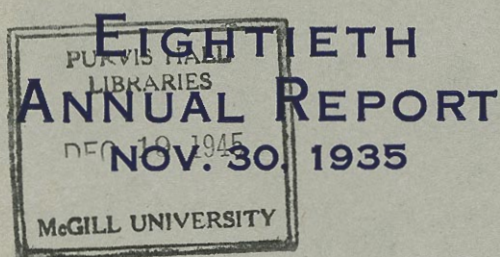
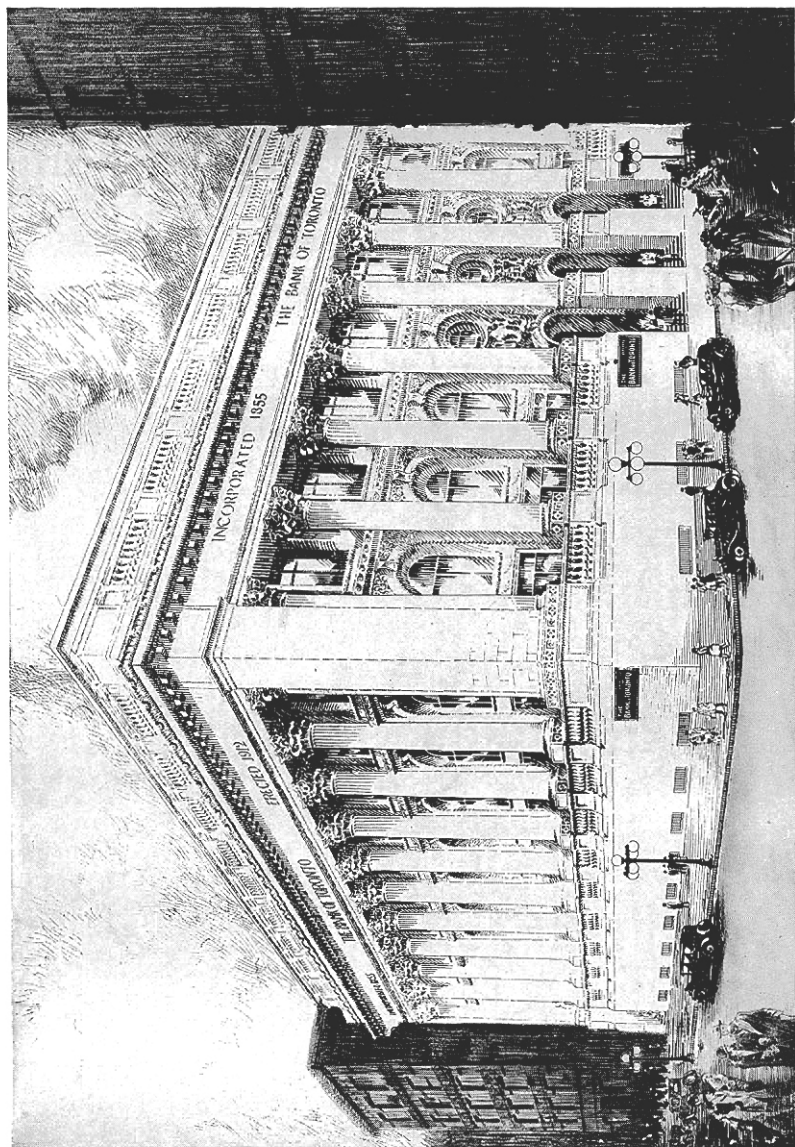


THE
BANK OF TORONTO,
TORONTO





THE BANK OF TORONTO. TORONTO

To Our Shareholders

THE 80th Annual Report of your bank indicates further progress on the way to more normal conditions.

It should be a matter of great satisfaction to the shareholders that their bank continues to hold its position of outstanding strength and stability among the great financial institutions of the Dominion. You may confidently recommend your bank to all those seeking safety for their funds, and to those requiring financial assistance for their business, with the knowledge **that** they will **be** directed along sound progressive lines.

As one of the owners you are vitally interested in its progress, and we therefore bespeak your hearty co-operation towards directing to its doors any business requiring banking facilities.

Harvey B. Henwood,
General *Manager*

THE BANK OF TORONTO

PRESIDENT

JOHN R. LAMB, **TORONTO.** { Director Canada Permanent Mortgage Corporation.
 " Canada Permanent **Trust** Company.

VICE-PRESIDENTS

HARVEY B. **HENWOOD**, **TORONTO.** { Director Crown Trust Company, Montreal.
 " **Manufacturers** Life Insurance Company.

PAUL J. MYLER, **HAMILTON.** { Chairman and President Canadian Westinghouse Company, Limited.
 President **Landed Banking & Loan** Company.
 Director The Toronto **General Trusts Corporation**.
 " **Westinghouse** Air **Brake** Company, **Pittsburg.**

DIRECTORS

BRIG.-GEN. F. S. MEIGHEN, **MONTREAL.** { President Lake of the Woods Milling Ca., **Limited.**
 " Canada North West **Land** Company.
 " Inter City **Baking** Co. Limited.
 " New **Brunswick** Railway Company.
 Director **Aldred** Investment **Corporation.**
 " Canadian Pacific Railway Company.
 " (Canadian Board) **Phoenix** Assurance Company of London, **England.**

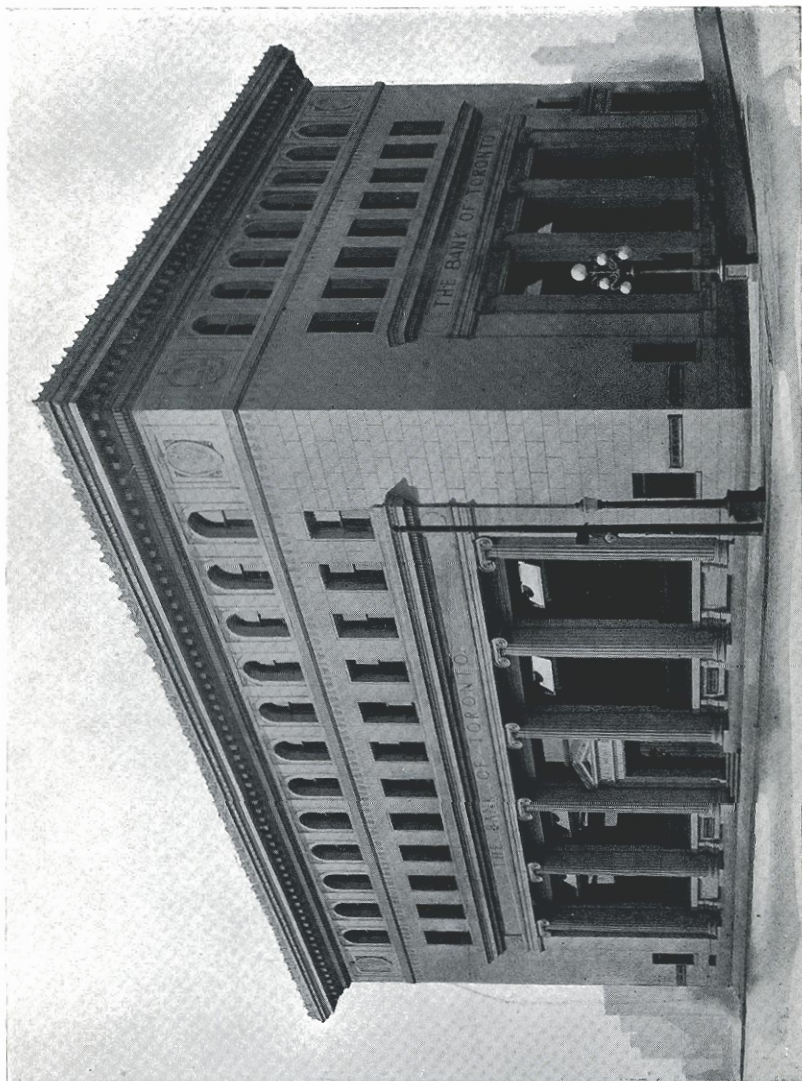
COL. WILLIAM I. GEAR, **MONTREAL.** { **Chairman, Board of Directors, Cassidy's** Limited.
 President **Crown Trust** Company.
 " William I. Gear, Son & Company, **Inc.**
 Vice-President **Keewatin** Flour **Mills Co.,** Limited.
 Director **Siscoe** Gold Mines Limited.
 " **Wabasso** Cotton Co., Limited.

