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Corporation
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THE BANK OF TORONTO

Incorporated 1855

Ninety-Second Annual Report

Nov. 29, 1947





THE BANK OF TORONTO

Incorporated 1855

Ninety-Second **ANNUAL REPORT**

November 29th, 1947

CAPITAL AUTHORIZED	- - - - -	\$10,000,000.
CAPITAL PAID-UP	- - - - -	6,000,000.
RESERVE FUND and UNDIVIDED PROFITS	- -	14,763,967.

Board of Directors

F. H. MARSH,
TORONTO.

CHAIRMAN OF THE BOARD

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

JAMES L. CARSON,
TORONTO.

PRESIDENT

B. S. VANSTONE,
TORONTO.

VICE-PRESIDENT

DIRECTORS

FREDERICK K. MORROW,
TORONTO.

Chairman Wilsil Limited.
" Loblaw Groceterias Inc.
Director Canadian International Paper Company Limited.
" The Ogilvie Flour Mills Co. Limited.
" Remington Rand Limited.
" Ward Baking Company.

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

President York Knitting Mills Limited.
Vice-President Gordon Mackay & Stores, Limited.
Director Production Engineering Limited,
London, England.

GEORGE KIDD,
VANCOUVER.

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

AUBREY DAVIS,
NEWMARKET.

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

EDWARD D.
GOODERHAM, TORONTO.

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

Directors—continued

HARRY J. CARMICHAEL, C.M.G. ST. CATHARINES.	{	Vice-President Conroy Manufacturing Co. Limited, St. Catharines.
		Director Polymer Corporation Limited.
		" Buffalo Ankerite Gold Mines Limited.
		" Argus Corporation Limited.
		" Abitibi Power & Paper Co. Limited.
		" Foster Wheeler Limited.
	{	" Massey-Harris Company Limited.
HORACE T. HUNTER, TORONTO.	{	President MacLean-Hunter Publishing Co. Limited.
ARTHUR H. CAMPBELL, MONTREAL.	{	President & Managing Director, Campbell, MacLaurin Lumber Co. Limited.
		Vice-President Dominion Square Corporation.
		Director Fraser Companies Limited.
		" Lake St. John Power & Paper Co. Limited.
		" St. Lawrence Paper Mills Co. Limited.
		" Brompton Pulp & Paper Co. Limited.
R. L. BEATTIE, COPPER CLIFF.	{	Vice-President, General Manager (Canadian Operations) and Director The International Nickel Company of Canada Limited.
J. J. VAUGHAN, TORONTO.	{	Director The Eaton Knitting Co. Limited, Hamilton. " Maple Leaf Gardens Limited.
JOHN R. READ, O.B.E., HAMILTON.	{	Chairman & President Canadian Westinghouse Company Limited.
		Director B. Greening Wire Company Limited.
		" The Toronto General Trusts Corporation.
		" Canadian Surety Company.
JOHN J. E. McCAGUE, ALLISTON.	{	Owner Manager, Glenafton Farm, Alliston. President Dairy Farmers of Canada.
RICHARD J. CULLEN, PHOENIX, ARIZONA.	{	Chairman International Paper Company. Director Canadian International Paper Company.

Head Office, Toronto

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

SUPERVISORS' DEPARTMENT

E. S. BRAY, *Chief Supervisor*

R. S. BOOTH		E. BROWN
A. F. SANDERS	*	W. G. M. WALKER
H. J. CARMICHAEL (Montreal)		V. D. S. TENEY (Winnipeg)
C. D. O. MCGILL (Vancouver)		

SUPERVISOR OF STAFF

A. M. ROSS

SUPERVISOR OF PREMISES

A. R. PROFIT

WINNIPEG

Wm. KERR	-	-	-	-	-	<i>Western Superintendent</i>
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VANCOUVER

W. B. McCRIRICK	-	-	-	-	{	<i>Superintendent of</i>
					}	<i>British Columbia Branches</i>

AUDITORS FOR 1948

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

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

A MESSAGE FOR 1948

from

The President's Speech

The profit incentive, as long as it is fair and just, is indispensable to progress. Wealth does not just grow. It is the result of work, skillfully planned and executed by the combined efforts of aggressive and free-thinking people both in management and labour.

Out of knowledge comes understanding and a realization that each of us depends on the other. The more we know, the readier we are to practice consideration and self-denial, and to contribute our best efforts to the work before us.

