

# THE BANK OF TORONTO

Incorporated 1855

## *Ninety-Fourth Annual Report*

Nov. 30, 1949





# THE BANK OF TORONTO

Incorporated 1855

## *Ninety-Fourth* **ANNUAL REPORT**

November 30th, 1949

CAPITAL AUTHORIZED	- - - - -	\$10,000,000.
CAPITAL PAID UP	- - - - -	6,000,000.
RESERVE FUND and UNDIVIDED PROFITS	- -	15,430,350.

# Board of Directors

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JAMES L. CARSON, TORONTO. { **PRESIDENT**  
 " Director, Dome Mines Limited.  
 " The Excelsior Life Insurance Company.

B. S. VANSTONE, TORONTO. { **VICE-PRESIDENT**

## DIRECTORS

FREDERICK K. MORROW, TORONTO. { Chairman, Wilsil Limited.  
 " Loblaw Groceterias Incorporated.  
 " Director, Canadian International Paper Co. 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, Canadian Management Co. Limited.  
 " Director, Canada Life Assurance Company.

GEORGE KIDD, C.B.E., VANCOUVER. { Vice-President, Bralorne Mines Limited.  
 " British Columbia Pulp & Paper Co. Ltd.  
 " Director, Canadian Collieries (Dunsmuir) Limited.  
 " British Columbia Packers Limited.  
 " McLennan, McFeely & Prior Limited.

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

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

## Directors—continued

HARRY J. CARMICHAEL, C.M.G., ST. CATHARINES.	{	Vice-President, Conroy Manufacturing Co. Limited, St. Catharines.
		Director, 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 and Managing Director, Campbell, MacLaurin Lumber Company Limited.
		Vice-President and Director, Dominion Square Corporation.
		Director, Fraser Companies Limited.
		" Lake St. John Power & Paper Co. Limited.
		" St. Lawrence Paper Mills Company Limited.
		" The Eastern Trust Company.
R. L. BEATTIE, COPPER CLIFF.	{	Vice-President, General Manager (Canadian Operations) and Director, The International Nickel Company of Canada Limited.
J. J. VAUGHAN, TORONTO.	{	Retired. Formerly Vice-President The T. Eaton Company Limited, and Subsidiaries.
JOHN R. READ, O.B.E., HAMILTON.	{	Chairman of the Board, Canadian Westinghouse Company Limited.
		Director, B. Greening Wire Company Limited.
		" The Toronto General Trusts Corporation.
		" Canadian Surety Company.
JOHN J. E. McCAGUE, ALLISTON.	{	Owner Manager, Glenafton Farm, Alliston.
J. LYMAN TRUMBULL, C.B.E., VANCOUVER.	{	President, J. L. Trumbull Limited.
		Director, British Columbia Power Corporation Ltd.
		" Confederation Life Association.
		" Johnston National Storage Limited.
		" Steele Briggs Seed Co. Limited.



# *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>
WILLIAM KERR	-	-	-	<i>Assistant General Manager</i>
W. A. RUTHERFORD	-	-	-	<i>Superintendent of Investments</i>
F. G. CLEMINSON	-	-	-	<i>Executive Assistant</i>
A. M. ROSS	-	-	-	<i>General Superintendent</i>
JAMES ALLAN	-	-	-	<i>Chief Inspector</i>
L. C. BARRETT	-	-	-	<i>Secretary</i>
H. S. GUTHRIE	-	-	-	<i>Chief Accountant</i>

## SUPERVISORS' DEPARTMENT

E. S. BRAY, *Chief Supervisor*  
E. BROWN, *Assistant Chief Supervisor*

R. S. BOOTH	W. G. M. WALKER
L. C. E. LAWRENCE	R. MUTCH
R. W. KEENLYSIDE	R. H. HUTCHINGS
A. T. LAMBERT	

## SUPERVISOR OF STAFF

R. P. WRIGHT

## SUPERVISOR OF PREMISES

E. J. MITCHELL

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## WINNIPEG

V. D. S. TENEY	-	-	-	-	<i>Western Superintendent</i>
W. MARSHALL	-	-	-	-	<i>Assistant Superintendent</i>
A. R. PROFIT	-	-	-	-	<i>Western Inspector</i>
R. F. LARCOMBE	-	-	-	-	<i>Supervisor</i>

## VANCOUVER

W. B. McCRRICK,	<i>Superintendent of British Columbia Branches</i>
S. J. HAMMOND	- - - - - <i>Supervisor</i>

## MONTREAL

J. J. WINSBY	- - - <i>Superintendent of Montreal Branches</i>
H. J. CARMICHAEL	- - - - - <i>Supervisor</i>

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## AUDITORS FOR 1950

W. L. GORDON, F.C.A.  
of Clarkson, Gordon & Company,  
Toronto, Ont.

W. L. L. McDONALD, F.C.A.  
of Price, Waterhouse & Company,  
Toronto, Ont.

## A MESSAGE FOR 1950

*from*

### The President's Speech

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The Canadian north has possibly the greatest reservoir of undeveloped wealth in the world. To date, less than 20 per cent of the total area has been explored, mapped, surveyed or appraised, and less than half of this part has been prospected. Yet already it provides a substantial proportion of our national income. Vigorous development of the north, and consequent broadening of revenue sources, and reduction of taxation, is of paramount interest to Canada, and would require policies aggressive, courageous and imaginative.



PROCEEDINGS OF THE

*Ninety-Fourth*

**ANNUAL GENERAL MEETING**

*held on*

**Wednesday, 18th January, 1950**

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The Annual General Meeting of the Shareholders of The Bank (being the Ninety-Fourth 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, 18th January, 1950.

Moved by Mr. F. K. MORROW, seconded by Mr. A. DAVIS, and

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

*Carried.*

Moved by Mr. H. J. CARMICHAEL, seconded by Mr. H. T. HUNTER, 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. R. L. BEATTIE, seconded by Mr. JOHN R. READ, and

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

*Carried.*

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

The Directors of The Bank of Toronto take pleasure in presenting to the shareholders their report on the results of the Bank's operations for the year ending 30th November, 1949, together with the General Statement of Assets and Liabilities as on that date.

## PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1949, before Depreciation on Bank Premises and Government taxes — full provision for bad and doubtful debts having been made .....	\$2,529,969.77
Less:	
Depreciation on Bank Premises and Equipment	
As allowed for tax purposes .....	\$336,009.23
Special additional provision on which tax is paid .....	200,000.00
	<u>\$536,009.23</u>
Provision for Dominion and Provincial Government Taxes .....	838,397.89
	<u>1,374,407.12</u>
	\$1,155,562.65
Dividends .....	\$720,000.00
Provision for Bonus payable 3rd January, 1950 .....	120,000.00
	<u>840,000.00</u>
Balance of Profits carried forward .....	\$ 315,562.65
Balance of Profit and Loss Account, 30th November, 1948 .....	1,114,787.87
	<u>1,430,350.52</u>
Balance of Profit and Loss Account, 30th November, 1949 .....	<u>\$1,430,350.52</u>

J. L. CARSON, *President*

L. G. GILLET, *General Manager*

It is with deep regret that we record the death on October 23rd, 1949, of our Chairman, Mr. F. H. Marsh, who had been a member of the Board since 1941.

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

### ONTARIO

Ontario Street & Pleasant Avenue, St. Catharines.

### QUEBEC

Beaver Hall Hill, Montreal

Jean Talon Street West & Park Avenue, Montreal.

### ALBERTA

Mayerthorpe.

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

The auditors appointed by the Shareholders, Mr. W. L. Gordon, F.C.A., and Mr. W. D. Glendinning, F.C.A., have made their examination of the Bank's affairs and their report accompanies the General Statement.

J. L. CARSON, *President*

# GENERAL STATEMENT

November 30th, 1949

## ASSETS

Gold and Subsidiary coin held in Canada .....	\$ 641,433.50	
Notes of Bank of Canada .....	9,571,625.00	
Deposits with Bank of Canada .....	41,678,540.91	
Notes of and Cheques on other banks .....	23,428,513.33	
Government and bank notes other than Canadian .....	592,838.24	
Due by banks and banking correspondents elsewhere than in Canada .....	5,788,933.01	
	<u>\$ 81,701,883.99</u>	
Dominion Government direct and guaranteed Securities maturing within two years, not exceeding market value .....	\$ 44,440,807.82	
Other Dominion Government direct and guaranteed Securities, not exceeding market value .....	138,754,268.23	
Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value .....	4,934,225.00	
Other Provincial Government direct and guaranteed Securities not exceeding market value .....	15,093,127.63	
Canadian Municipal Securities, not exceeding market value .....	6,586,480.53	
Other Bonds, Debentures and Stocks, not exceeding market value .....	15,076,011.97	
	<u>\$224,884,921.18</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 .....	7,062,401.36	
	<u>231,947,322.54</u>	
	<u>\$313,649,206.53</u>	
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for .....	\$131,311,773.86	
Loans to cities, towns, municipalities and school districts .....	5,908,451.89	
Non-Current Loans, estimated loss provided for .....	22,139.12	
	<u>137,242,364.87</u>	
	<u>\$450,891,571.40</u>	
Liabilities of Customers under Acceptances and Letters of Credit, as per contra .....	2,886,110.48	
Mortgages on Real Estate sold by the Bank .....	8,528.98	
Bank Premises, at not more than cost, less amounts written off .....	5,508,399.07	
Deposit with the Minister of Finance for the security of note circulation .....	29,980.26	
Other Assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes amounting to \$35,564.15) .....	63,746.95	
	<u>\$459,388,337.14</u>	

## LIABILITIES

Notes in Circulation .....	\$ 530,706.00	
Deposits by and balances due to Dominion Government .....	\$ 14,632,351.78	
Deposits by and balances due to Provincial Governments .....	5,938,805.02	
Deposits by the public not bearing interest .....	127,527,141.50	
Deposits by the public bearing interest, including interest accrued to date of statement .....	279,084,232.96	
Deposits by and balances due to other chartered banks in Canada .....	2,358,343.79	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada .....	4,415,310.94	
	<u>433,956,185.99</u>	
Acceptances and Letters of Credit outstanding .....	2,886,110.48	
Liabilities to the public not included under the foregoing heads .....	284,431.80	
	<u>\$437,657,434.27</u>	
Dividends declared and payable .....	\$ 180,552.35	
Bonus declared and payable .....	120,000.00	
	<u>300,552.35</u>	
Capital paid up .....	\$ 6,000,000.00	
Reserve Fund .....	14,000,000.00	
Balance of Profits as per Profit and Loss Account .....	1,430,350.52	
	<u>21,430,350.52</u>	
	<u>\$459,388,337.14</u>	

J. L. CARSON, *President.*

L. G. GILLET, *General Manager.*

## AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of assets and liabilities as at the 30th November, 1949, 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.

W. L. GORDON, F.C.A.  
of Clarkson, Gordon & Co.  
W. D. GLENDINNING, F.C.A.  
of Glendinning, Jarrett, Gray & Roberts

Toronto, 19th December, 1949



# *President's Address*

GENTLEMEN:

It is with deep regret that I have to record the passing in October last of our valued colleague, Mr. F. Hedley Marsh.

Mr. Marsh's career in the Bank of Toronto, which commenced with his appointment in 1921 as Western Superintendent, was one of steady progress, and culminated with his appointment as President on February 1, 1942 and as Chairman of the Board on January 21, 1948.

As a result of his long and valued experience, he was widely known throughout Canada, not only as a banker, but for his qualities of heart and mind. His judgment and counsel were highly esteemed by the public and his associates, and he was held in the highest esteem by the members of the staff. His loss is deeply felt by all.

In Canada the tide of prosperity, to which we have referred at our annual meetings for some years past, has continued during the year just ended. Industrial production is at a peacetime high. Capital expenditures continue to be heavy. Purchasing power remains strong and retail sales are above those of a year ago. American\* capital is flowing into Canada and employment is plentiful. Thus far, Canada has avoided a recession of the type experienced in the United States.