ARCHIBALD H. CAMPBELL, { Vice-President Consumers' Gas Company of Toronto.
 Director The Toronto General Trusts Corporation.

JOHN I. McFARLAND, **CALGARY.** { President Imperial Motors, Ltd.
 Director Metals Limited.
 " Burns & Co., Limited.
 " **Manitoba** Bridge and Iron **Works.**
 " **Manitoba** Rolling Mills. Limited.



THE BANK OF TORONTO. MONTREAL



THE BANK OF TORONTO, VANCOUVER

THE BANK OF TORONTO

DIRECTORS—CONTINUED

THOS. F. HOW, **TORONTO.** { Retired.

FREDERICK K. MORROW, TORONTO.	{	Trustee, Canadian National Railways.
		Chairman Wilsil Limited.
		Vice-President Gold Dust Corporation.
		“ Toronto Elevators Limited.
		Director Christie, Brown & Co. , Limited.
		“ Consolidated Bakeries of Canada , Limited.
	{	“ Loblaw Groceries Co. Limited.
		“ Massey-Harris Co., Limited.
		“ The Ogilvie Flour Mills Co. Limited.

J.	WOODS, TORONTO.	{	President, Zimmerknit Company, Limited.
			Vice-president and Managing Director, York Knitting Mills Limited.

GEORGE KIDD, VANCOUVER.	{	Vice-president British Columbia Pulp & Paper Company, Limited.
		Director British Columbia Packers , Limited.
		“ British Columbia Power Corporation Limited.
		“ McLennan, McFeely & Prior , Limited.

AUBREY DAVIS, NEWMARKET.	{	Vice-President, Davis Leather Co., Limited.
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EDWARD D. GOODERHAM, TORONTO.	{	2nd Vice-President Canada Permanent Mortgage Corporation.
		“ Canada Permanent Trust Company.
		Director Dominion General Insurance Company of Canada.
		“ Hiram Walker-Gooderham & Worts Limited.

DONALD MACASKILL , COPPER CLIFF.	{	Vice-President Canadian Nickel Products, Limited.
		“ Ontario Refining Co. Limited.
		“ The Huronian Co. Limited.

THE BANK OF TORONTO

PROCEEDINGS OF THE

EIGHTIETH ANNUAL GENERAL MEETING

HELD ON

WEDNESDAY. 15TH JANUARY. 1936



The Annual General Meeting of the Stockholders of The Bank (being the Eightieth 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, 15th January, 1936.

Moved by Mr. PAUL J. MYLER, seconded by COL. WILLIAM I. GEAR, and

Resolved—That Mr. John R. Lamb be appointed Chairman of the Meeting and that Mr. F. H. Marsh be requested to act as Secretary.

Carried

Moved by GEN. F. S. MEIGHEN, seconded by Mr. E. D. GOODERHAM, and

Resolved—That the Minutes of the proceedings of the last Annual Meeting be taken as read and approved.

Carried

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

Resolved—That Mr. W. B. Maclean and Mr. R. Pashby be appointed Scrutineers, and that after the ballot they report to the Chairman.

Carried

The Secretary then read the Annual Report as follows:—

The Directors of The Bank of Toronto beg to present their Report for the year ending 30th November, 1935, together with the Statement of the Bank's affairs and the results of the operations for the year.

THE BANK OF TORONTO

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1935, after
providing for

Dominion and Provincial Taxes.....	\$232,743 10
Staff Pension Fund.....	80,000 00
and making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made.	\$ 806,391 87
Written off Bank Premises.....	.. 100,000 00
	<hr/>
	706,391 87
Dividends at the rate of 10% per annum..	600,000 00
	<hr/>
Balance of Profits carried forward..	106,391 87
Profit and Loss Balance 30th November, 1934.....	737,173 32
	<hr/>
Profit and Loss Balance 30th November, 1935.....	843,565 19
	<hr/>

JOHN R. LAMB,
President.

HARVEY B. HENWOOD,
General Manager.

The Head Office and all Branches have been regularly inspected by the Bank's Inspection Staff, and at the Head Office the usual verification of cash and securities has been made.

The Auditors appointed by the Shareholders, Mr. D. McK. McClelland, F.C.A. and Mr. A. B. Shepherd, F. C.A. made their examination of our Head Office and principal Branches, and their report accompanies the General Statement herewith.

All of which is respectfully submitted,

JOHN R. LAMB,
President.

THE BANK OF TORONTO

GENERAL
NOVEMBER 30TH

ASSETS

Gold held in Canada.....	\$	490	05	
Subsidiary coin held in Canada.....		203,953	54	
Notes of Bank of Canada		1,451,980	00	
Deposits with Bank of Canada.....		9,161,131	86	
Notes of other chartered banks.....		347,660	00	
Government and bank notes other than Canadian		50,623	48	
Cheques on other banks.....		6,169,996	02	
Due by banks and banking correspondents elsewhere than in Canada.....		2,842,377	84	
				\$20,228,212 79
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value		7,056,708	83	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....		33,693,736	74	
Canadian Municipal Securities, not exceeding market value		5,296,875	72	
Public Securities other than Canadian, not exceeding market value.....		37,554	32	
Other Bonds, Debentures and Stocks, not exceeding market value.....		1,857,308	60	
		47,942,184	21	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities of a sufficient marketable value to cover.....		3,329,505	00	
				51,271,689 21
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for.....		45,047,640	71	
Loans to cities, towns, municipalities and school districts.....		4,813,725	11	
Non-Current Loans, estimated loss provided for.....		261,952	56	
				50,123,318 38
				121,623,220 38
Liabilities of Customers under Acceptances and Letters of Credit, as per contra.....		1,401,881	80	
Mortgages on Real Estate sold by the Bank		47,814	34	
Bank Premises, at not more than cost, less amounts written off		3,510,975	01	
Deposit with the Minister of Finance for the security of the note circulation.....				335,033 88
				\$126,918,925 41

