadians can rightfully take pride in the efforts of their country to establish orderly and freer conditions of international trade and exchange.

Although there is no real prospect of freer trade until world recovery has gone much farther and some such arrangement as the Marshall Plan has gone into effect, the achievements of the long meetings at Geneva are of great significance. Eighteen nations, including the major trading countries, have tentatively agreed on an international trade charter and on a series of trade treaties embodying widespread and considerable reductions in tariffs. The new tariff rates are expected to go into effect on January 1st, 1948, and while their full benefits cannot be realized for some time, they do hold out very significant prospects for increased exports to the United States in particular. The draft charter for the new International Trade Organization, which it is hoped will be established as a result of the United Nations meeting now going on at Havana, was itself a remarkable achievement. This code of behaviour in trading relationships, while it may leave a good deal to be desired in theory, is a most encouraging indication of the intentions of a large part of the world to work toward multilateral and freer trade. The tariff agreements perhaps represent an even greater achievement, since they are a concrete expression of the desire to co-operate. The scope and extent of the trade concessions are unprecedented. Long-standing national policies have given ground to the mutual and general interest. The United States has agreed upon important reductions in its protective tariffs. Canada, the United Kingdom, and the other members of the British Commonwealth have also made important concessions, involving some reduction in Imperial Preferences. Most of the countries concerned have made substantial concessions and all stand to benefit from those made by others. In a year which is largely distinguished by disappointments and setbacks in the international sphere, the Geneva agreements stand out as one of the few constructive developments.

Progress in the Marshall Plan

The other main constructive development, on which the ultimate success of the Geneva agreements depends is, of course, the Marshall Plan. Born of the mounting economic crisis in Europe and of the inadequacy and piecemeal character of assistance to Europe, the Marshall Plan called upon the European nations to work out a co-ordinated program of recovery, the United States to provide the essential margin of assistance to make that program feasible. It is unfortunate that Russia decided against participation in such a co-operative program and chose rather to attack the Marshall Plan as an evidence of "American Imperialism". But the Western

European countries, led by Britain and France, acted promptly and in about three months drew up their tentative plans, reached agreement, and made their report. The report sets up a program of recovery over the next four years. It has been criticized on this side of the Atlantic as being simply a shopping list, and, in a sense, it is a shopping list, since aid from the United States is absolutely essential to its success. However, it is much more than a list of requirements abroad, for it does set up co-ordinated objectives, provides for mutual assistance, and envisages closer economic ties between the countries concerned. It is a very important step in the right direction. As was to be expected in view of the scale of the problem, the aid which it requests from the United States runs to very large figures. But in terms of the objectives of the program which, even if fully realized, would not bring the standard of living in Western Europe back to pre-war levels, it is hard to maintain that the needs are seriously overstated.

The decision is now in the hands of the United States. Because of the poor harvests in Europe this year the needs are even more urgent than was anticipated earlier. A special session of Congress has met to consider the issue. The first question is one of providing immediate and urgently needed relief. The second is to consider the proposals of the Western European nations and to determine the extent and nature of continuing aid. It is not too much to say that the future of the world as we know it depends heavily upon the decision of the United States.

For Canada, the success of the Marshall Plan or some similar arrangement is unquestionably a matter of the greatest importance. Few countries depend as heavily for their welfare on international trade as does our own, and the recovery of Western Europe is essential to our prosperity.

In this topsy-turvy world in which so many economic relationships have been altered and in which political relationships between nations are in many respects so unsatisfactory, it is extremely difficult to foresee just how these efforts looking toward world recovery and expanding trade will work out. It is hard to foresee how people will respond to greatly changed conditions and to the new and urgent challenges of our time. I feel sure, however, that Canada will continue to play her part with imagination and skill in working toward the establishment of better international conditions in co-operation with the United States, Great Britain and other countries of goodwill. During and since the war, this country has shown willingness and ability to accept responsibilities and make contributions in world affairs far beyond anything which the size of its population would suggest. In our traditional position between Britain and the United States, and in our new role as a leading middle power, we can and will continue to be a real influence in furthering recovery abroad and in establishing freer and orderly conditions of international trade and exchange.

It was moved by Mr. H. D. Burns, 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. H. L. Enman, the General Manager, to address the meeting.

MR. ENMAN SPOKE AS FOLLOWS:

The President has said a good deal about the general economic position and outlook. My remarks will be largely, though not entirely, confined to the financial aspects of the business picture, which find their reflection to a considerable extent in the Bank's Statement. As I said on this occasion last year, changes in our Statement, as in those of the other chartered banks, reflect developments of widespread interest and are well worth more than a casual glance to those concerned with business trends.

