

THE DOMINION BANK



ARCHIVES DEPARTMENT
TORONTO DOMINION BANK
P.O. BOX 1
TORONTO DOMINION CENTRE
TORONTO, ONTARIO M5K 1A2

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SIXTY-FIRST
ANNUAL REPORT
31ST DECEMBER 1931

SIXTY-FIRST ANNUAL REPORT

1871

1931



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THE DOMINION BANK

31st DECEMBER, 1931

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ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP	- -	\$7,000,000
RESERVE FUND	- - -	\$9,000,000
UNDIVIDED PROFITS	-	\$465,209

31ST DECEMBER, 1931

BOARD OF DIRECTORS

PRESIDENT
A. W. AUSTIN

VICE-PRESIDENT
C. A. BOGERT

CHAIRMAN OF THE BOARD
C. S. BLACKWELL, LL.D.

C. H. CARLISLE	W. W. NEAR
R. Y. EATON	F. GORDON OSLER
E. W. HAMBER	F. L. PATTON
J. M. MACKIE	J. ALLAN ROSS
W. L. MATTHEWS	C. O. STILLMAN
R. S. McLAUGHLIN	H. H. WILLIAMS

HEAD OFFICE: TORONTO

OFFICIALS

C. A. BOGERT - General Manager

DUDLEY DAWSON	ROBERT RAE
Assistant General Manager	Assistant General Manager

W. C. MACAGY -	Chief Inspector
C. S. HOWARD -	Foreign Superintendent
A. H. BAILLIE -	Eastern Inspector

INSPECTORS

C. A. PACK	A. C. ASHFORTH
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SECRETARY

W. B. TANNAHILL

SUPERINTENDENT OF BANK PREMISES
GEORGE RICHARDS

WESTERN OFFICIALS—WINNIPEG

R. K. BEAIRSTO -	Supervisor of Western Branches
E. R. CAMERON	E. D. WHITE
Western Inspector	Assistant Western Inspector

BRANCHES OF THE DOMINION BANK

ONTARIO

BADEN	E. C. Boswell	Manager
BELLEVILLE	C. Waite	Manager
BRACEBRIDGE	H. Warren	Manager
BRAMPTON	J. G. Hall	Manager
BRANTFORD	John McMillan	Manager
BROOKLIN	J. A. Tilley	Acting Manager
CHATHAM	W. Watts	Manager
COBOURG	J. W. Spragge	Manager
DRESDEN	E. W. Slaght	Manager
FAIRBANK	J. M. Gaiger	Manager
FORT FRANCES	W. T. Russell	Manager
FORT WILLIAM	W. S. Pate	Manager
GRAVENHURST	F. A. Boulden	Manager
GUELPH	A. H. Bazett	Manager
HAMILTON	Norman Evans	Manager
“ East End Branch (King and Wentworth Sts.)	W. D. Kelly	Manager
“ Gage Ave. Branch (Gage Ave. and Barton St.)	C. A. Thorpe	Manager
“ Homeside Branch (Barton St. and Kenilworth Ave.)	G. E. Hynes	Manager
HESPELER	S. T. Organ	Manager
HUNTSVILLE	W. E. Glenney	Manager
KENILWORTH	B. C. Sisler	Manager
KENORA	W. W. Duncan	Manager
KIRKLAND LAKE	A. J. Essery	Manager
KITCHENER	M. E. Roberts	Manager
“ West End Branch (King and Wilmot Sts.)	M. E. Roberts	Manager
LEAMINGTON	J. W. Maize	Manager
LINDSAY	M. E. Grant	Manager
LONDON	B. B. Manning	Manager
“ Rectory Street Branch	G. K. Bryson	Manager
LONG BRANCH	W. I. Hargreaves	Manager
“ Etobicoke Branch (Lake Shore Road and John Street)	G. H. Ross	Acting Manager
MADOC	W. H. McBain	Manager
MARMORA	T. W. Rhind	Manager
MOUNT ALBERT	R. Humphrey	Manager
MOUNT FOREST	B. C. Sisler	Manager
NAPANEE	J. G. Fraser	Manager
NEW TORONTO	W. V. Dedrick	Manager
NIAGARA FALLS	R. F. J. Ford	Manager
ORILLIA	W. E. Scott	Manager
OSHAWA	T. W. Joyce	Manager
“ South Oshawa Branch	M. Windross	Manager
OTTAWA	C. O. Fellowes	Manager
PETERBOROUGH	R. T. E. Hicks-Lyne	Manager
ROSSEAU	H. A. Burgess	Manager
ST. CATHARINES	J. M. R. Torrie	Manager