THE BANK OF TORONTO

STATEMENT

1935

LIABILITIES

Notes in Circulation.. .. .	55,279,985 00
Deposits by and balances due to Dominion Government.. .. .	\$ 1,690,691 83
Deposits by and balances due to Provincial Governments	1,334,326 62
Deposits by the public not bearing interest.	18,605,875 16
Deposits by the public bearing interest, including interest accrued to date of statement.	79,634,586 24
	101,265,479 85
Deposits by and balances due to other chartered banks in Canada.. .. .	1,343,754 99
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries.. . . .	1,457,671 71
	2,801,426 70
Bills payable.. .. .	174,518 75
Acceptances and Letters of Credit outstanding	1,401,881 80
	110,923,292 10
Capital paid up.. .. .	\$6,000,000 00
Reserve	9,000,000 00
Dividends declared and unpaid.. .. .	152,068 12
Balance of profits as per Profit and Loss Account.. .. .	843,565 19
	15,995,633 31
	<u>\$126,918,925 41</u>

JOHN R. LAMB,
President.

HARVEY B. HENWOOD,
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 30th November, 1935, 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.

D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.
A. B. SHEPHERD, F.C.A.
of Peat, Marwick, Mitchell & Co.

TORONTO, 20th December, 1935

THE BANK OF TORONTO

PRESIDENT'S ADDRESS

GENTLEMEN:

On rising to move the adoption of the Report, my first words to you must have reference to the important losses which our Board has sustained **during** the past year through the passing of Mr. W. G. Gooderham, Mr. William Stone and Sir Albert Gooderham.

Mr. Gooderham was a Director for 54 years, during the last 19 of which he was President. It is a remarkable record in itself, but his claims upon our regard and affection rest chiefly upon other grounds. We honour his memory for his high integrity of character, his sound business judgment, and his loyalty to his friends, and to the many important interests confided to his care. We remember, too, his kindness of heart and the invariable courtesy and serenity with which he met both the small and the large problems of business. We may carry on **without** him, but he will never be replaced in our regard.

We might use practically the same words in referring to Mr. Stone and Sir Albert Gooderham. They were fine men, good friends and good citizens, and **we** are all of us the poorer for their disappearance from amongst us.

The figures of our last statement and profit and loss account are in your hands.

PROFIT MARGINS:

Profits are again slightly down, and we see no change in this declining tendency in the near future. The average rate of interest earned during the year on **advances** and securities shows a further decrease, while **expenses** remain practically stationary and **taxes** have increased. Reduced revenues **have** been partly offset through the reduction in interest rates on deposits, and fortunately new losses through bad and doubtful debts have been **small** during the year. We are not happy regarding the reductions in deposit rates to present levels, thus helping to carry down the return on investment securities. A vast number of people are largely **dependent** upon interest returns and can ill-afford a cut in their incomes. **Holders** of life insurance policies are in the same position. Unduly low rates penalize the thrifty, saving people, who, in the last analysis, supply the credit upon which business is largely carried on, and who, at the same time, are the best taxpayers. Under existing conditions, however, the banks have had no alternative but to reduce rates. Whatever Governments may do, banks must balance their budgets; income must cover outgo and leave a margin for moderate dividends; otherwise, public confidence would quickly diminish and banks would cease to function.

SHARE VALUES:

The **book** value of our shares now stands at \$264., which, subject to reserves for contingencies, represents the real investment of our shareholders. The present dividend of **10%** on the par value of the shares means a return of 3.78% per annum.

BANK INVESTMENTS:

Canadian Bank investments in Dominion, Provincial and Municipal securities have increased **during** the year by over \$202,000,000., now standing at the extremely high total of \$1,044,513,000., or 48% of deposit liabilities in Canada.

Banks are supposed to mobilize the liquid funds of the public and to lend this **money** for productive purposes, largely against goods, **merchan-**

THE BANK OF TORONTO

dise and receivables. We are not investment trusts. It would seem, however, that for the present we are left with no choice in the matter, **but** we shall welcome the time **when we** can resume more fully our proper business of commercial banking.

CRITICISM OF BANKS:

Banks are never free from criticism, and never will be. In **good** times when the order of the day is full steam ahead, with Governments **leading**, we are told that we are **too** conservative, **lacking** in **enterprise** and vision, and that we should be **nationalized** so that **credit** can be made more abundant and more accessible. In bad times **we are** accused, and often by the same people, of having been too liberal, therefore **we** should be nationalized so that credit can be brought under control and both booms and depressions banished **to** the **nethermost** regions. **But** it is chiefly in the years of **depression**, and particularly in **the months** preceding elections, that we learn the worst about ourselves. We have **just passed through** a period of this kind, and have had to sustain a **running fire of** criticism, **ranging from** deliberate **mis-statement** to innocent **misconceptions** of simple facts. A favorite story which one often meets is the **fiction that banks create credit** "out of the **blue**" by a "stroke of **the pen**" and a few book entries. A **great** many people believe that **something** of this kind goes on—some nefarious **practice** much like making counterfeit money. It may be legal but it is **inherently** dishonest, and of course very profitable to the banks! **What** actually happens is something like this: Two thousand depositors transfer to us an **average of \$500**, each, or a million in all, in cash or equivalent. We credit the **various sums** to the respective accounts of the depositors on certain terms of interest and under **our** obligation to repay on demand. This completes **the** first part. At **the** same time a grain dealer applies to us for funds to handle grain. If we are satisfied as to **his responsibility**, we pay over to him the funds received from **the** two thousand depositors against his note secured by a charge on the grain. This is the second part of this set **of transactions**. What we have now done, in effect, is to bring the two thousand depositors and the grain dealer together, the depositors as lenders and the dealer as borrower, the bank holding the security and guaranteeing **the** loan. We have used **many** book **entries and** quite **a few** strokes of **the pen**, but **the** important point to be observed and remembered is that through **the** offices of the bank the two thousand depositors become the holders of the grain, **subject** to repayment of **their advances**. Of course banks **do not advance** the full **amount** of their deposits; **10%** is reserved in cash and an additional percentage, possibly **25%**, is invested in short-term securities or other quickly convertible assets against possible calls from the depositors. Also, the grain dealer may be a manufacturer of sugar, leather or lingerie, or a **farmer**; practically every line of business is represented, and depositors change daily as some go out and others come in. The mechanics of the business, the strokes of the pen, are not important; the essential fact to recognize is that every note in a banker's **bill-book** represents valuable and tangible assets, title to which is **held**, although not in the technical sense, in trust for depositors **who are** the real owners of the funds being employed.