It is reasonable to expect sooner or later some tapering off in the insistent consumer demand which has marked the upswing of the past few years, and a lessening of the urgent activity in capital expansion. Export markets will be less certain. Tax refunds and retroactive payments to wheat growers are declining factors. While business activity is likely to remain at the present high level for a time, it may well be that 1950 will show a moderate decline from the records of 1949. Competition becomes increasingly keen as we go along, with profit margins declining, hence the need for economies and efficiencies in business operations, a cautious inventory policy, and a close check on receivables.

## **Agriculture**

Our wheat crop produced 367 million bushels — 26 million less than in 1948, and 38 million below the ten year average. Gross farm income, while slightly down from a year ago, will approximate two and a quarter billion dollars. Marketing our wheat in the immediate years ahead will be one of Canada's major problems. Our former customers for farm products are bending every effort to become as self-sufficient as possible. A prosperous agriculture means much to the general prosperity of the nation.

## **Export Trade, United Kingdom**

Exports are vital to Canada's economy. Looking ahead, the sale of our export surpluses is not too assuring, largely because Britain is likely to have fewer dollars to spend in Canada. We must be realistic and appreciate that if she is to remain our second largest market we must be prepared to increase considerably our purchases from her. If British exporters could supply Canada with fifteen per cent of the goods which this country at present is buying from the United States, Britain's trade deficit with Canada would be overcome.

It is interesting to note that over the past thirty years British purchases from Canada have exceeded her sales to us by the huge amount of eleven billion dollars. This has been of tremendous assistance in the development of Canada. We and the United States have such a vital stake in the United Kingdom that we can only hope that by continued co-operative and constructive action, particularly on the part of the United States — which has been so magnanimous in its efforts to promote world recovery — we can ease the burden Britain is carrying. Her path out of economic difficulty is not too clear. The burden of crushing taxation and the lack of incentive offered her people impair her ability to compete in dollar markets. To her traditional customers in the sterling area, she has moral obligations and with them she has a profitable trade, but the dollar problem is one which can scarcely be solved without harder work and greater productivity. However, the dogged determination of the British people hitherto has always been seen at its best when they realize that they are in a crisis.

## **The United States**

Canada's economic life is closely linked with that of the United States and, with British purchases diminishing, Canada will be even more heavily dependent on United States and other markets. It will require a high degree of ingenuity, initiative and aggressiveness on the part of our industrialists, with the co-operation of the government, to break new ground and be able to sell at competitive prices. A continuation of the high level of economic activity in the United States of course would assist our own well-being.

Here again it is interesting to note that over the past thirty years the United States has sold more goods to us than she has purchased from us, to the extent of the huge amount of seven billion dollars. Canada is the United States' best customer. There should be a give and take policy. This all makes for the advancement of international understanding and goodwill between nations — a most desirable objective. Can we not hope for a reduction in tariffs and a simplification of customs procedure so

that more Canadian products can get into the American market and bring the trade between the two countries into better balance?

### **Vigorous Development of the North is the Road to National Security**

The Canadian north has possibly the greatest reservoir of undeveloped wealth in the world. To date, less than 20 per cent of the total area has been explored, mapped, surveyed or appraised, and less than half of this part has been prospected. Yet already it provides a substantial part of our national income. Vigorous development of the north, and consequent broadening of revenue sources, and reduction of taxation, is of paramount interest to Canada, and would require policies aggressive, courageous and imaginative. The spectacular development in oil production in Alberta is just one instance of what the future has in store. From our forest crop and mineral production, aggregating approximately three billion dollars, it is not difficult to visualize an increase of from 30 per cent to 50 per cent in these industries within a few years.

For what has already been accomplished and is taking place, tribute must first of all be paid to air transit, in which Canadians have kept to the forefront in courage, technical skill and enterprise. Without it, some of our most spectacular developments would have been impossible. Air transportation now serves the explorer, the prospector and the operator, and has become the chief means of access to the greater part of the north country.

### **Reservoir of Technicians Needed**

Further development of the north of course will require the close co-operation of the federal and provincial governments to work out mutual and compensating programs in fur farming, fishing, forestry, and in the development of mineral deposits. The federal government might well assist the universities in training a corps of young men in geology, engineering, chemistry, mineralogy, prospecting, surveying and soil analysis, through well planned courses supplemented by field work. Thus in a decade there would be a reservoir of technical workers for every phase of development of our natural resources.

Add to this reasonable encouragement of immigration to supply more working and consuming population, and pledges to safeguard and encourage large amounts of risk capital, and we will have the foundation to make the north country play its obviously destined part in a greater and better Canada.



# The Atomic Era

In his address to Shareholders, the President said of Canada: "The mineralized area is so vast that there would appear to be ample reserves of gold, copper, lead, zinc, titanium, asbestos, iron, coal, uranium, oil and natural gas, to maintain current production and possibly to double it in the next quarter century". Not the least of these prospects concerns the plant at Chalk River, Ontario, which is pictured below and which processes materials for the atomic era ahead.



## **Water Power**

Another arm in our national strength is water power resources. In the St. Lawrence and Hudson Bay watersheds and the numerous rivers of British Columbia we have something like 100 million horsepower, which is enough to drive the machinery of a top ranking industrial nation and to supply its homes. This vast power potential is assured for all time to come, if properly protected by wise measures of conservation on the part of the federal and provincial governments. Its sources are the rains of summer and the snows of winter, its natural holding grounds are the forests, lakes, swamps and bogs, and we have a climate that co-operates.

## **Forestry, Minerals, Fish and Furs**

The physical assets of the north country are chiefly minerals, timber, fish and furs.

The range of minerals is so great as to include nearly every species of importance, and in no mean quantities. The mineralized area is so vast that there would appear to be ample reserves of gold, copper, lead, zinc, titanium, asbestos, iron, coal, uranium, oil and natural gas, to maintain current production and possibly to double it in the next quarter century.

The contribution of our forests is also well known, and the Canadian Forestry Association in a recent survey stated that Canada can safely expand present production and perhaps double it within the next fifty years if rational management is exercised.

Our fish and fur resources are of lesser importance, but they nevertheless continue to play a considerable part in our national economy.

May I conclude this reference to our north country with a request that we keep engraved upon our minds these important words: Power — Minerals — Forests — and that we think of them in terms of both Conservation and Development, for only through the wise management indicated by these terms can we get the best out of them for the future of Canada.