PROCEEDINGS OF THE

Ninety-Second

ANNUAL GENERAL MEETING

held on

Wednesday, 21st January, 1948

The Annual General Meeting of the Shareholders of The Bank (being the Ninety-Second since the commencement of business) was held, pursuant to the terms of the Charter, at the Banking House of the Institution, corner King and Bay Streets, Toronto, on Wednesday, 21st January, 1948.

Moved by Mr. J. D. WOODS, seconded by Mr. H. T. HUNTER, and

Resolved—That Mr. F. H. MARSH be appointed Chairman of the Meeting and that Mr. L. G. GILLET be requested to act as Secretary.

Carried.

Moved by Mr. H. J. CARMICHAEL, seconded by Mr. J. J. VAUGHAN, and

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

Carried.

Moved by Mr. E. D. GOODERHAM, seconded by Mr. ARTHUR H. CAMPBELL, and

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

Carried.

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

The Directors of The Bank of Toronto take pleasure in presenting to the shareholders their report on the results of the Bank's operations for the year ending 29th November, 1947, together with the General Statement of Assets and Liabilities as on that date.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 29th November, 1947, before Depreciation on Bank Premises and Dominion Government taxes — full provision for bad and doubtful debts having been made	\$2,211,827.16
Less:	
Depreciation on Bank Premises and Equipment	133,532.82
	<u>\$2,078,294.34</u>
Provision for Dominion Government Taxes	890,532.22
	<u>\$1,187,762.12</u>
Dividends	720,000.00
	<u>\$ 467,762.12</u>
Balance of Profits carried forward	236,205.46
Balance of Profit and Loss Account, 30th November, 1946	<u>\$ 763,967.58</u>
Balance of Profit and Loss Account, 29th November, 1947	<u>\$ 763,967.58</u>

F. H. MARSH, *President*

B. S. VANSTONE, *General Manager*

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

ONTARIO

Burlington.
Chatham.

Kingston, West End Branch.
Sarnia, Blue Water Branch.

Toronto—Avenue Road and Fairlawn Ave.
Avenue Road and Joicey Blvd.
Bathurst St. and Glencairn Ave.
Eglinton Ave. and Shortt St.
Eglinton Ave. and Winona Drive.
Kingston Road and Warden Ave.
Queensway and Royal York Road.

MANITOBA

Birch River.
Minitonas.

ALBERTA

Cardston.

In addition to the above full time service has been commenced at Rocanville, Sask.

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

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

F. H. MARSH, *President*.

GENERAL STATEMENT

November 29th, 1947

ASSETS

Gold and Subsidiary coin held in Canada	\$ 537,186.10	
Notes of Bank of Canada	7,308,136.00	
Deposits with Bank of Canada	41,617,838.79	
Notes of and Cheques on other banks	13,536,655.51	
Government and bank notes other than Canadian	450,295.94	
Due by banks and banking correspondents elsewhere than in Canada	7,089,610.03	
	<u>\$ 70,539,722.37</u>	
 Dominion Government direct and guaranteed Securities maturing within two years, not exceeding market value	36,260,087.32	
Other Dominion Government direct and guaranteed Securities, not exceeding market value	108,519,818.29	
Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	2,987,631.00	
Other Provincial Government direct and guaranteed Securities not exceeding market value	16,413,971.08	
Canadian Municipal Securities, not exceeding market value	6,624,756.25	
Other Bonds, Debentures and Stocks, not exceeding market value	16,940,266.50	
	<u>187,746,530.44</u>	
 Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	6,772,264.00	
	<u>194,518,794.44</u>	
		265,058,516.81
 Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	112,052,058.03	
Loans to cities, towns, municipalities and school districts	2,076,859.82	
Non-Current Loans, estimated loss provided for	22,450.29	
	<u>114,151,368.14</u>	
		379,209,884.95
 Liabilities of Customers under acceptances and Letters of Credit, as per contra	9,917,923.02	
Mortgages on Real Estate sold by the Bank	9,028.10	
Bank Premises, at not more than cost, less amounts written off	4,087,377.79	
Deposit with the Minister of Finance for the security of note circulation	37,262.26	
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes amounting to \$233,405.86)	256,584.47	
	<u>\$393,518,060.59</u>	