All this is very obvious and simple to bankers, but the recital may help to make clear the fact that the commercial advances of the banks represent **self-liquidating** values. Government securities, **of which** bank **holdings** are becoming very large, are in a different **category**. These rest upon the taxing power of **the** State, are not self-liquidating, and are often **inflationary**.

THE BANK OF TORONTO

For these reasons we do not consider a bank portfolio the best resting place for Government securities beyond moderate totals, although these may be perfectly safe, revenues adequate and budgets balanced.

BUSINESS IMPROVEMENT:

Notwithstanding a certain **degree of apprehension**, business conditions continue to improve on this continent. Farm products in particular have substantially increased in exchange value; general purchasing power exists in **greater** volume, and profits in most lines of business are slightly better. Banking, unfortunately, is an exception, but we hope our turn **will come**.

Our wheat situation is looking better at the moment, justifying the faith and courage of the Government and of those who have carried the colossal burden and responsibility during the past five years. In short, we are slowly but surely emerging from the depression, and we are justified in feeling better. This is not to say that we are yet out **of** the woods. The hardest **pull may** be before us. We still have serious unemployment, our railway situation is showing relatively little improvement, and our excessive public debts are still with **us—a** bad legacy from former years of over-optimism, but **even** our debts can be brought under control in time if new and worse mistakes are not made during the next year or two.

GOVERNMENT CONVERSIONS:

The chief cause for anxiety is a certain weakening in moral—a tendency to entertain the thought of repudiation as the easiest way out. This tendency, I am afraid, is being encouraged, if not actually led, by some of our governments and politicians. For years our public men, and bankers **too**, have been dwelling on the great natural resources of this country, our vast agricultural areas, our mines and **water-powers**, our foreign trade. Have we been entirely wrong all this time that we need even think of bankruptcy? I do not think **so**. We have gone too fast in certain directions; have over-expanded our plant, so to speak, on borrowed money, and have spent our profits in anticipation. Now we are caught in an over-extended position. We are paying for our mistakes, and the paying is unpleasant, but I am sure **that** we have not yet approached **the** limit of economies that can and should be effected before we so much as think of forced conversions. Some of the suggestions put forward in recent months mean nothing less than repudiation of part of our governmental debts, because interest as well **as principal** is part of the contract. In our opinion, this would be short-sighted and expensive in the end. I hope there are few Canadians of any class who **would** wish this country to be placed in the category of defaulted **South** American Republics, and I think it is time for all who see and appreciate the dangers **of** repudiation to speak their minds.

Aside from the moral question, I doubt if forced conversions of our **public** debts would be profitable in dollars and cents. Our federal obligations are rapidly being refunded in an orderly way. The average rate, we **believe**, has already been brought down to about 4 per cent. If this federal process of refunding could be extended to provincial and municipal debts, on a voluntary basis **but** taking full advantage of every possible plan for **reducing** interest as debts mature or even before they mature, we would enhance our public credit and restore in the minds of investors that sense of security **which is lacking** at present. A **Loan Council**, which is now under consideration at Ottawa, might be an **effective** and desirable part of this plan, if **the** personnel **were** such as to provide a real safeguard against abuses.

THE BANK OF TORONTO

Frequent references are made to conversion in Australia, and the improvement effected there, overlooking the fact that it was at least 50 per cent. voluntary, and that, coupled with the sacrifices made by bondholders, there were corresponding reductions in the whole scale of public expenditures and wages. Something similar might be acceptable in Canada, if equally comprehensive. As things are now, business is asked to pay exceptional taxes, and heavy sacrifices are suggested for creditors, with no assurance that there will be any permanent improvement in the situation.

As a country we are geared up for two or three times the present population. We have a total of 4,296 governments and municipalities, to say nothing of special school authorities. There are several hundred members of the Dominion Parliament and Provincial legislatures, and many thousands sitting on municipal councils, while the civil service represents a substantial proportion of the population. We wonder if this over-organized machinery for spending has not become a sort of modern Frankenstein which, unable any longer to find a legitimate means of support, is turning to destroy the productive power which it was intended to serve. Actually, the saving attained by a reduction in the interest on all public obligations to a flat 3 per cent. would barely amount to \$100,000,000., while the total of government and municipal deficits is now running far above that figure, so that drastic economy is necessary in any event. To fail to pay our interest obligations therefore, would be selling our birthright for a mess of pottage, and not even sure of the pottage. In private life our debts are properly regarded as a first charge on our resources. We realize that this is necessary to protect our credit. Can we afford to have a different standard for our public life?

We meet with the thought that while we must be careful of the outside investor, it is not so bad to take advantage of the people at home. This is a fallacy. If our credit is bad at home it will be worse elsewhere. Also, we encounter the suggestion that if we compromise with our present creditors we will be in a better position to borrow afresh. Russia tried that plan by wiping out all obligations of the previous regime: Germany followed through inflation of the currency, and other countries went part of the way. This sort of thing is not soon forgotten.

The best asset that we can have is unblemished credit — the reputation of living up to our engagements. If investors, whether local or foreign, can feel that they will not be deprived of their contractual rights, through either legislation or excessive taxation, this country will receive and retain all the money that it can profitably absorb, but if there is doubt, capital will avoid us or will lie inactive in the banks, even without interest, and not only will recovery be retarded but we will fail to achieve the full prosperity to which we are entitled. Present taxation, and the threat of still further levies, have already made capital timid of long-term commitments in either property or securities.

PUBLIC ECONOMIES :

Is it too much to hope, therefore, that we may, in our public affairs, get down to facts as a private corporation would do under similar circumstances, and recognize that we cannot, for the present, hope to take the lead in advanced social legislation and living standards, but will have enough to do to keep our heads above water? After we have provided for our debts, we can indulge in luxuries with any balance that remains.

THE BANK OF TORONTO

GENERAL MANAGER'S ADDRESS

MR. CHAIRMAN AND GENTLEMEN:

I have the honour to submit to you the eightieth annual balance sheet of the Bank covering our operations for the year ending November 30th, last.

PROFITS:

Our Net Profits for the year were **\$806,391.87** — a reduction of **\$16,107.31** from the figures shown a year ago. Although we have had an increase in loanable funds throughout the year, the results have again **been** somewhat disappointing to us, owing to the continued difficulty of lending money for commercial purposes. The important changes in the balance sheet during the year are as follows:

TOTAL ASSETS:

\$126,918,925.41—up **\$6,157,307.02**. Of this amount, **\$71,499,902.** (or **64.45%** of our liabilities to the public), consist of **cash** or of assets readily convertible into cash. It will be noted that our gold has practically disappeared, having been taken over by the Dominion Government at **\$20.67** per fine ounce, against the then market value of the gold of about **\$35.** an ounce. It was **subsequently** arranged with the Government that we should receive **40%** of the market value of the gold above the **\$20.67** per ounce which had been paid over to us, and this money has been set aside in our contingent account as a reserve in connection with the Bank's foreign liabilities. The Dominion notes shown in our statement a year ago were turned in to the Bank of Canada, which is now issuing its own notes as circulation, and this item is replaced in our present statement by notes of the Bank of Canada and deposits with the Bank of Canada.