As might be expected, our Statement this year shows a number of important changes.. In keeping with the further expansion of peacetime production and also with the rise in the price level, Loans have increased sharply. On the other hand, Investments have declined for the first time in many years as the budgetary position of the Dominion Government has improved and as funds have become available for repayment of Government obligations from the sale of foreign exchange reserves. The increase in Loans was larger than the decrease in Investments, and our Total Assets have shown a further advance, of $18 millions, bringing them to $714 millions—the highest figure in our history.

A Levelling-off in the Upward Trend of Bank Deposits

On the other side of the balance sheet, our Deposits have increased by about $25 millions and at our year-end stood at $628 millions. This, however, is a much smaller increase than the rise of the previous year or than the advance of any year since 1941 when war financing began in earnest. It is an indication of the levelling-off in the upward trend of bank deposits in Canada which has become noticeable this year. Since this levelling-off reflects a contraction in the Government's net financial requirements and helps to reduce the inflationary pressures which are still so widely evident, it is on the whole a welcome development. To an important extent, however, it also reflects the sharp reduction in Canada's foreign exchange reserves. While the use of these reserves to finance the huge flow of imports from the United States has increased the supply of goods in Canada and has thus worked against the inflationary trend, the disadvantages of their rapid depletion have become all too clear. I shall have more to say about this rather complicated but important subject in discussing the changes in bank investments and in the fiscal position of the Government.

Notice or savings deposits showed a further material increase in the banking year, though the advance was less pronounced than in the two preceding years. The increase in these deposits, which are largely personal savings, indicates a continuing disposition on the part of the public to hold savings in a liquid form in order to be in a position to make desired purchases and possibly also because of the uncertainties of the stock market and the comparatively low returns prevailing on prime securities. Demand deposits, which are chiefly business balances, have for the banks as a whole almost ceased to rise. This is in no way an indication of any slackening in business activity. It rather reflects the extent to which businesses are drawing on their bank balances to finance expanding production and activity.

The Marked Increase in Current Loans

Our Loans, like those of the banks generally, have risen sharply for the second successive year and directly reflect the high level of business. Our Current Loans in Canada, at approximately $192 millions, are up nearly $56 millions. This is an even greater increase than the $31 million advance in the preceding banking year.

In addition to the influence of expanding business activity, the sharp increase in bank loans reflects further replenishment of inventories and higher prices. In some lines, inventories were low and some restocking was both necessary and highly desirable. It cannot be said, however, that the increase in prices which has occurred recently has been a welcome development. It is nevertheless a fact with which businesses must contend and which has its effect on the amount of bank credit. Another very important factor which has increasingly contributed to the growth in bank lending has been the utilization of liquid corporate reserves to finance expansion and improvement programs. At the end of the war, many concerns found themselves with substantial liquid reserves and their needs for bank accommodation were sometimes very limited. Such reserves have been progressively drawn on in expanding and modernizing capacity, with the result that the banks have been more and more called upon to provide working capital needs. The very large volume of corporate bond flotations is a further indication of the scale of business expansion and of the utilization of liquid business reserves in many lines of endeavour.

We welcome this notable upturn in bank lending, representing as it does greater activity for many borrowers, large and small, and the appearance of many new businesses. I believe that the vast bulk of our increased lending is soundly based, though I would certainly not maintain that every one of our loans will turn out to be completely successful. It has been truly said that a banker who is so cautious that he never experiences a loss is a poor banker. Lending calls for a blend of the qualities of sound judgment and imagination and it does involve the taking of risks. At the same time, we cannot ignore the inflationary tendencies in the business picture. While we are always ready to make appropriate advances for well conceived purposes, we should be failing in our responsibilities if we did not attempt to discourage borrowers and prospective borrowers who appear to be extending themselves unduly, or if we turned a blind eye to heavy accumulation or high valuation of inventories.

In this connection I wish to add my emphasis to the point which the President made concerning the rising level of prices. At the moment, the upward push of prices appears to be very strong, increased as it is by the imposition of restrictions on a variety of imports. The market which has favoured the seller for some time is still working to his advantage. Despite the recent re-imposition of ceilings on a number of canned fruits and vegetables, price control is pretty well gone, and this means that there are few legal barriers in the way of increasing margins. But if there ever was a time when self-restraint was necessary, that time is the present. If sellers were to take full advantage of their bargaining position we should simply accelerate the inflationary spiral of rising prices and costs, and build up a high-cost structure which would involve a difficult and painful readjustment when the price trend turns in a downward direction, as some day it most surely will. Many prices are already at levels which appear to be high not only in relation to past experience but in relation to the general price level. In my view, it is the responsibility of the business community to make every effort to discourage inflationary tendencies. To the extent that prices are kept from rising, and costs held within reasonable bounds, our ability to maintain production and employment in the future will be increased.