LIABILITIES

Capital paid up	\$ 6,000,000.00	
Reserve Fund	14,000,000.00	
Dividends declared and unpaid	180,946.64	
Balance of profits as per Profit and Loss Account	763,967.58	
	<u>\$ 20,944,914.22</u>	
 Notes in Circulation		668,201.00
Deposits by and balances due to Dominion Government	16,927,568.78	
Deposits by and balances due to Provincial Governments	3,095,382.94	
Deposits by the public not bearing interest	103,050,721.65	
Deposits by the public bearing interest, including interest accrued to date of statement	233,991,090.30	
Deposits by and balances due to other chartered banks in Canada	473,607.73	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada	4,179,669.85	
	<u>361,718,041.25</u>	
 Acceptances and Letters of Credit outstanding		9,917,923.02
Liabilities to the public not included under the foregoing heads		268,981.10
		<u>\$393,518,060.59</u>

F. H. MARSH, *President.*

B. S. VANSTONE, *General Manager.*

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 29th November, 1947, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

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

Toronto, 19th December, 1947

President's Address

GENTLEMEN:

I feel sure you will agree that the statement presented by the General Manager is excellent. We have had a good year, and the position built up over the past 92 years has been well maintained. The Bank of Toronto has upheld its national reputation as a friendly institution pursuing the highest ideals of good banking.

From the war-time economy, which required the sacrifice of every other consideration in order that goods and services be provided as part of the national plan for the winning of the war, we are gradually returning to a normal way of life.

A Year of Prosperity

The past year has been one of prosperity on this continent. Yet it must be apparent to all that conditions are still abnormal. The time of complete adjustment still lies ahead. Government, industry and finance must remain on guard against the difficulties which may continue to arise from time to time.

World Position

For many years it has been evident that a nation cannot endure in political or economic isolation. Seeking to overcome the extremes of nationalism, which hampered trade during the interval between the two world wars, some 23 of the world's great trading nations brought about the Geneva agreements designed to reduce embargoes, tariffs and other impediments to commerce. Further, the International Trade Organization of the United Nations is trying to develop standard practices and codes for a better and freer movement of goods between the countries of the world.

Canada's Part

While Canada, by reason of its industrial and agricultural production, has taken an active part in these arrangements, we continue to be to a large degree dependent upon imports from the United States. This has meant a decline in our holdings of U.S. dollars, as a result of which the Canadian government has deemed it advisable to impose numerous trade restrictions and controls. Obviously, the full benefits of world trade cannot be realized until restrictions and controls are removed.

The Marshall Plan

Considering our high degree of dependence on exports, especially to the United Kingdom and continental Europe, it is plain that the rehabilitation of Europe is a matter vital to this country. Already, in gifts and loans, Canada has done a great deal to help Europe. Much of this has come from the heart, but our heads also tell us that the assistance is both practical and wise. However, the needs are so great and the problem so vast that only the United States can undertake measures sufficiently comprehensive to provide any hope of success. The Marshall Plan is an acknowledgment that nations are interdependent and that North America cannot prosper indefinitely while millions outside its borders are below the subsistence level.

Our part in the Marshall plan will largely be in helping to furnish food, textiles, machinery and supplies to nations wrecked by war. This may mean less goods for ourselves but if the materials we supply under the Marshall plan are paid for in U.S. dollars, our present financial difficulties will be to that extent relieved.

Problems to Solve

When we compare the bleak and austere conditions in Britain, and the chaos on the continent of Europe, with our position at home, we must realize that we enjoy an unusually favored place in the world's economy. But it will require constant vigilance to preserve our nation, its systems and its freedoms.

Our chief current danger is that of being swept along with the present inflationary trend. As bankers we must discourage unwise expansion. Business must realistically appraise its own position and in selling to consumers resist the temptation to take undue advantage of the ready money which momentarily is in hand. Citizens of all ranks should confine their buying to essential purchases and wherever possible resist prices which outrage both pocket and mind. Labour, like management and capital, must see that inflation is everybody's business and that it cannot be corrected by exorbitant profits or continuous increases in wages which simply add fuel to the fire. One of the most effective remedies is to increase production without adding to costs. Labour must give full value and all other factors in production including the mechanical improvements of the war period be developed to utmost efficiency. Taxes now serve as a brake on inflation but can be justified if used to pay off the debt incurred by war. Once inflation is conquered, taxes should be substantially lowered as an incentive to business progress.