BRANCHES-ONTARIO—Continued

ST. THOMAS.....	P. C. Marsh.....	Manager
“ East End Branch (Talbot and Horton Sts.).....	J. M. McKeown.....	Manager
SARNIA.....	W. B. Macdonald.....	Manager
SEAFORTH.....	R. M. Jones.....	Manager
SPRUCEDALE.....	John Walton.....	Manager
SUDBURY.....	W. Coupar.....	Manager
TIMMINS.....	F. A. Burt.....	Manager
TORONTO:		
Cor. King and Yonge Sts.....	Percival Huffman.....	Manager
	J. D. N. Waugh.....	Asst. Manager
	H. F. Smith.....	Asst. Manager
Avenue and Davenport Rds.....	P. J. Jones.....	Manager
Bay and Breadalbane Sts.....	W. E. Lepper.....	Manager
Bloor St. and Avenue Road.....	W. A. Cunnington.....	Manager
Bloor and Bathurst Sts.....	F. R. Cochran.....	Manager
Bloor St. and Runnymede Rd.....		Manager
Broadview Ave. and Queen St.....	A. H. Black.....	Manager
City Hall Branch.....	W. Walker.....	Manager
Danforth and Logan Aves.....	J. J. Irwin.....	Manager
Davenport and Dovercourt Roads.....	R. A. Jennings.....	Manager
Davenport Rd. and Laughton Ave.....	D. W. Dean.....	Manager
Deer Park Branch (Yonge St. and St. Clair Ave.).....	Hugh Hall.....	Manager
Dovercourt Rd. and Bloor St.....	B. D. Saunders.....	Manager
Dufferin St. and Lappin Ave.....	John L. Hunt.....	Manager
Dundas St. and Runnymede Rd.....	C. L. Foley.....	Manager
Dupont and Christie Sts.....	R. W. M. Thomson.....	Manager
Earlscourt Branch (Dufferin St. and St. Clair Ave.).....	G. M. Chesney.....	Manager
East Danforth Branch (Danforth and Leyton Aves.).....	W. H. Seabrook.....	Manager
Eglinton Ave. and Yonge St.....	F. W. Slatter.....	Manager
Gerrard St. (at Coxwell Ave.).....	A. P. Duck.....	Manager
John and Queen Sts.....	F. F. Hull.....	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.).....	C. A. R. Hunter.....	Manager
Lee Ave. and Queen St.....	C. W. McMichael.....	Manager
Market Branch (King and Jarvis Sts.).....	W. S. Gray.....	Manager
Mount Pleasant Rd. (cor. Mt. Pleasant Rd. and Soudan Ave.).....	H. E. Saunders.....	Manager
McCaul and Dundas Sts.....	J. Johnson.....	Manager
North Toronto Branch (cor. Yonge and Marlborough Sts.).....	E. E. Abbott.....	Manager
Parkdale Branch (Queen St. and Jameson Ave.).....	J. V. Macfarlane.....	Manager
Queen St. and Augusta Ave.....	G. C. Marriott.....	Manager
Queen St. and Ossington Ave.....	J. W. Ritch.....	Manager
Roncesvalles and Howard Park Aves.....	G. W. Eckert.....	Manager
Rosedale Branch (Sherbourne and Bloor Sts.).....	J. T. Lownsbrough.....	Manager

BRANCHES—Continued

TORONTO—Continued

St. Clair Ave. West (No. 1746) . . .	C. H. Magee	Manager
Sherbourne and Queen Sts.	T. C. Glenn	Manager
Spadina Ave. and Adelaide St.	S. C. Cook	Manager
Spadina Ave. and College St.	A. E. Colson	Manager
Victoria and Queen Sts.	A. M. Bethune	Manager
West Toronto Branch	F. E. Havill	Manager
Wychwood Branch (St. Clair Ave. and Vaughan Rd.)	P. E. J. Netterfield	Manager
Yonge and Gerrard Sts.	E. S. Swallow	Manager
Yonge and Hayden Sts.	N. J. O'Flynn	Manager
Yonge St. Terminal (at City limit)	G. J. Vicars	Manager
York St. (at Adelaide St.)	R. B. Hunter	Manager
UXBRIDGE	C. R. Hanna	Manager
WELLAND	H. E. Stark	Manager
WHITBY	J. H. Perry	Manager
WINDSOR	G. S. Hackland	Manager
" Wyandotte St. and Ouellette Ave.	A. Ritchie	Asst. Manager
" Wyandotte St. and Ouellette Ave.	P. G. Wyckoff	Manager
WINGHAM	J. R. M. Spittal	Manager
WOODSTOCK	J. A. Wallace	Manager