The Budget "Surplus" and Bank Investments

Our total investments are $290 millions—a decrease of some $71 millions as compared with a year ago. It is not often that a substantial decrease in a major category of assets can be regarded in a favourable light, but in this case it is an encouraging development. It reflects the improved financial position of the Dominion Government which led to the retirement of all outstanding Deposit Certificates—the principal instrument of short-term wartime borrowing from banks. In October 1946, there still remained about $800 millions of Deposit Certificates in the hands of the banks, and the last of them were withdrawn just before the close of our banking year. This repayment accounts for the bulk of the decline in our Investments.

The improvement in the Dominion's finances which has reversed the long-sustained increase in bank holdings of Government securities is a very real one. During the first six months of the current fiscal year a surplus of about $480 millions has been reported. Though expenditures will be relatively heavier in the second half of the fiscal year, it is quite possible that the surplus for the whole year will be as large as or a little larger than this figure. That would be a real achievement. But it is not the whole story of the Government's financial requirements. As the Minister of Finance noted recently, the surplus does not take into account the financing of a substantial portion of our exports on credit. He added that "if we used the U.S. method of computing, there would not be a surplus". In short, from the standpoint of the Dominion's total cash requirements, we are approaching but probably have not quite reached a balance. This is a great improvement over previous years. It does not, however, explain where the Government has obtained the funds to reduce its debt to the banks.

Although there are a number of factors involved, the chief explanation is the heavy loss of our exchange reserves resulting from the trade deficit with the United States. As the Foreign Exchange Control Board has sold U.S. exchange to meet payments abroad, Canadian balances have accumulated which have been available for debt repayment. Since the reduction in our exchange reserves from the beginning of the year to the middle of November was about $750 millions, it will be realized that the amounts available for debt reduction have been substantial. So before we congratulate ourselves on reducing the national debt, let us remember that much of that reduction is matched by the depletion in one of our most vital national assets—our liquid reserves of foreign exchange. This depletion is, of course, a development which is viewed with grave concern by the Government, as is now so clearly shown by the scale of the new exchange-saving program. I draw attention to it since there is evidence of a good deal of misplaced optimism because of the recent reduction in the national debt.

The Present Level of Taxation

If any significant reduction in the national debt is to be achieved, it will involve the maintenance of something like the present level of taxation as well as vigorous efforts to keep expenditures down as long as economic conditions remain highly favourable. In my view, this is a statement of fact. We have to choose between our desires for lower taxes and for larger Government spending on the one hand and our desires for debt reduction and reduced inflationary pressure on the other. It is a difficult choice. Taxes are still very high by pre-war standards, though it is worth noting that the last reduction in the personal income tax was quite considerable and brought the rate structure slightly below that which still prevails in the United States and much below the existing rates in Great Britain. There are, of course, many reasons advanced against any important reductions in the chief avenues of Government expenditure. At the same time, the arguments for debt reduction both for itself and for its anti-inflationary effects are compelling ones. It is very easy to make out a strong case for taking action along any of these lines without developing their essential interconnection. One often hears the argument that taxation should be much reduced from people who express concern over the size of the national debt—or the argument that inflationary tendencies must be checked from people who want to see substantial increases in certain Government expenditures.

Whatever choice is made, it is to be hoped that we shall realize what we are doing and be prepared to accept the consequences. I believe that there is a good deal to be said for attempting to achieve some reduction in the national debt in the present circumstances of high activity. While everyone would like to see a further reduction in taxation, the present high level of employment and income helps to ease the burden. I would particularly emphasize that Government expenditures should be held down and that expansion of outlays should be strongly resisted. If there is any basis in reality for the theory of cyclical budgeting, now is the time for creating surpluses. Tax reduction and larger capital expenditures by government bodies, however desirable now, would obviously be even more helpful and effective when business conditions are less active.

Immigration Can Help to Build up this Country

At the last annual meeting, I had something to say about the desirability of furthering Canadian economic expansion through an active policy of immigration, and on this occasion I wish to re-emphasize the urgency and importance of this question. During the year, a policy of immigration has been announced by the Dominion Government, and the Province of Ontario has taken vigorous steps to bring new citizens and workers into that particular area of Canada. The Dominion Government has stated that it desires to expand the population of Canada by means of immigration to the extent that the absorptive capacity of the country will allow. This is a policy which I believe all forward-looking Canadians will endorse. Good as it is, however, its actual results depend on the vigour with which it is pursued, and I, for one, believe that this national policy could be implemented even more actively and aggressively.