Exports

The present international trade difficulties, to which I have referred, present a challenge to Canadian businessmen. New avenues for export must be explored to a much greater extent than before the war and preferably to countries whose currency is convertible into dollars. Business leaders are alive to the importance of our export trade but it is essential that their numbers be greatly increased — and that this knowledge be spread through all ranks of business producing goods which can be exported.

The recent trade mission to South Africa and other countries, headed by the Hon. J. A. McKinnon, then Minister of Trade and Commerce, in company with several prominent business men, is a first-class example of constructive co-operation on the part of government and our free business system. Another splendid effort is the coming International Trade Fair which will be held in Toronto from May 31 to June 12 this year. Over 25 nations are expected to attend to display their wares and there can be no doubt that the interchange of goods between their countries and Canada will be stimulated greatly.

Agricultural Resources

An unfavourable growing season in 1947 lowered our agricultural production but the increase in prices may keep the figures of farm income level with those of 1946 — though this money will buy less than it did last year. Farm technique in Canada is, with more and better machinery and increasing electrification, showing steady improvement. Soil erosion is being studied and progress is being made in reducing waste of natural resources. The problem of keeping men on the farm is far from solved but better hours and wages, modernization of farms and living quarters, good roads and dependable transportation, may help strike a better balance between farm and city.

Forestry

Lumber, newsprint, and a variety of other forest products, including rayon and plastics from cellulose acetate, have continued in active demand. The great timber provinces actively are pursuing plans of forest-preservation and there is hope that with proper co-ordination and supervision a halt will be brought to the wasteful practices of the past. It is known that a tract of woodland may be tremendously productive year after year and yet be in better condition a century hence than it is today, provided it is sanely and conservatively handled, having regard to its increasing value and importance nationally.

Mining

The Federal Government has shown that it is aware of the importance of our mining industry and its vital place in Canada's economy. During 1947 gold production stood at \$106,000,000 — an increase of about seven per cent over the previous year but far below the 1941 peak of almost \$206,000,000. New methods of discovery are extending the gold areas but shortage of miners handicaps development. There is general agreement that production of gold and base metals should be encouraged.

The total production of all minerals in Canada — valued at \$619,000,000 for 1947 — has broken all records. Iron ore deposits found in Northern Ontario and near the Quebec-Labrador border are adding to our potential output. Further discoveries in Alberta are highly important to our petroleum supplies. Of considerable significance also is the report of deposits of high-grade anthracite coal in northern British Columbia. The great heritage of mineral wealth with which we have been endowed by nature is one of our most precious possessions. Handled properly by responsible Canadians in business and government, it can do much to maintain and increase our high standards of life in this country.

Immigration

Shortage of labour in mining areas gives point to the need for more intensive immigration. The European situation is such that government officers can hand-pick prospective immigrants trade by trade and skill by skill. Canada needs miners, farmers, technicians and workers in nearly every field. Many highly trained Europeans, especially those who have suffered under Communism, are ready and anxious to reach our shores. Indeed, the suggestion has been made that as well as contributing money, food and clothes to sustain Europeans abroad, some Government assistance should be given to bring suitable immigrants here to help build Canada.

Keep Canada Free

More than any other year, 1947 has helped to enlighten Canadians about the common facts of rival economic systems. More people than ever before know that socialism, whatever its claims, means regimentation of the population and a lowering of the standards of life. Even in Great Britain the Government has thought it necessary to assume complete control over every aspect of an individual's labour. Citizens now may be put to work of the Government's choosing, moved from job to job, or dismissed from factory or farm, according to the official view of what is necessary.

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The result in part has been that many groups of labour in both Canada and the United States have made a decided effort to remove from positions of influence those who belong to the extreme left. It is now recognized that Communists are not true Canadians, nor are they a political party, but the agents of a form of government which is entirely foreign to our way of life.

While it is well that our people should have no illusions about the dangerous features of Communism and Socialism, business must sell itself and, by operating according to high ethical standards, emphasize its advantages to the people as a whole. A business is a human undertaking and its executives, to obtain best results, must do their part in promoting the spirit of friendly relationship among all engaged in its operation.