CURRENT LOANS AND DISCOUNTS:

\$45,047,640.71—after making full provision for all bad and doubtful debts, show a decrease of **\$572,087.,** reflecting the continued difficulty we have in lending our funds to commercial borrowers.

SECURITIES:

\$47,942,184.21—are up **\$12,405,468.76** from a year ago, and consist mainly of government and municipal securities, the **bulk** of which are of **short-date** maturity. The total amount of our securities is much **larger than** we like to see but **in** the meantime, until the demand for commercial loans improves, we have no other **alternative** than to employ our surplus funds in the purchase of the highest class of short-term government securities, even **though** the yield on these is small. I wish to say that in following this policy we have not been unmindful of the existing unsatisfactory international financial conditions, and have provided in our contingent account reasonable reserves against the possibility of a depreciation in the value of this large holding of securities.

BANK PREMISES:

\$3,510,975.01—a decrease of **\$84,650.35** from the figures shown last year, are set down at not more than **50%** of their cost.

THE BANK OF TORONTO

NOTES IN CIRCULATION:

\$5,279,985.—a decrease **for the** year of \$1,185,254. Under the terms of the legislation when the Bank of Canada was established, the chartered hanks are required to reduce the amount of their notes in circulation each year for the first five years by an **amount** equivalent to 5% of their paid-up capital, and each year for the following five years by an amount equivalent to 10% of their paid-up capital. This will reduce the amount of chartered hanks' notes in circulation at the end of ten years to 25% of their paid-up capital. **The** loss of this circulating privilege will reflect against the earnings of the banks for the reason that in place of it we must buy and pay for Bank of Canada notes from time to time as we require them, instead of being allowed to circulate our own notes under the old system.

DEPOSITS:

\$101,265,479.85—an increase of \$7,551,753.55 during the year. Unfortunately owing to the extreme difficulty of employing our deposits we have again been forced to reduce the rates of interest, something which we dislike very much doing, but we are afraid this trend cannot be reversed until there is a considerable improvement in general business.

BRANCHES:

In the year 1930 we were operating 204 branches, the highest number in our history. At the end of last year we were operating 177, having closed in the meantime 27 branches, mainly through closing arrangements with other banks at points where we realized the competition was excessive. This condition still exists at many points throughout the country, and we believe that by joint action between the hanks concerned, further curtailment can be made without seriously affecting the services rendered by the hanks.

INSPECTIONS:

Our own inspection staff have made the usual complete inspections of every branch of the Bank, and our main offices at Toronto, Montreal, Winnipeg and Vancouver have also received an audit of their cash, securities and loans by our shareholders' auditors.

The statement which I have just reviewed shows the position of the Bank after eighty years of service to the Canadian public. Four-fifths of a century is a long time in the history of any institution, and a period in which, through careful management, it should accumulate some strength. Our surplus of nine million dollars is composed of \$4,074,836. representing premiums paid for new issues of stock from time to time by our shareholders, the balance of \$4,925,164 plus \$843,565. in Profit and Loss Account, represents the slow but steady accumulation of surplus earnings over this long period of years.

I sometimes wonder what those who criticize the banks would say if, after 80 years, we presented a statement showing only a small increase in the paid-up capital as it was when the Bank started in 1855, and with only a small reserve fund to protect our depositors' money. We might well be criticized for failing to appreciate the steady growth in the business of this country that has since taken place. Instead of this however, through the willingness of our shareholders to increase their investment in the Bank, and by a policy of steadily increasing our reserve fund, we have developed, not the largest, but one of the strongest hanks in Canada; at any rate The Bank of Toronto has contributed a substantial share towards the cornerstone of financial strength which upholds the credit of Canada in the great monetary markets of the world. I am afraid those who are ready to find fault do not always realize what a strong banking structure means to the people of this country and to the credit of the country itself.

THE BANK OF TORONTO

INTERNATIONAL PROBLEMS:

International Problems have shown little if any improvement during the past year, and foreign trade suffers accordingly. The world appears to be hesitating between a normal condition of **civilization** and conditions that may easily become chaotic, with the power and usefulness of the League of Nations in the balance.

That Canada has been able to maintain a balance of trade in her favour during the past year under conditions that have existed, should I think be a matter of satisfaction to us all. A comparison of the figures of our foreign trade for the year **ending** October 31, 1932 with October 31, 1935, covering the period in which the Empire trade agreements have been effective, is as follows:

TRADE WITH UNITED KINGDOM :

1932—Balance in our favour \$ 86 millions;

1935—Balance in our favour \$170 millions.

These figures indicate the increasing value to this country of the recent Empire Trade Agreements. It is to be **hoped** that when these agreements are revised in 1937 the **favourable** effects which they have had on this country may at least be maintained.

TRADE WITH UNITED STATES:

1932—Balance against us \$93 millions;

1935—Balance against us \$40 millions.

In our trade with the United States a steadily diminishing balance against us is shown, probably because we are buying **more from** the Empire, which is our best customer. What effect the recent agreements arrived at will have in our trade with the United States, remains to be seen. As a gesture of friendship between the two countries they are well worth while. It is to be hoped that they will result in a more evenly balanced volume of trade between the **two** countries than we have had in former years.

TRADE WITH OTHER COUNTRIES:

1932—Balance in our favour \$58 millions;

1935—Balance in **our** favaur \$39 millions.

The **diminishing value** of our trade with other countries appears to coincide with the increase in our trade with the United Kingdom, and no doubt has been accentuated to some extent by tariff and other difficulties in exchanging our goods with foreign countries. It is unlikely that we can show much improvement in these figures until through tariff adjustments, a more easy **flow** of merchandise **both** ways can be brought about.

TOTAL TRADE:

1932—Balance in our favour \$ 51 millions;

1935—Balance in **our** favour \$169 millions.

Canada is a young and sparsely-settled country. Our productive **capacity** runs far ahead of **our** consumptive capacity, which necessarily makes us far more dependent on foreign trade than other more **densely**-populated countries, and for **many** years, until we secure a larger share of world population, we will be dependent on other countries to consume our surplus products.

THE BANK OF TORONTO

From an economic point of view, for agood many years Canada has not been well balanced as between our expenditures and the population necessary to support them. It is true that our war debts, which were unavoidable, did much to put us out of line, but even before the war we had stepped along pretty rapidly in the development of **ocean** terminals and railway building programmes, which we **ncw** realize were much beyond our needs, with the result that the **country** is **over-built** in **many** of these public services for a population of ten **million** people. **Our** population represents only aforty-fifth part of the population of the British Empire, though **our** area is one-fourth of the whole. **Our rural areas** can sustain an immense increase in population, and our natural resources (particularly in minerals), are yet barely scratched. These some day will attract many industries to **this** country, in fact we have undeveloped natural resources within **the** borders of Canada that will eventually make us the envy of the world. It is hopeless to expect the natural increase in our population to cope with the immense development that lies before us. It is necessary to our economic welfare that we have more people, and the best we can secure, if we are ever going to build our population to more adequately take care of our future development, and I hope **our** federal government will be prepared, when the **time** comes, to set up a sound immigration policy which will bring about **a steady** increase year by year in the number of those who will make goad citizens, for it seems tome that this must be the ultimate solution of our difficulties.