At present, we in Canada are enjoying a period of great business activity. Tremendous expansion is going on in many sectors of our economy, and judging from the expenditures on construction and other capital goods, it is one of the greatest periods of expansion in our history. Shortages of labour, and especially of certain skills and types, are widespread. It seems to me that if we are ever to enlarge the human base of our economy more rapidly than the birth-rate makes possible, this is certainly the time to do it. Conditions may not always be as favourable as they now are for obtaining immigrants and for absorbing them into our economic life. Immigration depends both on the level of business activity in Canada and on the state of affairs abroad. Both sets of factors now favour a flow of new citizens to this country: economic opportunities are widespread in Canada and the discouraging conditions of life abroad are making many individuals eager to come to this land of promise. We certainly cannot assume that conditions so favourable to immigration will continue indefinitely.

Trade with the Caribbean Area

A further important expansion took place in the Bank's foreign business this year, as is indicated by the substantial rise in our Current Loans abroad. The greater part of this business is in the Caribbean, where our foreign branches are largely concentrated. During the war, Canada's trade with this area expanded greatly, and it is highly desirable that it should be further developed. With the improvement in shipping, progress in this direction becomes much more practicable. Trade with this region is partly in dollars and partly in sterling. We import substantial quantities of sugar and fruit from such dollar countries as Cuba and the Dominican Republic. While we want to maintain our purchases from these countries, it is most desirable that we should increase our exports to them in order to prevent further drains on our dollar resources. On the other hand, our exports to the sterling countries of the area—Jamaica, the other British West Indies and British

Guiana—are considerably in excess of our imports from them. We are their chief source of food imports and also send them lumber, paper, and many other consumer goods, though for exchange reasons our exports to them are now subject to severe restrictions. An increase in our imports from this area, particularly of items like bananas, citrus fruits and sugar, would be a gratifying development both in itself and in view of our need to conserve dollar exchange.

Earnings

Because of the further marked expansion in our Loans, the Bank's net earnings after taxation show an appreciable increase in the banking year. The Profit and Loss Statement shows that the funds available for distribution, after providing for Dominion and Provincial Government taxes of $2,095,000, amounted to $1,992,000, representing an increase of $404,000 over the figure for the preceding year. In view of this improvement in earnings, an extra distribution of 20 cents a share payable on January 2nd, 1948, has already been announced, and the total distribution to shareholders arising from our operations in the past banking year comes to $1,680,000, leaving a balance of $312,000 which is carried forward. While the return to shareholders has improved, I would emphasize the fact that it is no more than a reasonable return on their funds. Including the extra distribution, the amount paid to shareholders represents a shade over 4.4% on their equity and, at the regular dividend rate, the return on the shareholders' equity is under 4%.

Personnel

Our staff is now approximately 4,000 men and women—4,003 to be exact. This is an increase of 339 during the past year, the major part of which represents new recruits to our male staff. The male employees of the Bank now account for almost 60% of our total staff. The decline in the number of female personnel which was quite marked in the period of readjustment just after the war has now ceased, and during the year there was a moderate increase, bringing the total to 1,620.

The increase in our Loans and Deposits has meant a further notable expansion in the volume of work, and the growth of the Bank in keeping with the peacetime development of our country has involved the opening of a number of new branches. In the banking year just closed, 14 new branches were opened which, added to the

22 that were opened in the preceding year, means an addition of 36 branches in the two years since the end of the war. In line with these developments, and with the usual retirement of officers, advancement of qualified employees has been accelerated and opportunities for further advancement have seldom been greater. This is true at the junior level, as well as at the more senior, and the opportunities open to young men who decide to make banking their career are very promising.

In closing, let me say that the staff—men and women alike—have been doing a first-rate job. The financial record that you have before you and the good relations which the Bank enjoys with its hundreds of thousands of customers from coast to coast and abroad, are the best measure of the efficiency with which they have performed their duties.

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 Mr. R. J. R. Nelson, seconded by Mr. E. McN. Grant, and carried:

That Mr. William Leslie Lachlan McDonald, F.C.A., of the firm of Price, Waterhouse & Company, and Mr. Thomas Arbuthnot McCombie Hutchison, F.C.A., of the firm of Peat, Marwick, Mitchell & Company, be appointed auditors for the ensuing year under Section 55 of The Bank Act, that an appropriation not to exceed $20,000 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. Donald McInnes, K.C., seconded by Mr. L. V. Smith, 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., Toronto, Ont.; Hon. F. B. McCurdy, P.C., Halifax, N.S.; James Y. Murdoch, Esq., O.B.E., K.C., LL.D., Toronto, Ont.; H. L. Enman, Esq., 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.; J. A. Kilpatrick, Esq., Montreal, Que., and Toronto, Ont.; W. A. Winfield, Esq., Halifax, N.S.; W. C. Harris, Esq., Toronto, Ont.; W. J. Hastie, Esq., Toronto, Ont.; Hugh Mackay, Esq., Rothesay, N.B.; W. A. Murphy, Esq., Winnipeg, Man.; P. R. Gardiner, Esq., Toronto, Ont.; W. Norman McLeod, Esq., Toronto, Ont.; Fred C. Manning, Esq., Halifax, N.S.