Labour and Profit

Labour, too, is giving more study to the free enterprise system under which Canada's high standards of life have been built and maintained. Many staunch union men know that labour receives the greatest share of the consumer's dollar, that taxes get the next biggest proportion and that profits come last. Likewise, they know that it is profits which keep equipment up to date, start new companies and create new jobs. The profit incentive, as long as it is fair and just, is indispensable to progress. Wealth does not just grow. It is the result of work, skillfully planned and executed by the combined efforts of aggressive and free-thinking people both in management and labour.

Education

The advance in thinking indicated above emphasizes that a remedy for many — perhaps most — of our ills is to be found through education. Out of knowledge comes understanding and a realization that each of us depends on the other. The more we know, the readier we are to practice consideration and self-denial, and to contribute our best efforts to the work before us.

This great force — education — is deserving of the all-out support of every individual and institution. Our natural resources are not enough to keep Canada high in her world place unless they are developed at the hands of an enlightened public, and expanded by experienced and capable technicians and management to the benefit of our national economy.

General Manager's Address

The Ninety-second Annual Statement presented to you today can, I am confident, be regarded as in every way satisfactory.

Profits

Our earnings have been well maintained and total profits, \$2,211,827, after our contribution to the Pension Fund (full provision for Bad and Doubtful Debts having been made) were actually higher by \$132,708 than a year ago. However, Dominion Government taxes, \$890,532, were \$118,449 greater, and Depreciation on Bank Premises and Equipment, \$133,532, was also up \$20,955. After these deductions the net amount available for shareholders was \$1,187,762, a decrease from last year of \$6,696.

Dividends paid during the year at the rate of \$1.20 per share (the equivalent of 3.44% on the shareholders' funds consisting of Capital, Reserve Fund and Profit and Loss Account) totalled \$720,000, leaving a balance of \$467,762 carried forward to Profit and Loss Account. In relation to our Paid-Up Capital, \$6,000,000, our Reserve Fund and Profit and Loss Account now total \$14,763,967, a position of which we may well be proud.

Total Assets

Total assets, \$393,000,000, have increased over \$25,000,000 from a year ago and are the highest in the Bank's history. The liquid position continues excellent, quick assets \$265,000,000 being equal to 71.14% of all liabilities to the public.

Securities

Reflecting the general expansion in business and the greater demands of our borrowing customers, our total investment in securities is \$19,000,000 less than a year ago and now totals \$187,000,000, of which \$164,000,000 is in Dominion and Provincial Government bonds and \$23,000,000 in Municipal and other securities.

Call Loans

Call Loans, \$6,700,000, have decreased \$489,000.

Current Loans and Discounts

A year ago we reported a gratifying increase in Current Loans of 28%. In the past twelve months we have continued to share to a very satisfactory extent in the general growth of business and this year Current Loans, \$112,000,000, are higher by \$30,000,000 — over 36%.

Our loans are well diversified and the increase general, representing a greater use of our facilities by practically all classes of borrowers.

Acceptances and Letters of Credit Outstanding

These reflect our financing of export and import trade. The total, \$9,900,000, is higher by approximately \$5,800,000, a remarkable increase and one that is a further and gratifying indication of the increased extent to which our commercial customers are employing our facilities.

Bank Premises

Bank Premises, \$4,087,000, are higher by \$595,000. Our growing volume and the opening of new branches has required the expenditure of fairly substantial amounts for additional premises and equipment and in addition an extensive programme of improvement and modernization is being proceeded with as circumstances permit.

Deposits

Our deposits from the public now exceed \$337,000,000, an all-time high, over \$33,000,000 more than a year ago. Deposits bearing interest, \$234,000,000, have increased \$25,000,000 and those not bearing interest, \$103,000,000, are \$8,000,000 higher. In the past five years our interest-bearing deposits have increased over 150%.

Dominion Government deposits, \$16,900,000, are lower by \$14,000,000.

Branches

We opened 15 new offices during the year and now have a total of 200 branches, an increase of 25 in the past two years.

Inspections

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

Staff

We now have a staff of 2,076, 172 more than a year ago and 948 more than in 1939. Of the total, 931 are women. In the past year they have performed their duties well and faithfully and I am particularly pleased at this time to pay tribute to their loyalty and efficiency, an asset which does not appear in our Balance Sheet but which we value highly.