## **Markets**

By 1975 the United States will have a population of probably 180 million people. The United States will then provide a ready market for most of the things we produce. By that time our own needs and the needs of the world will have grown comparably with those of our great neighbor. The United States is largely self-contained and also highly productive, but its very productivity makes it an increasing absorber of raw materials of

every kind — even where it has a domestic supply it still feels the need of supplementing from outside, and no source is as convenient as is Canada.

In passing one wonders how long less than fifteen million people will be allowed to pre-empt half a continent, particularly half a continent so rich in everything the world needs. We are trustees for the world of these riches. Immediate and vigorous development of the North is the road to national security now and in the future.

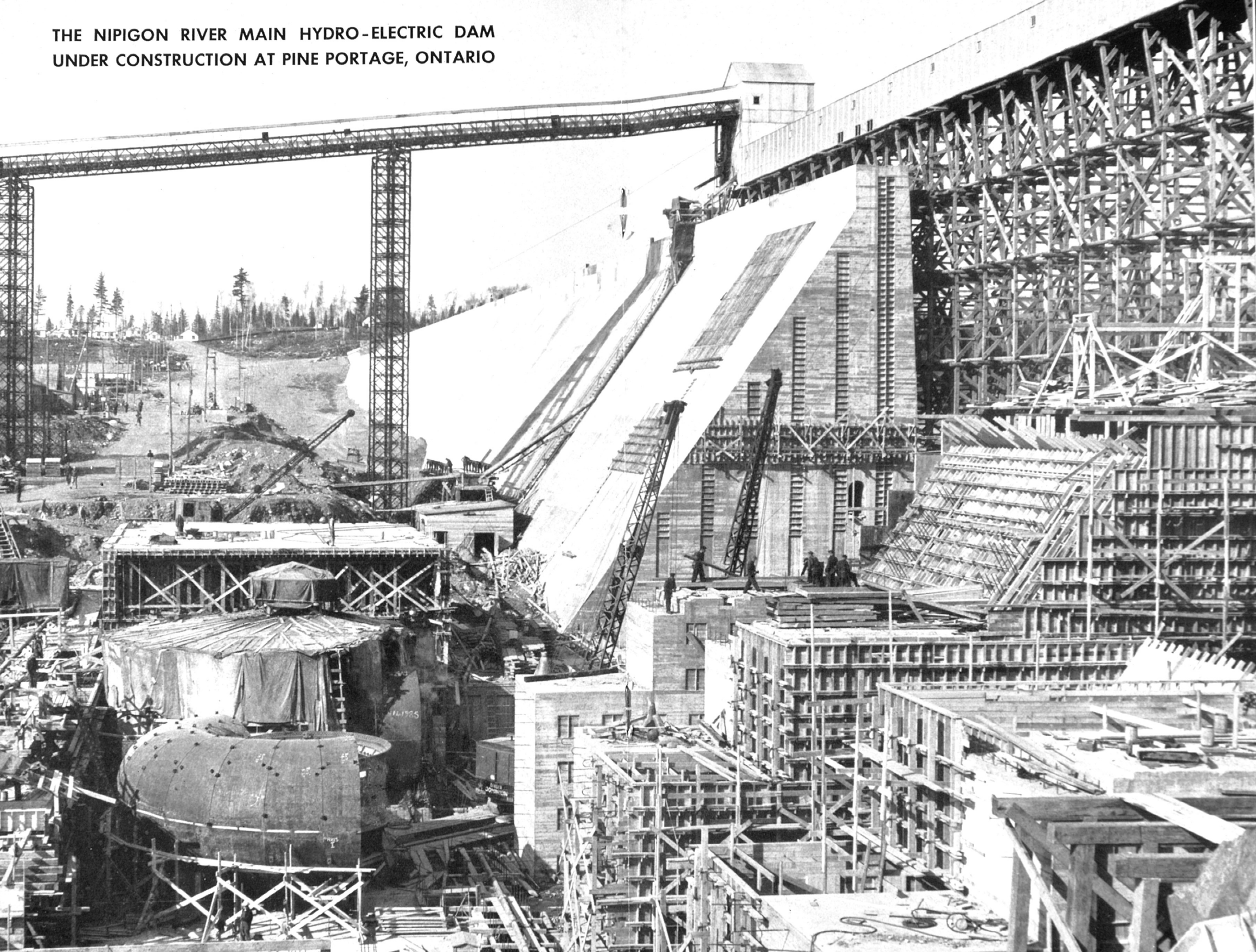
### **A Mid-century Look Backward and Forward**

As we are now in 1950, — the year which marks the turn in the 20th century, we can appropriately view the changes which are taking place, because by every test this is one of the most remarkable eras in the world's history. Canada is not at the top of the world, but its place is increasingly important. In the production of nickel, platinum, asbestos, radium, uranium and newsprint, Canada stands first in the world. In hydro-electric power, aluminum and gold, and in the export of wheat, we are second. Canada stands third in copper, zinc and silver, and fourth in lead. In volume of external trade we stand second per capita, and third in gross volume. In living standards we are second, and our prosperity is reflected in the fact that our gifts, loans and contributions arising out of the late war totalled six billion dollars.

Here are a few figures which measure our growth of the half century. From the 1901 census to the 1949 estimate, population is up from 5,371,000 to 13,500,000. From 1900 to the most recent figure, imports are up from \$170 million to \$2,800 million, exports from \$183 million to \$3,000 million, life insurance in force from \$431 million to \$14,200 million. The number of branches of our chartered banks is up from 708 to 3,543, their deposits in Canada from \$313 million to \$7,700 million, and their loans in Canada from \$360 million to \$2,500 million.

It is interesting to note that the total assets at the end of November last of The Bank of Toronto are equal to the total assets in 1900 of the 20 Canadian Chartered Banks then operating. Thus while the 20th century may not be ours alone, it is one in which we are forging ahead, and should continue to forge ahead. Our economic development has been tremendous. We are at the threshold of a new and greater economic era. Ours is a great heritage — economic, political and spiritual. We must take an increasing share in shaping human destiny, and in so doing let us also have due regard for sharing our privileges and opportunities and at the same time safeguarding our priceless liberties.