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. McInnes said he felt sure that the shareholders would wish him to voice their congratulations and commendation to the Directors on the excellent results of the Bank's business during the past year. Not only had the Bank's position been maintained in the economic life of the country, he said, but it was gratifying to note that the year's earnings had permitted an extra distribution to be made to the shareholders. In concluding, Mr. McInnes said it gave him a great deal of pleasure to nominate the gentlemen named as Directors of the Bank for the ensuing year.

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

That in accordance with Section 53, Sub-section 5, of The Bank Act, Mr. Herbert D. Burns, or failing him, Mr. Horace L. Enman, 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 Colonel F. H. M. Jones, and seconded by Dr. R. Evatt Mathers, 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, Colonel Jones made reference to the General Manager's observation to the effect that there were now approximately 4,000 persons in the employ of the Bank, that the Bank's earnings during the year had been maintained at a most satisfactory level and that the total assets of the Bank now exceeded $700 million—an amount more than double the figure in 1940. The credit for these achievements, Colonel Jones added, lay with the personnel of the Bank, working, of course, under the direction of the Board of Directors. It was gratifying also, he said, to hear the General Manager speak of the cordial relations which exist between the Bank and its many customers. It therefore gave him great pleasure to express on behalf of the shareholders their sincere thanks to all those whose efforts had contributed to this fine showing.

The motion was carried unanimously.

In replying to this resolution, Mr. H. G. Dustan, Manager of Moncton Branch, said that it was an honour and a privilege for him to express the thanks of the General Manager, executive officers and members of the staff of the Bank to the shareholders for the kindly manner in which they had recognized the work of the staff during the past year. There is no doubt, Mr. Dustan said, that a high standard of efficiency had been built up and he felt sure that he spoke for all members of the staff when he gave assurance that they would continue to work together and perform their duties in keeping with the best traditions of the Bank.

The proceedings then terminated.

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

LIST OF BRANCHES

NOVA SCOTIA

Branch	*Manager*
AMHERST	C. B. Simmons
ANNAPOLIS ROYAL	J. L. Jelly
ANTIGONISH	J. S. Taylor
AYLESFORD	J. G. Black
BEDFORD	R. E. Tower
BRIDGETOWN	H. R. Flewwelling
CALEDONIA (Queen's Co.)	D. I. Chetwynd
CANNING	A. S. MacKenzie
CHESTER	E. L. Piggott
DARTMOUTH	H. N. Hubley
DIGBY	H. A. Fillmore
FREEPORT	M. H. Gilmore
GLACE BAY	H. M. Carty
HALIFAX	F. W. Nicks J. M. Hayman, *Asst.* H. F. Gordon, *Asst.*
Coburg and Robie	J. W. Hahn
North and Agricola	R. V. Hickson
NORTH WEST ARM	R. C. Calpin
KENNETCOOK	J. H. Wiles
KENTVILLE	M. D. McDonald
LIVERPOOL	R. B. W. Ward
NEW GLASGOW	W. E. Starrak
NEW WATERFORD	F. T. McLellan
NORTH SYDNEY	H. J. Johnson
OXFORD	J. T. Holder
PICTOU	J. F. Palfrey
PUGWASH	H. O. Connell
RIVER HEBERT	W. E. Benson
RIVER JOHN	J. E. Langille
SHEET HARBOUR	A. G. Baird
STELLARTON	H. B. MacKean
SYDNEY	J. H. Rattee
SYDNEY MINES	W. S. Shields
TATAMAGOUCHE	E. N. Atkinson
TRURO	T. W. Mitton
WESTVILLE	A. Lyons
WINDSOR	J. F. Gill
YARMOUTH	G. M. Schurman

NEW BRUNSWICK

ALBERT	C. L. Drew
BATH	J. G. Wicks
BLACK'S HARBOUR	C. A. Beacom
CAMPBELLTON	W. R. Monteith
CHATHAM	J. O. Walsh
CHIPMAN	G. G. Bennett
DOAKTOWN	E. S. Dibb
EAST FLORENCEVILLE	G. W. Bonnell
FAIRVILLE	S. H. Crockett