With the mounting cost of living it is not easy for many of our employees, particularly the younger men with family responsibilities, to carry on without strain. We have a full realization of their problem and since the lifting of salary controls have done what we could to meet the situation by increased salaries, bonuses and living allowances. That what has been done in this regard is acceptable is indicated by their co-operation and whole-hearted effort.

Customers and Shareholders

We are sincerely appreciative of their loyalty and support. To those who have joined us during the year we extend a hearty welcome with the assurance that it will be a pleasure to serve them at any and every branch.

Security and Service

The past year in Canada has been a most satisfactory one — full employment, high wages, and good markets for our products at excellent prices — with the result that farmers, merchants, industrial concerns and individuals were never in better shape. The position of Canadians today is one of good fortune. Families have more of the good things of life, more conveniences, and more leisure time than ever before in Canada's history. Behind this stands the real wealth of the nation — our unexcelled natural resources, the factories, farms, houses and business institutions built by profit and savings. We are a favoured people whose bank deposits and holdings of securities have reached an unparalleled height.

However, Canadians must not be complacent but must work together for the country's future. In our interdependent world a substantial part of our future is concerned with an unsettled and unsound international situation and a deterioration in this could cause rapid changes in values. We have a difficult Exchange situation and the imminence of renewed or new government controls with the possibility of some disturbance of trade.

It should also be plain that in great part the time when goods, because of their scarcity, could be sold at any price is definitely passing. In a number of lines production is overtaking demand, while in others prices are reaching the point where sales resistance is becoming apparent. With the slightest slackening in demand a return to more competitive conditions is indicated. Business, in its plans for the immediate future, must have the most prudent regard for all these elements and it would appear the part of wisdom to keep affairs in sound liquid shape, operations efficient, and inventories well in hand.

Internationally, our Banks have always been well regarded and I feel that in Canada, as a result perhaps of their services through the war

years, they stand higher in public favor than ever before. We may well be proud of our banking system and in my opinion we are remiss if we lose an opportunity to defend it.

The next few years will further test our abilities and resourcefulness but we believe that The Bank of Toronto, on the strength of its position and the character of service it renders, stands unsurpassed in a banking system that over the years has met successfully every test to which it has been subjected.

I would be the last to claim that in any way our institution approaches perfection. Nevertheless, perfection must always be our goal as we in The Bank of Toronto strive towards a complete understanding of the problems brought to us with the hope that as we solve them we shall render a continually improving service to an ever widening circle of friends.

Moved by Mr. F. H. MARSH, seconded by Mr. F. K. MORROW, and

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

Moved by Col. K. R. MARSHALL, seconded by Mr. W. M. ANDERSON, and

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

Moved by Mr. W. G. WATSON, seconded by Mr. T. D'ARCY LEONARD, and

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

In presenting his motion Mr. WATSON said in part,—

I am quite sure Mr. Chairman we would like all of us to have had this resolution placed in our hands that we might have the opportunity personally of expressing our appreciation of the services of the President, Vice-President, Directors, General Manager and the assistants and staff at large for the most excellent statement that we have listened to this morning.

We would like to take this opportunity of saying on behalf of the group gathered here that we tender to you our very sincere appreciation for all the work you have done and the responsibilities you have taken.

Mr. CARSON, in responding, said,—

I will be very brief in my remarks.

We always like to feel this resolution of thanks is earmarked especially for the staff. We are proud of our staff. We like to treat them not merely as cogs in a wheel, but as human beings. Our relations with our staff were never better than they are today.

On behalf of the directors, executive officers and staff I would like to thank Mr. WATSON and Mr. LEONARD for their very complimentary remarks.

Moved by Mr. M. ROSS GOODERAM, seconded by Mr. E. C. GILL, and
Resolved—That the Scrutineers cast one ballot for the election of the following
named gentlemen as Directors of The Bank of Toronto:—