No good Canadian having any vision of the future possibilities of this country can think of the ward "Repudiation:" in considering our present obligations:. We have no lack of faith in the ultimate destiny of Canada and **our ability** to overcome our difficulties, and surely the best way we can indicate this to those who **have** shown their confidence by investing in our securities, is to determine, regardless **of** such mistakes as we have made, to pay **every** obligation we have incurred in full according to the **terms** of our contracts.

STAFF:

An annual meeting would never be complete without a reference to the executives and members of our entire **staff**, who in their respective positions contribute their full share towards the results of the year's operations. You have in The Bank of Toronto a fine staff of loyal officers, whose efficiency and devotion in the interests of the Bank are a source of great satisfaction to its chief executives.

Moved by Mr. JOHN R. LAMB, seconded by Mr. PAUL J. MYLER, and

Resolved—That the Report of the Directors and Statement which has now **been** presented, he adopted and printed for distribution **amongst** the Stockholders of the Bank.

Carried

Moved by **SIR. HENRY DRAYTON**, seconded by **COL. KENRIC R. MARSHALL**, and

Resolved—That an appropriate resolution be prepared, engrossed and conveyed to the members of the family of our late President, Mr. W. G. Gooderham, expressing recognition of his merits and the hope that the great tradition of the Gooderham name in connection with The Bank of Toronto, will continue.

Carried

THE BANK OF TORONTO

In speaking to the motion Sir Henry said:—

"The Gooderham name has meant much to the Bank and is going to continue to mean much for we have still a worthy representative of that most worthy late President of ours—his son who is on our Board to-day. I am sure the great tradition will go on".

In seconding the motion Colonel Marshall remarked:—

"I would like to add my appreciation personally of the resolution. I was associated with Mr. W. G. Gooderham for some years in one or two of his interests and I had the highest admiration for him. The Bank sustained a heavy loss in his passing, as well as that of Colonel Sir Albert who stood very high in military matters, but it is a pleasure to note that their places **have been** aptly filled and the good work will be carried on"

Moved by Mr. J. J. GIBSON, seconded by COL. KENRIC R. MARSHALL and

Resolved—That Mr. D. MCK. McCLELLAND, F.C.A., of Price, Waterhouse & Company, and Mr. W. D. GLENDINNING, C.A., of Glendinning, Gray & Roberts be appointed Auditors of this Bank for the ensuing year, and that their remuneration be fixed at a sum not to exceed \$10,000.

Carried

Moved by SIR HENRY L. DRAYTON, seconded by COL. G. G. MITCHELL, and

Resolved—That the Scrutineers cast **one** ballot for the election of Directors of The Bank of Toronto.

Carried

REPORT OF THE SCRUTINEERS

We, the undersigned Scrutineers, hereby declare that the following named gentlemen were to-day elected as Directors of The Bank of Toronto:—

JOHN R. LAMB
COL. WILLIAM I. GEAR
ARCHIBALD H. CAMPBELL
THOS. F. HOW
HARVEY B. HENWOOD
GEORGE KIDD
EDWARD D. GOODERHAM

BRIG.-GEN. FRANK S. MEIGHEN
PAUL J. MYLER
JOHN I. MCFARLAND
FREDERICK K. MORROW
J. DOUGLAS WOODS
AUBREY DAVIS
DONALD MACASKILL

W. B. MACLEAN }
R. PASHBY } *Scrutineers*

TORONTO, 15th January, 1936

At a subsequent meeting of the new Board, Mr. JOHN R. LAMB, was elected President, and Mr. HARVEY B. HENWOOD and Mr. PAUL J. MYLER, Vice-presidents.

By Order of the Board,

HARVEY B. HENWOOD,
General Manager.

THE BANK OF TORONTO

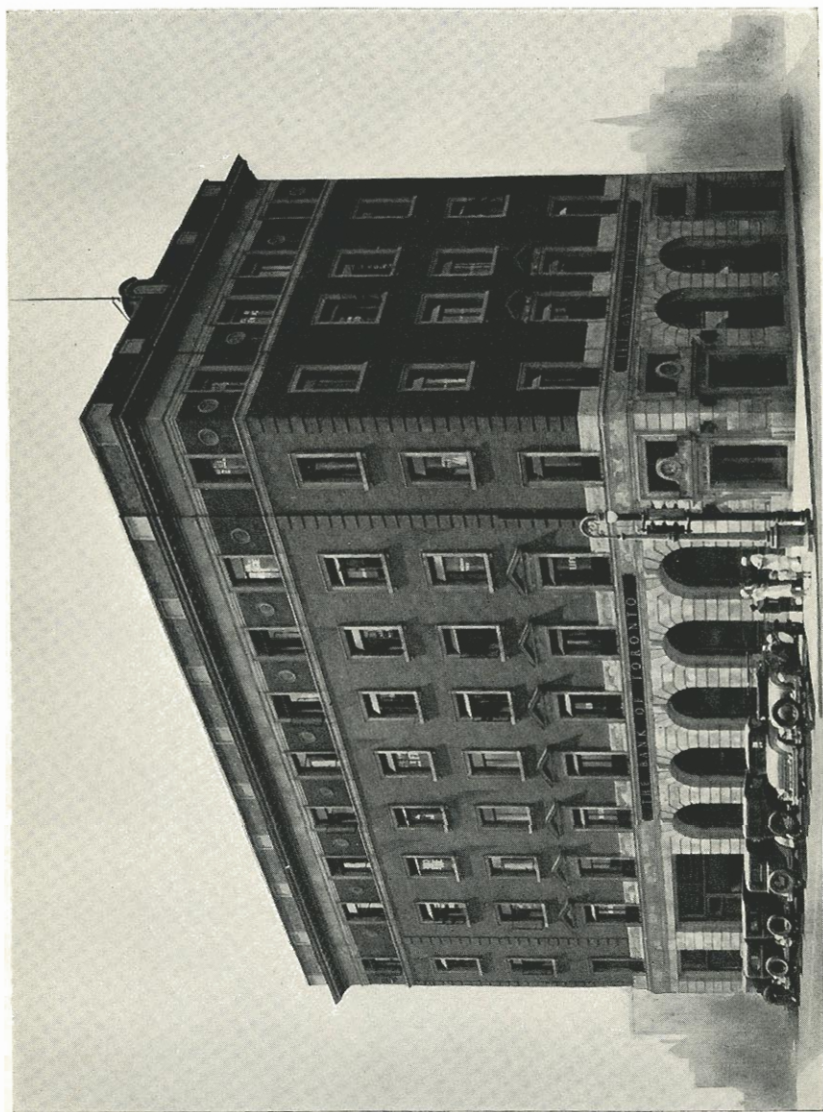
...BRANCHES...