NEW BRUNSWICK—*Continued*

Branch	*Manager*
FREDERICTON	J. B. Tarlton G. J. Touchie, *Asst.*
GAGETOWN	J. W. Barrigar
GRAND MANAN	J. C. Butt
HAMPTON	C. L. Flemming
HILLSBOROUGH	A. T. Jost
JACQUET RIVER	K. L. Crowley
MCADAM	P. E. Gallic
MINTO	E. H. Acteson
MONCTON	H. G. Dustan
St. George St.	F. W. Chenhall
NEWCASTLE	E. J. Lutz
PETITCODIAC	G. A. Mowat
PORT ELGIN	J. R. Hughes
SACKVILLE	J. R. Curry
SAINT JOHN	W. A. Clark S. E. Burwash, *Asst.*
Charlotte Street	M. A. Girvan G. H. Beresford, *Asst.*
Haymarket Square	T. H. Miller
Mill and Paradise Row	H. E. Boyles
North End	H. H. Burton
West Saint John	G. B. Clarkson
ST. ANDREWS	A. E. Wilson
ST. GEORGE	W. C. Hawker
ST. STEPHEN	W. M. Bruce
SHIPPEGAN	J. A. Seale
SUSSEX	W. A. McLaggan
WOODSTOCK	R. H. Dewar

PRINCE EDWARD ISLAND

ALBANY	A. A. Niles
CHARLOTTETOWN	T. F. Mitchell M. L. Humphrey, *Asst.*
KENSINGTON	F. R. Nauss
MONTAGUE	D. Samson
MORELL	W. S. Bent
O'LEARY	J. A. Field
SUMMERSIDE	W. Hayward
VICTORIA	S. J. Dunsford

QUEBEC

BROWNSBURG	A. Bourgon
BUCKINGHAM	W. Redpath
CAMPBELL'S BAY	A. W. Pequegnat
FORT COULONGE	A. O. Gervais
GRENVILLE	J. R. Monty
HULL	A. M. Pinard
LACHUTE	W. M. Steeves
MANIWAKI	A. Menard

QUEBEC—*Continued*

Montreal . . . . A. E. Griffin; G. C. Hitchman, *Asst.*; G. W. Hartwick, *Asst.*
Crown Industrial Bldg . . . . W. E. Boyne
Park and Fairmount . . . J. G. H. Sutherland
St. Catherine and Peel . . . R. P. Webb; J. D. Hubbert, *Asst.*
St. Catherine and St. Alexander . . . . . . E. I. Rodgers; C. R. Tibert, *Asst.*
St. Lawrence and Jean Talon . . . J. L. Dudgeon, *Acting*
Sherbrooke and Harvard . . . . A. T. Bell
Sherbrooke and Greene . . . . C. H. Cameron (Westmount)
New Carlisle . . . . L. G. Baiden
New Richmond . . . . V. F. Sedgewick
Port Daniel . . . . D. C. Holland
Quebec . . . . C. A. Kelly
St. Andrews East . . . . J. L. Duchastel, *Acting*
Sherbrooke . . . . H. I. Langille

ONTARIO

Acton . . . . A. W. Haydon
Agincourt . . . . R. A. S. Elliot
Alexandria . . . . J. O. Bridge
Arnprior . . . . C. P. Jones
Avonmore . . . . D. C. Hamilton
Bancroft . . . . G. E. Calbeck
Barrie . . . . E. R. McClafferty
Beachburg . . . . H. G. Maclellan
Beardmore . . . . W. E. Frier
Belmont . . . . F. W. Hill
Bracebridge . . . . I. Y. Murphy
Brantford . . . . W. F. Smith
Brigden . . . . F. C. Marshall
Brockville . . . . W. E. MacDonald
Campbellville . . . . F. E. Quinlan
Carleton Place . . . . W. C. Cross
Carp . . . . A. E. Smith
Chatham . . . . R. J. Millichamp
Chesterville . . . . H. Brown
Cobden . . . . F. A. McCallum
Cobourg . . . . W. P. Blakeston
Cochrane . . . . E. E. King
Consecon . . . . G. H. Eager
Cornwall . . . . J. H. Rector
Fort William . . . . M. K. Pugsley
Guelph . . . . G. W. G. Williamson
Haileybury . . . . G. S. Jourdan
Hamilton . . . . F. D. Dunn; J. A. Robertson, *Asst.*
King and Sherman . . . . C. B. Guest
Hawkesbury . . . . S. Blais
Kemptville . . . . R. D. Leavitt
Kenora . . . . W. L. Watson
Kingston . . . . W. D. Stewart
Kitchener . . . . J. Macdonald