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

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

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

By Order of the Board,

L. G. GILLETT,
General Manager.



BRANCHES

ONTARIO

Toronto, King & Bay Sts. (Main Office)	R. J. Burtis,	Manager
	H. S. Chambers,	Asst. Mgr.
	H. E. Burns,	"
" Avenue Road & Fairlawn Ave.	H. A. Ackerman,	Manager
" Avenue Road & Joicey Blvd.	R. H. N. Rowland,	"
" Bathurst St. & Glencairn Ave.	C. J. Cracknell,	"
" Bloor & Bay Sts.	R. W. Keenlyside,	"
" Bloor & Jane Sts.	C. P. Roper,	"
" Bloor & Royal York Rd. (Kingsway)	J. Harding,	"
" Church & Wellington Sts.	W. Miller,	"
" Danforth & Dewhurst Blvd.	W. S. Dick,	"
" Donlands & O'Connor Drive	W. R. Butcher,	"
" Dundas & Keele Sts.	T. W. Harper,	"
" Dundas & Ossington Ave.	G. M. Kennedy,	"
" Dundas & Roncesvalles Ave.	G. L. Reid,	"
" Eglinton & Avenue Road	A. B. Clarke,	"
" Eglinton & Bathurst St.	R. P. Wright,	"
" Eglinton & Heddington Ave.	J. R. Clark,	"
" Eglinton & Shortt St.	H. C. Stephen,	"
" Eglinton & Winona Drive	J. E. Wilson,	"
" Elm & Elizabeth Sts.	J. C. Thomas,	"
" King & Bathurst Sts.	J. J. Hay,	"
" Kingston Road & Warden Ave.	R. F. Gowans,	"
" Mount Pleasant & Belsize Drive	J. A. MacDonnell,	"
" Queen & Kenilworth Ave.	W. D. Cooper,	"
" Queen & Logan Ave.	L. S. Barr,	"
" Queen & Parliament Sts.	H. R. Warren,	"
" Queen & Spadina Ave.	Jas. Stewart,	"
" Queensway & Royal York Road	A. E. Hall,	"
" St. Clair & Bathurst St.	G. A. Hetherington,	"
" St. Clair & Christie St.	S. S. Martin,	"
" Yonge St. No. 205	W. B. Young,	"
" Yonge & Bedford Park Ave.	H. A. Daykin,	"
" Yonge & Belsize Drive	J. E. H. Campbell,	"
" Yonge & St. Clair Ave.	G. D. Woolley,	"
Allandale	F. Stevenson,	"
Alliston	H. J. Lancashire,	"
Barrie	H. R. Nettleton,	"
Bethany	A. H. A. Padgham,	"
Brantford	H. E. Lambert,	"
Brockville	B. F. A. Lewis,	"
Burford	R. J. Sim,	"
Burlington	S. P. Coe,	"
Cardinal	G. D. Gowans,	"
Carlisle	Sub to Freelon	"
Chatham	J. R. Jones,	"
Clarksburg	G. E. Liesemer,	"
Cobourg	W. N. Bradley,	"
Coldwater	I. G. Wylie,	"
Collingwood	O. G. Bernhardt,	"
Copper Cliff	R. Gray,	"
Creemore	J. H. Lawrence,	"
Creighton Mine	W. D. Stephenson,	"
Dorchester	H. C. Francis,	"
Dunnville	F. C. Millard,	"

BRANCHES

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

BRANCHES

Sudbury, Durham St. (Main Office)	W. E. Van Norman,	Manager
" North End	H. Nightingale,	"
Thornbury	B. C. McArthur,	"
Trenton	B. F. Joyce,	"
Walkerville	L. N. Hicks,	"
Wallaceburg	G. E. Armstrong,	"
Waterloo	J. S. McMillan,	"
Welland	J. E. Curry,	"
Westboro	J. E. Peacocke,	"
Windsor, Wyandotte & Ouellette Ave. (Main Office)	W. H. Hiscock,	"
" West End Branch, 2161 Wyandotte St. W.	J. G. McLaren,	"
Wyoming	F. O. Johnston,	"

QUEBEC

Montreal, St. James & McGill Sts. (Main Office)	J. J. Winsby,	Manager
"	S. G. Bickley,	Asst. Mgr.
" Atwater & St. Antoine St.	H. J. Stone,	Manager
" Bernard & Hutchison St.	H. B. Anderson,	"
" Board of Trade	V. R. Tufford,	"
" Maisonneuve	E. J. Valois,	"
" Peel St. No. 1232	B. M. Currie,	"
" St. Catherine & Guy Sts.	A. H. Walsh,	"
" St. Catherine St. East No. 1490	J. J. L. Senecal,	"
" St. Hubert & Belanger Sts.	J. E. Long,	"
" St. Lawrence Blvd. & Ontario St.	H. L. Lennon,	"
" Sherbrooke & Claremont Ave., Westmount	A. K. Young,	"
" Van Horne Ave. No. 1555, Outremont	W. J. Strathdee,	"
Gaspe	W. W. Annett,	"
Malartic	A. E. Woods,	"
St. Lambert	B. C. Case,	"
Val d'Or	J. E. Boyle,	"