ONTARIO

Toronto, King St. W., cor. Bay St.	R. H. Cardy,	Manager.
(Main Office)	R. J. Burtis,	Asst. Mgr.
" Bloor & Bay	M. G. Davey,	Manager.
" Bloor & Howland Ave.	H. R. Cluff,	"
" Bloor & Jane Sts.	C. P. Roper,	"
" Church & Wellington Sts.	W. Miller,	"
" College and Dovercourt	S. E. Scarlett,	"
" Danforth & Dewhurst	A. M. Ross,	"
" Dundas & Keele	T. W. Harper,	"
" Dundas St., cor. Ossington Ave.	G. M. Kennedy,	"
" Dundas St., cor. Roncesvalles Ave.	H. R. Warren,	"
" Eglinton & Avenue Rd.	A. B. Clarke,	"
" Eglinton & Heddington Ave.	J. R. Clark,	"
" Elm St., cor. Elizabeth St.	E. Brown,	"
" King St. W., cor. Bathurst St.	S. G. Leonard,	"
" Mt. Pleasant Rd. cor. Belsize Drive	W. B. Young	"
" Queen & Kenilworth A n	J. H. Fenton,	"
" Queen E. & Logan Ave.	L. S. Barr,	"
" Queen St. E., om. Parliament St.	G. B. McKay,	"
" Queen St. W., om. Spadina Ave.	Jas. Stewart,	"
" St. Clair Ave. and Christie St.	J. H. Brown,	"
" Yonge St., No. 205, opp. Albert St.	L. R. Atkinson,	"
" Yonge St. & Bedford Park Ave.	A. J. Lunn,	"
" Yonge St. & Belsize Drive	R. P. Wright,	"
" Yonge & St. Clair	R. C. Waram,	"
Allandale	F. Stevenson,	"
Alliston	G. E. Armstrong,	"
Barrie	H. A. Sims,	"
Bethany	A. H. A. Padgham,	"
Brantford	D. McLennan,	"
Brockville	B. F. A. Lewis,	"
Burford	R. J. Sim,	"
Cardinal	L. A. Myles,	"
Carlisle	(Sub to Freelon)	"
Clarksburg	G. E. Liesemer,	"
Cobourg	A. C. Hodgetts,	"
Coldwater	R. P. Bellamy,	"
Collingwood	O. G. Bernhardt,	"
Copper Cliff	R. Gray,	"
Creemore	H. E. Bums,	"
Creighton Mine	(Sub to Copper Cliff)	"
Dorchester	R. H. F. McBride,	"
Dunnville	F. C. Millard,	"
Elmvale	W. N. Bradley,	"
Everett	(Sub to Alliston)	"
Feversham	H. C. Francis,	"
Fort William	C. C. Eddy,	"
Freelon	A. H. Johnston,	"

THE BANK OF TORONTO

Frood Mine	(Sub to Sudbury N.)
Galt	P. J. Wright, Manager.
Gananoque	G. Hay, "
Hamilton, 37 James St. S. (Main)	J. Stephen, "
Hamilton Market Branch	C. J. Davey , "
Hastings	G. D. Gowans , "
Havelock	S. J. W. Clarke "
Keene	D. D. Brown , "
Kerwood	E. J. Mitchell, "
Kingston.	A. C. Edward, "
Kitchener	J. C. Wolfraim , "
Lansdowne	W. F. Hyde. "
London (Main Office)	C. R. Latimer ,
" City Hall Branch	T. F. Walker,
" East End Branch	T. C. Margrett ,
" Market Branch	H. R. Nettleton ,
" North End Branch	E. J. Fitzgerald ,
" West End Branch	H. R. Nettleton, "
Lyndhurst	W. H. Hall, "
MacTier	M. Weller , "
Markdale	A. E. Hunt, "
Meaford	F. A. Maples, "
Millbrook	H. A. Kerr,
Milton	H. F. McNichol , "
Morrison	(Sub to Freelton) "
Mount Dennis	G. A. Langstaff , "
New Lowell	(Sub to Stayner) "
Newmarket	H. E. Lambert ,
Oakville	W. A. McEvoy ,
Oil Springs	H. B. Newton, "
Omenee	T. B. Chester, "
Orangeville	G. T. Sullivan, "
Ottawa, 106 Sparks St. (Main)	Gee. C. Gardner ,
" Ottawa South	J. H. Smith,
" Union Station Branch	A. R. Profit "
" West End, 1236 Wellington	W. M. Weylie , "
Owen Sound	W. E. Sharpe , "
Paris	J. S. McMillan , "
Parry Sound	F. N. Hurst , "
Penetanguishene	C. H. Smith "
Peterboro	F. S. Patter,
Petrolia	E. G. Britton ,
Port Hope	G. L. McHattie ,
Preston	J. L. Thompson.
St. Catharines	E. J. H. Vanston , "
St. Mary's	A. C. Lord, "
Sarnia	J. W. Simpson , "
Seeley's Bay	(Subto Lyndhurst) "
Shelburne	H. A. Livingstone , "
South Porcupine	W. S. McDowell , "
Stayner	L. A. Gould ,
Stratford	J. H. Mills,
Sudbury	W. E. Van Norman, "
" North End	S. P. Coe , "



THE BANK OF TORONTO, CITY HALL BRANCH, LONDON



THE BANK OF TORONTO. DOUGLAS ST.. VICTORIA

THE BANK OF TORONTO

NOTA	.	M. S. Hargreaves, Manager.
Trenton	.	B. F. Joyce, “
Walkerville	.	L. N. Hicks, “
Wallaceburg	.	R. L. Daniel, “
Waterloo	.	S. J. Adams, “
Welland	.	J. E. Curry, “
Windsor	.	W. H. H i ,
Wyoming	.	S. G. Page,

QUEBEC

Montreal, Main Office	J. L. Carson, Manager.
(St. James St., cor. McGill)	L. G. Gillett, Asst. Mgr.
“ Atwater Ave., cor. St. Antoine	C. J. Cracknell, Manager.
“ Board of Trade . . .	I. J. Hutton,
“ Maisonneuve . . .	E. F. McNicholl,
“ Park & Bernard Ave.	J. Heroux, “
“ Peel St., No. 1232 . . .	B. M. Currie, “
“ St. Catherine St., cor. Gay . . .	A. H. Walsh, “
“ St. Catherine St. E., No. 1400 . . .	P. E. Leveille, “
“ St. Hubert & Belanger Sts. . .	J. E. Long, “
“ St. Lawrence Blvd. & Ontario St . . .	H. L. Lennon, “
“ Van Horne Ave., No. 1549 . . .	B. C. Case, “
Westmount, Sherbrooke & Claremont	R. J. Chambers, “
Gasp6	W. W. Annett, “
St. Lambert	H. B. Anderson, “