THE NIPIGON RIVER MAIN HYDRO-ELECTRIC DAM  
UNDER CONSTRUCTION AT PINE PORTAGE, ONTARIO





# *General Manager's Address*

MR. CHAIRMAN AND GENTLEMEN:

It is my privilege to comment on the Ninety-fourth Annual Statement of our Bank, which has been presented to you today.

## **Profits**

Profits this year have been excellent. After full provision for Bad and Doubtful Debts, and the usual contribution to the Pension Fund, earnings of \$2,529,969 were \$416,673 higher than a year ago. Government Taxes were, of course, up correspondingly and show an increase of \$94,803. In addition, Depreciation on Premises and Equipment was increased substantially by \$157,129 to \$336,009, the full amount permitted under tax regulations. Your management has also considered it advisable to add to this write-down a further and special appropriation of \$200,000 from Profits after taxes. Our Premises Account is growing rapidly, and, particularly in view of the present high level of building costs, it is considered prudent, as far as is possible, to restrict the total to an amount in proper relation to our shareholders' funds.

Distribution to shareholders, \$840,000, representing dividends at the rate of \$1.20 a share, plus a year-end bonus of twenty cents a share, was the same as a year ago, leaving \$315,562 carried forward to Profit and Loss Account, \$35,258 less than a year ago, but nevertheless a very satisfactory showing. Our shareholders' funds consisting of Capital, Reserve Fund and Profit and Loss Account now total \$21,430,000.

## **Total Assets**

Although not showing the sharp increase of a year ago, reached a new peak at \$459,000,000, up \$23,000,000.

## **Securities**

At \$224,000,000 are \$10,900,000 higher. Our investments are all of high grade, \$203,000,000, or 90%, consisting of Dominion and Provincial bonds, and the increase for the year is all in this category.

## **Call Loans**

At \$7,000,000 are down \$1,400,000. All are, of course, fully protected by readily marketable securities.

## **Current Loans and Discounts**

At \$131,000,000 are up \$5,500,000, a satisfactory gain. Loans to cities and other municipal bodies, \$5,900,000, are up \$2,000,000.

### **Bank Premises**

At \$5,500,000 are higher by \$454,000. Our important new building at Edmonton is close to completion, while during the year we erected new offices for our Market Branch, Hamilton, and for a new branch on Jean Talon Street, Montreal. Two further buildings are under construction in suburban Toronto and are well under way. By spring a start will be made on the erection at Victoria of new premises for our Main Office at that point. Our present office has outlived its usefulness, and the new building will be commodious and in keeping otherwise with the importance of the branch. New buildings are planned for our main branches in Winnipeg and Windsor, and we hope their erection will not be long delayed.

Our program of renovating and modernizing existing premises, replacing them where necessary, in addition to provision for newly established branches, must go steadily on. We realize, however, that we must heed ourselves the advice we often give customers not to tie up in bricks and mortar too large a proportion of their capital, and it will continue to be our policy to keep down the amount of our Premises Assets by application of depreciation to the full extent our earnings permit.

### **Notes in Circulation**

This heading appears in our Statement for the last time. Before the end of this month we will pay to the Bank of Canada the amount of our notes still outstanding and from then on they will provide for their redemption. The double liability of our shareholders thus comes to an end.

### **Deposits**

Reached a new high at \$427,000,000, up \$22,000,000 from a year ago, the increase being chiefly in deposits bearing interest which at \$279,000,000 are \$14,000,000 higher.

### **Branches**

We opened four new offices during 1949 and now have a total of 212, an increase of 37 since the war ended. The opening of six additional branches is already arranged for this year, including offices at Halifax and Quebec. We have purchased buildings at both points and are pleased that in a few months' time we will have direct representation in these important cities.

### **Inspections**

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

### **Thanks to Staff**

It is the custom to comment on our staff at this point and it is with pleasure that I pay tribute to them for the excellence of their work throughout the year. The whole-hearted support of every officer and employee has been cheerfully given and is gratefully acknowledged. You will be pleased to know that suitable recognition in the way of increased salaries and cash bonuses has been given.

The staff numbers 2,277, an increase of 63 in the year, and is 58% male.

This Bank is always on the lookout for bright young men who have the education and background to fit them for a career in banking — one of the oldest and still one of the best regarded of all professions. I wonder if — to attract ambitious young men — banks generally have not placed too much emphasis on the security which their employment provides. Security there is, to be sure, and will be, but there are many other more important factors and to those willing to work hard and accept responsibilities a career in this Bank offers exceptional opportunities — better today than ever before.

### **Customers and Shareholders**

It is our duty, and pleasure also, to acknowledge our indebtedness to our customers and shareholders for their loyalty and support throughout the year and for their part in making this Statement a success. To each and every one we extend our thanks.

### **The Future**

What does 1950 hold in store for us? 1949 was a good year, and undoubtedly better than was anticipated twelve months ago. Capital investment held up well, and business in general, while moving out of the boom period, was on the whole prosperous. The moderate recession which occurred to the United States was scarcely felt here. For once, the economies of the two countries seemed to take a divergent course, although it may well be that the down turn in the States was too slight and too brief to affect us.

We cannot, however, be too confident of the immediate future. The full effects of currency devaluation have yet to be felt, and with the international situation as it is, unfavourable situations further affecting our export trade may develop.

Our attitude, however, is merely cautious, not pessimistic. It is true that generally speaking informed opinion looks for a continuation of good business for the next six months, with possibly a moderate turn down in the latter part of the year, but if such should occur it cannot be unexpected. For the long pull, however, no Canadian can be other than

optimistic. Two things I am sure of — that no people in the world are better off than are we, and that barring world catastrophe no country has a brighter future than has Canada.

In conclusion, I have just one further thought. Often we hear it said that as we come into a more competitive period a good many concerns born in boom time may fall by the wayside, but that it will be the older and more experienced companies that will come through. There is truth in this, but we are not in full agreement. This is a young man's country, and in the years of expansion ahead there is, as compared with today, ample room for additional thousands of prosperous, important concerns. Wisdom is looked for with age and experience, but youth has vision and vigor.