ONTARIO—*Continued*

Lanark . . . . G. A. Blackie
Leaside . . . . J. A. Thornbury
Linwood . . . . G. N. Thompson
London . . . . D. R. Platt
Malton . . . . G. C. Springer, *Acting*
Markham . . . . G. A. Stewart
Martintown . . . . R. A. Thompson, *Acting*
Mattawa . . . . J. W. B. Thompson
Maxville . . . . R. B. Buchan
Merritton . . . . E. G. Rankin
Milton . . . . H. C. Morris
Milverton . . . . C. G. Matthews
Mount Dennis . . . . D. G. Rowntree
New Liskeard . . . . A. S. Meisner
New Toronto . . . . C. R. Dickie
North Augusta . . . . R. J. Sherman, *Acting*
North Bay . . . . L. E. Shatford
Ottawa . . . . C. F. Lindsay; H. L. Cumming, *Asst.*
Bank and Fourth . . . . James Brydon
Bank and Gladstone . . . . . D. A. Sutherland
Bank and Gloucester . . . . S. Macdonald
Elgin and Frank . . . . J. F. Thompson
Hintonburgh . . . . C. J. Ash
Ottawa East . . . . E. Edmunds
Ottawa South . . . . C. R. MacLaggan
Rideau and William . . . . . . A. A. Armstrong
Somerset and Bronson . . . . H. J. Clarke
Parry Sound . . . . G. R. Underwood
Pembroke . . . . W. D. McArthur
Perth . . . . H. K. Stevens
Peterborough . . . . H. E. Wales
Petrolia . . . . F. M. Wilmot
Picton . . . . K. I. Mitchell
Port Arthur . . . . B. Howard
Port Carling . . . . C. A. Shannon
Powassan . . . . F. L. Galvin
Red Lake . . . . H. A. Dewolfe
Renfrew . . . . S. Rowsell
Richmond . . . . C. B. Lewis
Russell . . . . F. G. McKimm
St. Catharines . . . . W. H. Harris
St. Isidore de Prescott . . . . . F. A. Duhamel
St. Jacobs . . . . R. T. Adam
Sarnia . . . . W. C. McKinnon
Smiths Falls . . . . A. T. F. Cobb
South Mountain . . . . H. A. McInnes
Stratford . . . . L. S. Nicks
Streetsville . . . . F. M. Pidgeon
Sudbury . . . . M. G. Trainor
Sutton West . . . . J. W. Nicolson
Timagami . . . . G. H. Wilcox
Timmins . . . . W. Long
Toronto . . . . Reid J. Smith; H. A. Bell, *Asst.*; N. B. Moore, *Asst.*; R. B. Hall, *Asst.*

ONTARIO—*Continued*

TORONTO—*Continued*
- Avenue Rd. and St. Clair......J. F. Lynch
- Bloor and St. Clarens.........R. C. Clark
- Bloor and Spadina........J. E. Edgington
- Broadview and Gerrard....W. W. Mitchell
- College and Bathurst.........F. L. Fields
- Danforth and Greenwood.N. W. R. Hamilton
- Danforth and Pape..........I. C. Cooper
- Dundas and Brock......W. T. Thompson
- Forest Hill Village.......O. MacNaughton
- Gerrard and Woodbine...........I. Galt
- King and Victoria...W. S. Jamieson; T. D. Windross, *Asst.*
- Kingston Rd. and Bingham.D. H. MacLeod
- Kingsway.................P. V. Coulton
- Oakwood and St. Clair...J. K. Fraser, *Pro.*
- Pape and Gowan............G. Williams
- Queen and Church.....H. M. Dagg; E. D. Blair, *Asst.*
- Queen and Lansdowne........G. W. Poole
- Queen and McCaul..G. F. Gardner; A. A. McIntosh, *Asst.*
- Queen and Pape............H. B. Nelson
- Queen and River............J. W. Wylie
- Spadina and Dundas........W. A. Meyer
- Spadina and Dupont.........R. C. Sillers
- Union Station................L. B. Kerr

VANKLEEK HILL..............C. F. Hibbard
WALKERVILLE.................A. Johnston
WELLAND................A. G. Macdonald
WELLINGTON..................J. H. Mace
WESTBORO..................H. A. Ballard
WESTON..................A. T. Stenhouse
WINDSOR..................G. N. Roberts

MANITOBA

DAUPHIN......................H. H. Hill
EMERSON....................B. A. Oakden
PORTAGE LA PRAIRIE...........D. A. Wood
WINNIPEG.............K. S. Russell; C. E. Crooks, *Asst.*
- St. James...................R. Skinner

WINNIPEGOSIS.............T. G. Dunn, *Pro.*

SASKATCHEWAN

AVONLEA......................E. S. Ross
AYLSHAM.....................J. P. Crow
BEECHY.........................J. Mair
CARROT RIVER..............A. MacDonald
CODETTE...................J. A. Chevalier
GLASLYN.......................J. Paxton
HUDSON BAY..................A. G. Schell
KINISTINO....................J. Edmond
MOOSE JAW................J. A. Cranstoun
NIPAWIN..................R. H. Urquhart
PRINCE ALBERT..............J. H. Quinlan
REGINA.............C. M. Killam; E. J. S. Dudley, *Asst.*