MANITOBA

Winnipeg, 454 Main St. (Main)	W. B. McCrick, Manager.
“ Academy Rd. & Niagara St.	A. Stephenson, “
“ Portage & Edmonton . . .	Esten Fletcher, “
“ Sherbrooke & Westminster . . .	W. W. Wright, “
Benito	F. O. Johnston, “
Cartwright	A. B. Fee, “
Inglis	T. S. Norcross, “
Pilot Mound	J. Hayward, “
Rosburn	C. R. Dawson, “
St. Boniface, (Union Stock Yds.)	H. S. Chambers, “
Swan River	F. F. Osborn, “
Transcona	W. R. Lawrie, “

ALBERTA

Barrhead	T. R. Menzies, Manager.
Calgary	S. B. Chamberlain, “
Clandonald	G. F. Stonehouse, “
Compeer	J. B. Simpson, “
Coronation	H. J. Carmichael, “
Derwent	C. S. Harrylock, “
Edmonton	W. A. Stewart, “
Marwayne	J. C. Thom, “

THE BANK OF TORONTO

Oyen	V. E. French,	Manager.
Stettler	L. Gemmill ,	"
Sunnynook	I. G. Weylie ,	"
Veteran	H. L. Staples,	"
Youngstown	C. H. Langridge ,	"

SASKATCHEWAN

Assiniboia	M. L. Magee ,	Manager.
Bredenbury	C. F. Drager,	"
Chaplin	H. W. Thompson,	"
Colonsay	H. R. Chapin ,	"
Fairlight	G. M. S. Cowan ,	"
Glenavon	P. R. Fleming ,	"
Glidden	(Sub to Madison)	"
Gravelbourg	H. L. Knight,	"
Hodgeville	F. J. Goldsmith,	"
Kennedy	C. E. Beirnes ,	"
Kipling	Jas. Milmine ,	"
Kyle	B. Collins,	"
Lafleche	M. C. Manhard ,	"
Langenburg	N. Toland ,	"
Madison	O. C. Cornwell,	"
Mazenod	M. E. Kerr ,	"
Meyronne	R. H. Wilson,	"
Montmartre	E. B. Little,	"
Neilburg	C. L. Thompson,	"
Preeceville	G. Kay,	"
Regina	F. C. Burnet ,	"
Rosetown	G. A. Hetherington,	"
Smiley	A. J. Maheu ,	"
Vanguard	J. E. Conn,	"
Welwyn	G. R. Tucker,	"
Wolseley	W. H. Hambly ,	"
Yorkton	W. J. Miller ,	"

BRITISH COLUMBIA

New Westminster	C. D. McMillan ,	Manager.
Pioneer Mine	J. E. Boyle ,	"
Vancouver, (Main Office)	E. W. Lamprey,	"
Hastings & Seymour Sts	S.J. Hammond , Act. Asst. Mgr.	
" Burrard & Robson Sts	A. Logan,	Manager.
" Kerrisdale Branch	J. McKendrick ,	"
" 10th Ave. & Alma Rd	W. Dickie ,	"
" 12th Ave. & Granville	S. H. Abrams,	"
Victoria (Main Office) Yates & Broad Sts.	C. W. Pangman ,	
" Douglas St.	S. D. Markham ,	"

THE BANK OF TORONTO

AGENTS BRITISH AND FOREIGN

GREAT BRITAIN and IRELAND	Midland Bank, Limited.
AFRICA (South)	Barclays Bank (Dom. Col. and Overseas)
AUSTRALIA	Bank of Australasia.
BELGIUM	Guaranty Trust Co. of New York.
CHINA	National City Bank of New York.
CZECHO SLOVAKIA	Zivnostenska Banka.
DENMARK	Kjobenhavns Handelsbank.
FINLAND	Nordiska Foreningsbanken.
FRANCE	Credit Commercial de France.
do.	Guaranty Trust Co. of New York.
GERMANY	Commerz-und Privat-Bank.
GREECE	Ionian Bank, Limited.
HOLLAND	Nederlandsche Handel Maatschappij.
INDIA	National City Bank of New York.
ITALY.	Banca Commerciale Italiana.
JAPAN	National City Bank of New York.
JUGO SLAVIA	Prva Hrvatska Stedionica.
NEW ZEALAND	National Bank of New Zealand.
NORWAY	Norske Creditbank.
POLAND.	Warsaw Discount Bank.
SWEDEN.	Goteborgs Handelsbank.
SWITZERLAND.	Banque Populaire Suisse.
do.	Union Bank of Switzerland.

UNITED STATES

ALBANY, N.Y.	National Commercial Bank & Trust Company.
BALTIMORE, MD.	Maryland Trust Company.
BOSTON, MASS.	First National Bank of Boston.
do.	National Shawmut Bank.
BUFFALO, N.Y.	Manufacturers & Traders Trust Company.
do.	Marine Trust Company of Buffalo.
CHICAGO, ILL	Continental Illinois National Bank & Trust Co.
do.	First National Bank of Chicago.
CINCINNATI, OHIO	Fifth, Third Union Trmst Company.
do.	First National Bank.
CLEVELAND, OHIO	Central United National Bank.
DETROIT, MICH.	National Bank of Detroit.
LOS ANGELES, CAL.	Bank of America Nat'l Trust & Savings Ass'n.
do.	California Bank.
MINNEAPOLIS, MINN.	First National Bank & Trust Co.
NEWARK, N.J.	Merchants & Newark Trust Co.
NEW YORK, N.Y.	Bank of The Manhattan Co.
do.	Bankers Trust Company.
do.	Brown Bros., Harriman & Co.
do.	Chase National Bank of New York.
do.	Chemical Bank & Trust Co.
do.	Commercial National Bank & Trust Co.
do.	Empire Trust Company.
do.	Guaranty Trust Company of New York.
do.	Irving Trust Company.
do.	J. P. Morgan & Co.
do.	National City Bank of New York.

THE BANK OF TORONTO

AGENTS—UNITED STATES—Continued

PHILADELPHIA, PA.	Corn Exchange National Bank & Trust Co.
do.	Integrity Trust Co.
do.	Market St. National Bank.
do.	Philadelphia National Bank.
PITTSBURG, PA.	Union National Bank of Pittsburg.
ST. LOUIS, Mo.	First National Bank in St. Louis.
SAN FRANCISCO, CAL.	American Trust Company.
do.	Bank of America National Trust & Savings Ass'n.
do.	Pacific National Bank.
SEATTLE, WASH.	Seattle-First National Bank (Metropolitan Br.).
do.	People's Bank & Trust Co.

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
1865	943,126	885,349	1,994,718	2,405,793
1875	3,031,330	2,413,998	5,743,468	6,739,785
1885	3,164,544	4,412,742	7,849,308	8,967,198
1895	3,875,492	9,720,716	12,407,487	15,208,409
1905	7,428,216	21,367,075	27,433,324	32,806,741
1915	11,439,382	48,769,766	48,074,186	66,767,203
1925	12,322,079	84,558,764	83,872,933	110,966,887
1935	15,843,565	101,265,479	101,395,007	126,918,925

Paid-up Capital . . . \$6,000,000.00

Rest Account . . . 9,000,000.00

Profit and Loss Account 843,565.19

\$15,843,565.19