QUEBEC

MONTREAL	M. S. Bogert	Manager
	W. O. H. James	Asst. Manager
Bleury and St. Catherine Sts.	J. K. Muir	Manager
	H. G. Henderson	Asst. Manager
Dominion Square Branch, Peel and St. Catherine Sts.	T. F. R. Elliott	Manager
Guy and St. Catherine Sts.	J. A. Macbeth	Manager
Monkland and Old Orchard Aves.	E. K. M. Jones	Acting Manager
St. Etienne Branch (Christophe Colomb and Bellechasse Sts.)	A. S. Jamieson	Manager
St. Jean Baptiste Market	R. R. Buchanan	Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	J. B. O'Neill	Manager

MANITOBA

BOISSEVAIN	A. Morton	Manager
BRANDON	T. T. Rodger	Manager
DELORAINÉ	R. A. Glendinning	Manager
St. Boniface (Union Stock Yards Branch)	W. M. Hamilton	Manager
SELKIRK	S. Boone	Manager
THE PAS	L. S. Nicolson	Manager
WINNIPEG	R. K. Beairsto	Manager
	C. S. Pim	Asst. Manager
Main St. and Redwood Ave.	W. D. Cockerill	Manager
North End (Main St.)	B. E. Elmore	Manager

CHIEF CORRESPONDENTS

GREAT BRITAIN	- Bank of England. Barclays Bank, Limited. The Anglo-South American Bank, Limited. The British Overseas Bank, Limited. Lloyds Bank, Limited. The National Bank of Scotland, Limited. Union Bank of Scotland, Limited.
AFRICA	- - - - - Barclays Bank (Dominion, Colonial and Overseas).
AUSTRALASIA	- - The National Bank of Australasia, Limited. Bank of New Zealand. The Union Bank of Australia, Limited.
BELGIUM	- - - - - Banque d'Anvers. Credit Lyonnais.
CHINA	- - - - - The Chartered Bank of India, Australia and China. The Chase Bank. Hong Kong and Shanghai Banking Corporation. National City Bank of New York.
FINLAND	- - - - - Kansallis-Osake-Pankki.
FRANCE	- - - - - Banque Transatlantique. Barclays Bank (France), Limited. Comptoir National d'Escompte de Paris. Credit Lyonnais. The Chase Bank.
GERMANY	- - - - - Deutsche Bank und Disconto Gesellschaft. Dresdner Bank.
HOLLAND	- - - - - Amsterdamsche Bank. Nederlandsche Handel-Maatschappij. Rotterdamsche Bankvereniging.
ITALY	- - - - - Banca Commerciale Italiana. Credito Italiano.
JAPAN	- - - - - The Mitsubishi Bank, Limited. The Mitsui Bank, Limited. The Yokohama Specie Bank, Limited. National City Bank of New York.
POLAND	- - - - - Anglo-Polish Bank, Limited.
SOUTH AMERICA	- The Anglo-South American Bank, Limited. National City Bank of New York.
SPAIN	- - - - - The Anglo-South American Bank, Limited. Credit Lyonnais.

CHIEF CORRESPONDENTS—Continued

SWITZERLAND	- - Banque Cantonale de Berne. Banque Federale. Banque des Grisons. Banque Populaire Suisse.
WEST INDIES	- - Barclays Bank (Dominion, Colonial and Overseas). National City Bank of New York.
UNITED STATES	
BOSTON, MASS.	- - The First National Bank of Boston. The National Shawmut Bank of Boston.
BUFFALO, N.Y.	- - Liberty Bank of Buffalo. The Marine Trust Company of Buffalo.
CHICAGO, ILL.	- - Continental Illinois Bank and Trust Company.
CLEVELAND, O.	- - The Union Trust Company.
DETROIT, MICH.	- - First Wayne National Bank. Guardian Detroit Bank.
DULUTH, MINN.	- - First and American National Bank.
LOS ANGELES, CAL.	- Bank of America National Trust and Savings Association.
MINNEAPOLIS, MINN.	First National Bank. The Northwestern National Bank.
NEW YORK, N.Y.	- The National City Bank of New York. The Chase National Bank of the City of New York. Central Hanover Bank and Trust Company. Irving Trust Company. Corn Exchange Bank Trust Company.
PHILADELPHIA, PA.	- Central-Penn National Bank. The Philadelphia National Bank.
PITTSBURGH, PA.	- First National Bank at Pittsburgh. Peoples-Pittsburgh Trust Company.
ST. LOUIS, MO.	- - Mercantile-Commerce Bank and Trust Company.
ST. PAUL, MINN.	- The First National Bank of St. Paul.
SAN FRANCISCO, CAL.	The Bank of California, N.A. Bank of America National Trust and Savings Association.
WASHINGTON, D.C.	- The Riggs National Bank of Washington.