We pride ourselves that The Bank of Toronto is regarded as an extremely sound institution, but we have no desire to be thought of as ultra conservative. We like to form connections with young people and with new concerns, because if of the right type, enterprising and with good ability, they will be our important customers tomorrow. Any such are always welcome at The Bank of Toronto and their plans and aspirations assured of a sympathetic and understanding hearing.

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Moved by Mr. J. L. CARSON, seconded by Mr. J. J. VAUGHAN, and  
*Resolved*—That the report of the Directors and Statement which has now been presented be adopted.

Moved by Major General A. BRUCE MATTHEWS, seconded by Mr. M. ROSS GOODERHAM, and

*Resolved*—That Mr. Walter L. Gordon, F.C.A., of Clarkson, Gordon & Company and Mr. W. L. McDONALD, F.C.A., of Price Waterhouse & Company, 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. T. D'ARCY LEONARD, seconded by Mr. GORDON C. LINDSAY, and

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

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

The Statement needs no particular comment from myself but there are points there to which we may make reference.



One is the substantial increase in deposits, which reflects the confidence of the people in this Bank and the energy of the management in opening new branches. Another figure of interest is the substantial increase in the net earnings of the Bank. Behind those figures there is the work of a great many men and women, a team, as Mr. Gillett has said, of some 2,300 employees of this great Bank. The Balance Sheet, as I have said in the past, is one of the strongest of any financial institution in the country and the people responsible are all of your staff, and not just the directors and executive officers, but throughout the wide network of branches, the ledger-keepers and tellers, juniors and accountants who all together make a team that produces these results, and we wish to take this opportunity of thanking them for that.

MR. VANSTONE:

My remarks will be brief. We like to feel that this Resolution of appreciation is directed more particularly to the staff as the good showing is due in no small measure to their excellent work. We are proud of our staff. They have exemplified the policies shown in the crest of the Bank of Toronto, namely — Industry, Intelligence and Integrity.

On behalf of the Directors, Executive Officers and Staff I wish to thank Mr. Leonard and Mr. Lindsay for their complimentary remarks.

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Moved by Mr. W. G. WATSON, seconded by Dr. E. M. HENDERSON, and

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

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

B. S. VANSTONE

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

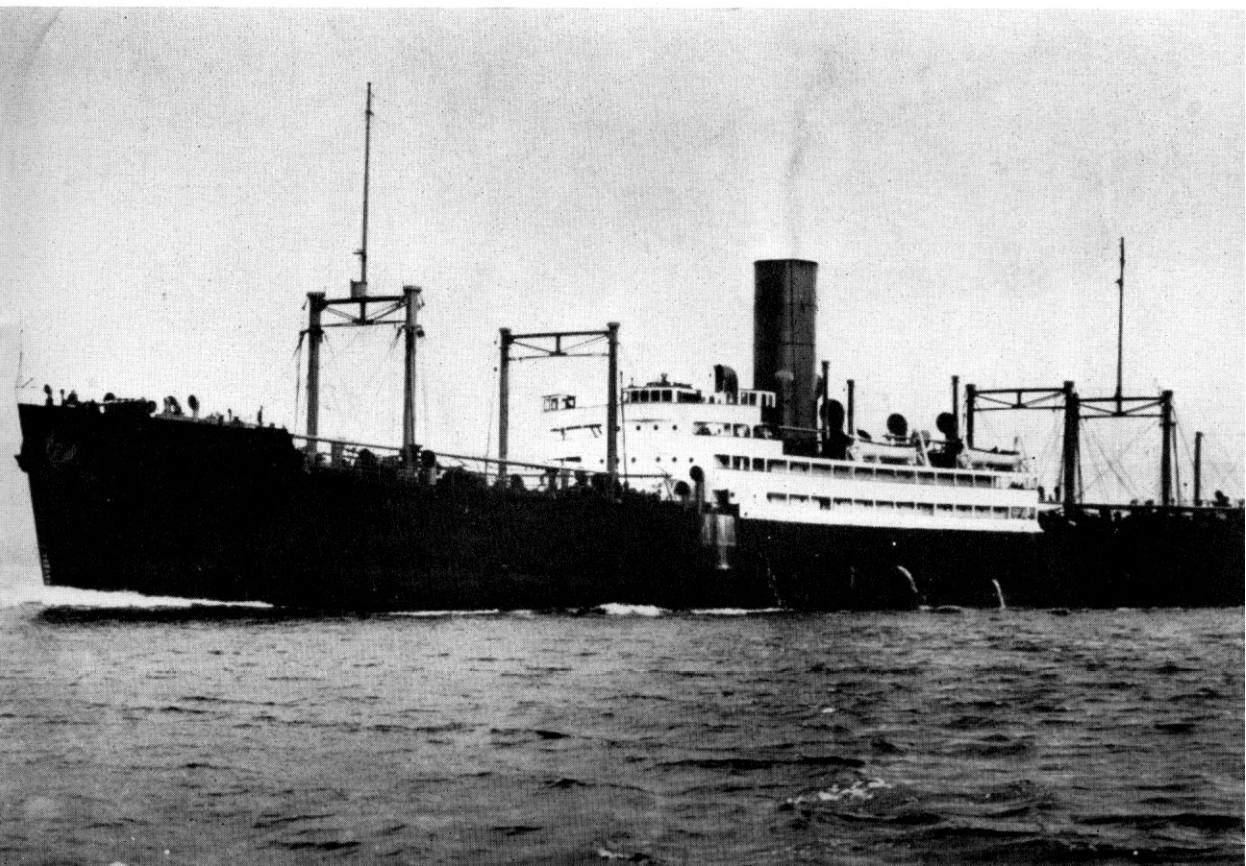
At a subsequent meeting of the new Board the following were elected to the office named: J. L. CARSON, President, B. S. VANSTONE, Vice-President.

By Order of the Board,

L. G. GILLETT,  
*General Manager.*

# Canada's Export Trade

The 10,000-ton cargo vessel below helps carry Canada's enormous export trade to 123 other nations around the world. On this point, the President told shareholders: "Exports are vital to Canada's economy . . . In the production of nickel, platinum, asbestos, radium, uranium and newsprint, Canada stands first in the world. In hydro-electric power, aluminum and gold, and in the export of wheat, we are second. Canada stands third in copper, zinc and silver, and fourth in lead. In volume of external trade, we stand second per capita and third in gross volume."