SASKATCHEWAN—*Continued*

SASKATOON....................R. G. Doig
- West Side...................J. A. Kyle

SHELLBROOK................J. R. Stewart
SPIRITWOOD..................B. A. Evans
STAR CITY................N. B. Johnston
SWIFT CURRENT.............S. K. Crawford
TISDALE....................J. N. Adams

ALBERTA

ARROWWOOD.............W. A. McMullen
BROOKS....................J. S. Burchell
CADOMIN..................A. D. MacLeod
CALGARY..............W. H. Byers; G. A. Begin, *Asst.*
- North Hill..................E. Wheeler
- West End................A. R. Rendell

EDMONTON...........D. McCallum; W. H. Payzant, *Asst.*
LETHBRIDGE................R. C. Stoddard
MILO......................H. A. Johnson
PICTURE BUTTE.............H. A. Hancock

BRITISH COLUMBIA

CHILLIWACK..................J. H. Cathro
KELOWNA....................P. H. Meek
LUMBY......................H. D. Millar
MAILLARDVILLE.............G. F. Merrick
MISSION CITY................H. W. Davis
NANAIMO................F. W. Robinson
NEW WESTMINSTER............W. J. Peers
NORTH VANCOUVER...........L. A. Hannah
PORT ALICE...................W. Barclay
PRINCE GEORGE............W. R. McLure
SOUTH WESTMINSTER..........J. B. Pawson
VANCOUVER.........J. G. Penney; K. R. Elliott, *Asst.*; H. F. Summers, *Asst.*
- *Broadway and* Commercial Drive.....J. H. MacDonald
- Davie and Granville...........D. J. Mair
- Dunbar and 41st Ave.......W. E. Pixley
- 12th Ave. and Granville...M. C. Chisholm
- 41st Ave. and Granville.......R. J. Dunn
- 49th Ave. and Fraser.......H. H. Bartlett

VANCOUVER HEIGHTS........G. M. Hamilton
VICTORIA....................J. A. Baxter

NEWFOUNDLAND

BAY ROBERTS..................E. V. Hall
BELL ISLAND................G. N. Rendell
BONAVISTA....................W. F. Noel
BURIN.......................W. J. Brien
CARBONEAR......................F. Davis
CATALINA...................L. L. Russell
CHANNEL..................N. W. Lebans
CORNER BROOK..............F. D. Barrett

NEWFOUNDLAND—*Continued*

Fogo................R. H. A. Coppin, *Pro.*
Grand Bank..................S. T. Jones
Harbor Grace...............N. D. Bishop
Lewisporte..........D. Templeman, *Acting*
St. John's............A. L. Ormiston; W. S. Buffam, *Asst.*
Twillingate...............A. M. Stoodley

JAMAICA

Black River.............E. P. Warneford
Christiana...................E. V. Parke
Cross Roads...........J. K. Eaton, *Acting*
Kingston.............D. C. Lounsbury; P. M. Dakin, *Asst.*; E. E. Condell, *Asst.*
Mandeville................D. S. M. Clark
May Pen....................D. Lawrence
Montego Bay..................F. H. Saul
Port Antonio.................N. H. Airth
Port Maria..................P. R. Miller
St. Ann's Bay................C. B. Cooper
Savanna-la-Mar..............W. S. Wood
Spanish Town............J. S. Hall, *Acting*

CUBA

Camaguey.................M. A. Fornaris
Cienfuegos...........F. Montane; E. Marabotto, *Asst.*

CUBA—*Continued*

Havana..............M. J. Betancourt; H. E. Curran, *Asst.*; C. E. Tanner, *Asst.*; J. H. Nesta, *Asst.*
Avenida de Italia............A. de Moya
Padre Varela................F. O. Perez
Manzanillo..........G. Ferrer; H. A. Murcell, *Asst.*
Santiago de Cuba....I. Batlle; G. A. Griffiths, *Asst.*

PUERTO RICO

Fajardo......................R. Martin
San Juan..........E. G. MacIntyre, *Agent*; P. G. Marels, *Asst.*; A. R. Phillips, *Asst.*

DOMINICAN REPUBLIC

Ciudad Trujillo..............T. W. Evans

UNITED STATES

New York Agency..G. F. Hinchcliffe, *Agent*; T. L. C. McMaster, *Asst.*; K. Helstern, *Asst.*

ENGLAND

London................C. G. Webster; R. A. Elder, *Asst.*