GENERAL STATEMENT, YEAR

<u>ASSETS</u>	
Gold and Silver Coin, current.....	\$1,018,093.91
Dominion Government Notes.....	9,367,640.89
Deposit in the Central Gold Reserves.....	1,000,000.00
Notes of other Banks.....	696,390.00
United States and other Foreign Currencies.....	42,360.13
Cheques on other Banks.....	6,789,813.28
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	2,122,778.44
	<u>\$21,027,676.65</u>
Dominion and Provincial Government Securities, not exceeding market value.....	\$19,222,378.98
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value.....	4,374,813.00
Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	2,756,483.62
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover.....	13,011,678.70
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover.....	1,183,400.51
Deposit with the Minister of Finance for the purposes of the Circulation Fund.....	334,950.00
	<u>\$61,911,381.46</u>
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts.....	\$61,248,986.69
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts...	1,643,043.42
Non-Current Loans, estimated loss provided for...	222,809.73
Bank Premises, at not more than cost, less amounts written off.....	6,031,160.59
Real Estate other than Bank Premises.....	59,035.32
Mortgages on Real Estate sold.....	15,706.43
Other Assets not included in the foregoing.....	120,829.15
	<u>69,341,571.33</u>
Liabilities of Customers under Letters of Credit, as per contra.....	1,622,126.30
	<u><u>\$132,875,079.09</u></u>

ENDED 31st DECEMBER, 1931

<u>LIABILITIES</u>	
Capital Stock paid in.....	\$7,000,000.00
Reserve Fund.....	\$9,000,000.00
Balance of Profit and Loss Account carried forward	465,209.22
Dividend No. 197, payable 2nd January, 1932....	210,000.00
Former Dividends unclaimed.....	945.00
	<u>9,676,154.22</u>
Total Liabilities to the Shareholders.....	\$16,676,154.22
Notes of the Bank in Circulation.....	\$6,262,303.00
Deposits not bearing interest.....	\$20,173,278.59
Deposits bearing interest, including interest accrued to date.....	85,275,816.48
	<u>105,449,095.07</u>
Balances due to other Banks in Canada.....	963,835.12
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	1,534,617.11
Liabilities not included in the foregoing.....	366,948.27
	<u>114,576,798.57</u>
Letters of Credit Outstanding.....	1,622,126.30
	<u><u>\$132,875,079.09</u></u>

A. W. AUSTIN,
President.

C. A. BOGERT,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

That we have examined the above Balance Sheet as at December 31st, 1931, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank. In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, C.A.,
of Peat, Marwick, Mitchell & Co.

D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

Toronto, January 18th, 1932.



HEAD OFFICE - TORONTO

THE DOMINION BANK

PROCEEDINGS

of the

Sixty-First Annual General Meeting

of the

Shareholders

THE SIXTY-FIRST Annual General Meeting of the Shareholders of The Dominion Bank was held at the Banking House of the Institution, Toronto, on Wednesday, January 27th, 1932, at noon.

Among those present were:

Leighton McCarthy, K.C., W. K. Ross, M.D., (Penetanguishene), W. J. Aitchison (Hamilton), J. A. Williamson, George W. Allan, K.C. (Winnipeg), Charles E. Lee, T. W. Duggan (Brampton), C. A. Bogert, Frank Hunnisett, C. W. Band, George B. Woods, W. K. Pearce, William Kinnear, G. Larratt Smith, K.C., Frank W. Hunnisett, A. E. Dymont, C. S. Blackwell, LL.D., O. D. Bales (Lansing), Mrs. Catherine A. Hetherington, E. H. Baines, J. T. Parker, E. H. P. Blackader, R. S. McLaughlin (Oshawa), J. S. Whicher (Caledonia), W. L. Matthews, C. A. Ross, F. L. Patton (Winnipeg), A. E. Ferrie, Robert Rae, W. A. Holliday (Whitby), R. D. Boughner (Kitchener), Campbell Reaves, H. F. Gooderham, W. E. Glenney (Huntsville), R. Y. Eaton, C. S. Howard, George McDonald, M. S. Bogert (Montreal), W. C. Crowther, J. M. Mackie (Montreal), Walter Wily, A. C. Ashforth, B. B. Manning (London), W. W. Near, A. G. Marr, Percival Huffman, R. L. Defries, F. A. Mulholland, Dudley Dawson, W. J. Fleury, D. G. Hagarty, W. S. Gray, F. H. Wilkes, R. K. Beairsto

(Winnipeg), C. H. Carlisle, W. M. Douglas, Arnold C. Matthews, R. M. Bateman, M.D., James G. Cornell (Scarboro), Norman Evans (Hamilton), W. C. Shier, M.D. (Uxbridge), Robert Smith, C. S. Band, William Ross, W. E. Scott (Orillia), S. R. Parsons, Robert Ross, William Walker, W. A. Medland, H. D. Gamble, K.C., Gordon T. Cassels, J. A. Couch, M.D., H. C. Boomer, James Scott, Joseph Ingleby (Hamilton), W. J. Medland, Evan A. Begg, J. G. Ramsey, E. B. LeRoy, John Scott (Orillia), A. W. Rice (New York), J. W. Gillbard, Fred Armstrong, W. T. H. Selby, A. H. Black, David Henderson, A. E. Gibson (Oakville), F. A. Boulden (Gravenhurst), Lieut.-Col. Baptist L. Johnston, Albert Keeler, T. E. Knowlton, Paul Warde, Allan McPherson (Orillia), R. W. H. Brough.

When the Meeting came to order it was moved by Mr. C. H. Carlisle, seconded by Mr. J. M. Mackie, and resolved that Mr. C. S. Blackwell take the chair and Mr. C. S. Howard act as Secretary of the Meeting.

Chairman—I regret very much that our President, Mr. Austin, is not with us to-day; this is only the third Annual Meeting he has missed in thirty-five years' service as one of your Directors. He is very sorry that he cannot be here, but unfortunately he is temporarily indisposed.

The Chairman then called upon the Secretary of the Meeting to read the notice calling the Meeting. The Minutes of the last Annual General Meeting were taken as read.

Mr. Fred Armstrong—I move that Mr. E. H. Baines and Mr. Walter Wily be appointed Scrutineers.

Mr. J. G. Ramsey—I second the motion. (Motion carried.)

At the request of the Chairman the Secretary of the Meeting read the Report of the Directors to the Shareholders and submitted the Annual Statement for the year 1931 bearing the certificate of the Shareholders' Auditors.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors beg to present the following Statement of the result of the business of the Bank for the year ended 31st December, 1931, and a General Statement of the Assets and Liabilities as of such date. Full provision has been made for all doubtful assets.

Balance of Profit and Loss Account, 31st December, 1930	\$ 444,219.07
The Net Profits for the year ended 31st December, 1931, amounted to.....	1,322,287.30
	<u>\$1,766,506.37</u>

Which amount has been disposed of as follows:

Dividends (quarterly) at Twelve per cent. per annum.....	\$840,000.00	
Contribution to Officers' Pension Fund....	50,000.00	
Dominion and Provincial Government Taxation.....	211,297.15	
Provision for depreciation in Securities....	200,000.00	
		\$1,301,297.15
Balance of Profit and Loss Account carried forward.....		465,209.22
		<u>\$1,766,506.37</u>

A. W. AUSTIN,
President.

C. A. BOGERT,
General Manager.

No new Branches of the Bank were opened. The following offices were closed: Union Station Branch, Toronto, Ont., Thamesville, Ont., Noranda, P.Q., North Broad St., Regina, Sask., Broadway and Blenheim Street, Vancouver, B.C.

The Head Office and all Branches were inspected during the year.

Messrs. A. B. Shepherd, C.A., and D. McK. McClelland, F.C.A., the Shareholders' Auditors, have completed their annual examination of the Bank's affairs and their report is attached to the Balance Sheet. Mr. McClelland's term having expired, you will be asked at this Meeting to appoint another Auditor in his place. The name of Mr. W. D. Glendinning, C.A., of the firm of Riddell, Stead, Graham & Hutchison, will be submitted for your approval.