*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
1869	1,143,847	1,769,305	2,908,433	3,746,330
1879	2,754,136	2,629,346	5,431,060	6,411,307
1889	3,441,963	6,197,518	9,356,755	11,007,279
1899	3,915,445	11,560,474	13,984,561	17,247,630
1909	8,818,871	34,573,897	37,438,588	47,989,693
1919	11,793,983	86,712,997	81,048,649	109,285,118
1929	15,163,120	104,996,635	105,227,239	142,185,619
1939	17,529,694	142,034,974	132,541,765	168,339,469
1949	21,430,350	433,956,185	369,189,687	459,388,337

Paid-up Capital .....	\$ 6,000,000
Rest Account .....	14,000,000
Profit and Loss Account .....	1,430,350
	<hr/>
	<b>\$21,430,350</b>
	<hr/>

# 3<sup>rd</sup> CANADIAN INTERNATIONAL TRADE FAIR

Toronto  
May 29th  
June 9th  
1950

Over 2000 firms, representing 35 separate countries, displayed their products in 1949. Businessmen from 56 different nations registered as buyers. For 1950 the Trade Fair promises to be bigger and better than ever — a feature being the United Kingdom drive, supported by the British government, for a greater share of the dollar market.



FRANCE

SCOTLAND

SWITZERLAND

CANADA

HOLLAND

CHINA

ITALY

NORWAY

# BRANCHES

## ONTARIO

Toronto, King & Bay Sts. (Main Office)	R. J. Burtis,	Manager
	H. E. Burns,	Asst. Mgr.
	H. L. Willis,	"
" Avenue Road & Fairlawn Ave.	H. A. Ackerman,	Manager
" Avenue Road & Joicey Blvd.	R. H. N. Rowland,	"
" Bathurst St. & Glencairn Ave.	C. J. Cracknell,	"
" Bloor & Bay Sts.	H. A. Daykin,	"
" Bloor & Jane Sts.	C. P. Roper,	"
" Bloor & Royal York Rd. (Kingsway)	J. Harding,	"
" Church & Wellington Sts.	S. R. Way,	"
" Danforth & Dewhurst Blvd.	W. S. Dick,	"
" Donlands & O'Connor Drive	W. R. Butcher,	"
" Dundas & Keele Sts.	W. J. Strathdee,	"
" Dundas & Ossington Ave.	G. M. Kennedy,	"
" Dundas & Roncesvalles Ave.	B. O. Branstion,	"
" Eglinton & Avenue Road	L. N. Hicks,	"
" Eglinton & Bathurst St.	A. E. Hall,	"
" Eglinton & Heddington Ave.	J. R. Clark,	"
" Eglinton & Shortt St.	A. W. B. Rogers,	"
" Eglinton & Winona Drive	J. E. Wilson,	"
" Eglinton Ave. East & Laird Drive	J. M. Smith,	"
" Elm & Elizabeth Sts.	G. L. Reid,	"
" King & Bathurst Sts.	A. F. Sanders,	"
" Kingston Road & Warden Ave.	R. F. Gowans,	"
" Mount Pleasant & Belsize Drive	J. A. MacDonnell,	"
" Queen & Kenilworth Ave.	A. V. Darroch,	"
" Queen & Logan Ave.	D. E. Morgan,	"
" Queen & Parliament Sts.	H. L. Lennon,	"
" Queen & Spadina Ave.	Jas. Stewart,	"
" Queensway & Royal York Road	O. L. Culley,	"
" St. Clair & Bathurst St.	J. D. Manning,	"
" St. Clair & Christie St.	S. S. Martin,	"
" Yonge St. No. 205	W. B. Young,	"
" Yonge & Bedford Park Ave.	J. G. McLaren,	"
" Yonge & Belsize Drive	J. E. H. Campbell,	"
" Yonge & St. Clair Ave.	G. D. Woolley,	"
Allandale	F. Stevenson,	"
Alliston	G. E. Liesemer,	"
Barrie	H. R. Nettleton,	"
Bethany	J. K. Hamilton,	"
Brantford	H. E. Lambert,	"
Brockville	J. S. McMillan,	"
Burford	R. J. Sim,	"
Burlington	S. P. Coe,	"
Cardinal	A. K. Young,	"
Carlisle	Sub to Freelon	"
Chatham	J. R. Jones,	"
Clarksburg	F. W. Hannah,	"

# BRANCHES

Cobourg .....	W. N. Bradley,	Manager
Coldwater .....	I. G. Weylie,	"
Collingwood .....	W. F. Hyde,	"
Copper Cliff .....	R. Gray,	"
Creemore .....	G. D. Gowans,	"
Creighton Mine .....	W. D. Stephenson,	"
Delta .....	Sub to Lyndhurst	"
Dorchester .....	H. C. Francis,	"
Dunnville .....	F. C. Millard,	"
Elmvale .....	W. J. Schaefer,	"
Everett .....	Sub to Alliston	"
Feversham .....	J. D. Randall,	"
Fort William .....	C. C. Eddy,	"
Freelton .....	L. I. Gumb,	"
Frood Mine .....	Sub to Sudbury	"
Galt .....	F. A. Maples,	"
Gananoque .....	J. H. Mills,	"
Garson Mine .....	Sub to Sudbury	"
Hamilton, 37 James St. S. (Main Office) .....	W. E. Sharpe,	"
"     Aberdeen & Dundurn St. ....	H. J. Little,	Asst. Mgr.
"     Market Branch .....	W. W. Wright,	Manager
"     Market Branch .....	H. R. Cluff,	"
Havelock .....	W. H. Kumpf,	"
Keene .....	F. L. Wismer,	"
Kerwood .....	W. A. Caesar,	"
Kingston, King & Brock (Main Office) .....	C. A. Dixon,	"
"     West End Branch .....	E. W. Cook,	"
Kitchener .....	H. S. Chambers,	"
Lansing .....	E. L. Willard,	"
Levack .....	C. H. Brown,	"
London, Richmond & King Sts. (Main Office) .....	J. R. Wright,	"
"     City Hall Branch .....	R. A. Echlin,	Asst. Mgr.
"     East End Branch .....	T. C. Margrett,	Manager
"     Market Branch .....	K. S. King,	"
"     Market Branch .....	R. B. Gendron,	"
Lyndhurst .....	H. Nightingale,	"
MacTier .....	M. Weller,	"
Markdale .....	A. E. Hunt,	"
Meaford .....	B. C. McArthur,	"
Millbrook .....	H. Perkin,	"
Morrison .....	Sub to Freelton	"
New Lowell .....	Sub to Stayner	"
Newmarket .....	A. C. Lord,	"
Oakville .....	H. G. McKillop,	"
Oil Springs .....	A. H. A. Padgham,	"
Omeme .....	N. Toland,	"
Orangeville .....	G. M. Lawrence,	"
Ottawa, 106 Sparks St. (Main Office) .....	B. M. Currie,	"