MANITOBA

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

SASKATCHEWAN

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

BRANCHES

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

ALBERTA

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

NORTHWEST TERRITORIES

Yellowknife	P. W. Atkinson,	Manager
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BRITISH COLUMBIA

Dawson Creek	W. R. Topham,	Manager
Lake Cowichan	J. P. Allan,	"
New Westminster	W. Dickie,	"
Pioneer Mine	G. A. Gardiner,	"
Vancouver, Hastings & Seymour Sts. (Main Office) ..	W. B. McCrick,	"
	C. D. Valpy,	Asst. Mgr.
" Burrard & Robson Sts.	J. McKendrick,	Manager
" 3346 Cambie St.	Alan Keenlyside,	"
" Kerrisdale Branch	E. P. Rush,	"
" West Georgia St., 545	W. A. Walters,	"
" 10th Ave. & Alma Road	F. H. Stewart,	"
" 12th Ave. & Granville St.	S. H. Abrams,	"
Victoria, Yates & Broad St. (Main Office)	J. H. Brown,	"
" Douglas St.	S. D. Markham,	"

Principal Agents and Correspondents

BRITISH and FOREIGN

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

UNITED STATES

ALBANY, N.Y.	National Commercial Bank & Trust Co.
BOSTON, MASS.	Brown Bros., Harriman & Co.
"	First National Bank of Boston
"	National Shawmut Bank of Boston
BUFFALO, N.Y.	Manufacturers & Traders Trust Company
"	Marine Trust Company of Buffalo
CHICAGO, ILL.	Continental Illinois Nat'l Bank & Trust Co.
"	First National Bank of Chicago
CINCINNATI, OHIO	Fifth, Third Union Trust Company
"	First National Bank
CLEVELAND, OHIO	Central National Bank of Cleveland
DETROIT, MICH.	National Bank of Detroit
LOS ANGELES, CAL.	Bank of America Nat'l Trust & Savings Ass'n.
"	California Bank
MINNEAPOLIS, MINN.	First National Bank & Trust Co.
NEW YORK, N.Y.	Bank of The Manhattan Co.
"	Bankers Trust Company
"	Brown Bros., Harriman & Co.
"	Chase National Bank of New York
"	Chemical Bank & Trust Co.
"	Empire Trust Company

UNITED STATES—Continued

NEW YORK, N.Y.	Guaranty Trust Company of New York
"	Irving Trust Company
"	National City Bank of New York
PHILADELPHIA, PA.	Brown Bros., Harriman & Co.
"	Central Penn National Bank
"	Corn Exchange National Bank & Trust Co.
"	Market St. National Bank
"	Philadelphia National Bank
PORTLAND, ORE.	United States National Bank
PROVIDENCE, R.I.	Industrial Trust Co.
ST. LOUIS, MO.	Boatmens National Bank
SAN FRANCISCO, CAL.	American Trust Company
"	Bank of America Nat'l Trust & Savings Ass'n.
SEATTLE, WASH.	Seattle First National Bank
"	People's National Bank of Washington



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

Year	Capital and Reserves	Deposits	Loans and Investments	Assets
1857	\$ 439,148	\$ 263,100	\$ 1,103,078	\$ 1,268,413
1867	1,007,489	1,633,298	2,972,351	3,689,544
1877	3,001,867	2,462,833	5,536,678	6,419,938
1887	3,270,054	4,798,930	8,055,683	9,320,248
1897	3,889,687	9,341,249	11,844,268	14,911,654
1907	8,650,708	25,407,593	32,021,510	38,097,288
1917	11,555,306	63,907,297	61,737,340	84,293,918
1927	12,646,204	101,302,649	96,751,242	129,295,378
1937	16,641,747	114,382,821	108,378,530	140,572,874
1947	20,763,967	361,718,041	308,670,162	393,518,060
Paid-up Capital			\$ 6,000,000	
Retained Account			14,000,000	
Profit and Loss Account			763,967	
			<u>\$20,763,967</u>	



INCORPORATED 1855