# BRANCHES

Ottawa, Ottawa South Branch .....	E. J. Fitzgerald,	Manager
" Union Station Branch .....	J. H. Smith,	"
" West End Branch .....	R. C. Waldie,	"
Owen Sound .....	A. MacKay,	"
Paris .....	T. B. Chester,	"
Parry Sound .....	P. E. Butler,	"
Penetanguishene .....	C. H. Smith,	"
Peterborough .....	W. A. McEvoy,	"
Petrolia .....	F. O. Johnston,	"
Port Hope .....	E. G. Britton,	"
Preston .....	A. Stephenson,	"
St. Catharines, 31 Queen St. (Main Office) .....	E. J. H. Vanston,	"
" Ontario St. & Pleasant Ave. ....	A. R. MacGregor,	Asst. Mgr.
St. Mary's .....	W. G. Snoddy,	Manager
Sarnia, 172 Front St. (Main Office) .....	H. B. Newton,	"
" Blue Water Branch .....	J. W. Simpson,	"
Seeley's Bay .....	E. J. Reid,	"
Shelburne .....	Sub to Lyndhurst	"
South Porcupine .....	J. H. Lawrence,	"
Stayner .....	W. S. McDowell,	"
Stratford .....	L. A. Gould,	"
Sudbury, Durham St. (Main Office) .....	S. G. Page,	"
" North End .....	G. E. Armstrong,	"
Thornbury .....	W. N. Douglas,	"
Trenton .....	M. A. Patterson,	"
Walkerville .....	B. F. Joyce,	"
Wallaceburg .....	D. W. Marks,	"
Waterloo .....	C. N. Robinson,	"
Welland .....	H. J. Lancashire,	"
Westboro .....	J. E. Curry,	"
Windsor, Wyandotte & Ouellette Ave. (Main Office) .....	J. E. Peacocke,	"
" West End Branch (2161 Wyandotte St. W.) .....	H. E. Whitney,	"
Wyoming .....	J. F. Zuber,	"
	A. W. Kruse,	"

## QUEBEC

Montreal, St. James & McGill Sts. (Main Office) .....	J. J. Winsby,	"
	S. T. Paton,	Asst. Mgr.
	A. R. Maver,	"
" Atwater & St. Antoine St. ....	M. J. Fursey,	Manager
" Beaver Hall Hill .....	S. G. Bickley,	"
" Bernard & Hutchison St. ....	H. B. Anderson,	"
" Board of Trade .....	V. R. Tufford,	"
" Jean Talon St. West & Park Ave. ....	P. O. Despatis,	"
" Maisonneuve .....	E. J. Valois,	"
" Peel St. No. 1232 .....	W. A. Walters,	"
" St. Catherine & Guy Sts. ....	A. H. Walsh,	"
" St. Catherine St. East No. 1490 .....	J. J. L. Senecal,	"
" St. Hubert & Belanger Sts. ....	J. E. Long,	"

# BRANCHES

Montreal, St. Lawrence Blvd. & Ontario St. ....	H. J. Stone,	Manager
" Sherbrooke & Claremont Ave., Westmount	T. C. Nicholl,	"
" Snowdon Br.—Queen Mary Rd. & Decarie Blvd. ....	A. B. Clarke,	"
" Van Horne Ave. No. 1555, Outremont ....	J. E. Boyle,	"
Gaspé .....	W. W. Annett,	"
Grand River .....	J. A. Cassin,	"
Malartic .....	E. S. Wesenger,	"
St. Lambert .....	R. A. Ross,	"
Val d'Or .....	J. A. Campeau,	"

## MANITOBA

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

## SASKATCHEWAN

Assiniboia .....	Geo. Kay,	"
Bredenbury .....	V. Hughes,	"
Colonsay .....	J. C. Thom,	"
Glenavon .....	W. E. Hyatt,	"
Glidden .....	Sub to Madison	
Gravelbourg .....	V. E. French,	"
Hodgeville .....	H. A. Lawrence,	"
Kipling .....	L. Gemmill,	"
Kyle .....	N. E. Weaver,	"
La Fleche .....	R. Steel,	"
Langenburg .....	J. W. Runge,	"
Madison .....	D. R. Stevens,	"
Mazenod .....	R. Maxwell,	"
Meyronne .....	H. F. Deutscher,	"
Montmartre .....	M. W. Paul,	"
Neilburg .....	G. Hunter,	"
Preeceville .....	J. E. Conn,	"



## BRANCHES

Regina .....	H. R. Chapin,	Manager
	J. F. Saunders,	Asst. Mgr.
Rocanville .....	R. O. Gunning,	Manager
Rosetown .....	H. W. Thompson,	"
Smiley .....	W. J. Stone,	"
Stenen .....	E. W. Keyes,	"
Welwyn .....	D. L. Fyfe,	"
Wolseley .....	R. H. Wilson,	"
Yorkton .....	N. S. Jackman,	"

### ALBERTA

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

### NORTHWEST TERRITORIES

Yellowknife .....	P. W. Atkinson,	"
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### BRITISH COLUMBIA

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

*Correspondents throughout the world*



INCORPORATED 1855



INCORPORATED 1855



*Head Office*  
**TORONTO**