A. W. AUSTIN, President.

27th January, 1932.

ADDRESS OF MR. A. W. AUSTIN, PRESIDENT

The Chairman read the President's address as follows:

I am sure it is gratifying to the Shareholders that the Bank has so well maintained its earning power and liquid position in spite of the unprecedented conditions of the past twelve months, during which Canadians have undoubtedly proven their adaptability and resource.

The year 1931 was a disappointment to those who had looked for some improvement in business, for, as we all know, trade the world over declined further, commodity prices continued to shrink, and a steady succession of new International problems were added to the old ones, most of which have still to be solved. Doubtless these unfavourable features will gradually lead to a great economic adjustment, the full course of which no wise man will attempt to predict, but I think we can safely say that the main difficulties are more sharply outlined and at last brought home to the individual—people are really trying to assist in their solution, and we may expect further progress during 1932.

It is my usual practice at the Bank's Annual Meeting to refer somewhat more fully to agriculture than to other phases of our people's activities, because it is Canada's key industry and upon its prosperity that of practically all others depends. With about one-half of one per cent. of the world's population, Canada grows ten per cent. of the world's wheat, or twenty times her proportion, and as yet about seventy-five per cent. of our arable prairie land remains untouched by the plough. It is, unfortunately, the fact that our Western Provinces are experiencing a long period of hardship, due to continued low prices for all agricultural products, a short crop last year, and drought throughout a large portion of Saskatchewan and some other districts, making extensive measures of relief necessary. The Western farmers have had much to contend with, and many of them are heavily in debt, but nevertheless they are not discouraged, for they have had plenty of experience in the past of the recuperative power of the land, and now that production costs have from necessity been cut to a very low point, any moderate increase in prices—and there are indications of an upward tendency—combined with normal yields, is sure to bring about a material change for the better. In the meantime, we must

pay warm tribute to the courage and optimism with which these splendid Western people face their present difficulties.

The policy of balanced agriculture is making genuine headway, particularly in Alberta, where a considerable decrease since last year in seeded acreage is attributed to the swing from grain growing to dairying, cattle feeding, poultry-raising and the planting of vegetables; to live "off the farm" is now the aim of the majority, and old-fashioned frugality is practised once again.

Canada's experiment in collective marketing—the Wheat Pools—has proven expensive, like all other attempts at price control. The workings of economic laws cannot be successfully obstructed for long, and it has been amply demonstrated in recent years that buyers will not be coerced and that open marketing is the only sound policy.

An encouraging sign from the standpoint of prices is a reduction in wheat acreage in the United States, Australia and the Argentine, as well as Canada. It may be some time before the excessive world carry-over, which has been such a drag on the market, is again normal, but it will undoubtedly be reduced this year and progress made towards striking a balance between supply and demand.

Municipal and school taxes in the agricultural districts have been better paid on the whole than might be supposed, although there are, naturally, heavy arrears in some sections, particularly in the drought areas, and a lenient policy should be followed toward those who are suffering through no fault of their own.

While it cannot be said that much prosperity is in sight at present, it is certainly the case that business everywhere has addressed itself earnestly to economizing in overhead and operating costs; generally speaking, I think it is true that extravagance has been checked and an upturn in business, when one comes, should restore to the profit-earning class many corporations which are now temporarily feeling the pinch of hard times.

Gold mining is the one conspicuously prosperous industry in Canada, the fall of commodity prices having brought about, of course, lower cost of mine operation, and in addition,

it has benefited greatly through the large premium on New York exchange which has prevailed for some time. The output of gold in 1931 was approximately \$55,000,000., an increase of 25 per cent. over the previous year's production. Interest and maturing principal on external debts are not hard to meet when times are good, but become burdensome when trade is stagnant and tariffs unfavourable; her rich gold mines, therefore, make an important contribution to Canada's economic welfare. Personally, I do not share the fears of some people that universal abandonment of the gold standard will come about, nor—even if it should—that gold will lose its value. The precious metal has been the object of greatest human desire for many centuries and age-old tradition dies hard. To me, over-production of gold is inconceivable, and I strongly urge that Canada push development in this direction to the limit, with the support and encouragement of our Governments.

At some of our past meetings we have drawn attention to the over-expansion of branch Banks, and we are glad to note a reduction of 117 in 1931, which is a move in the right direction, but Canada is still greatly over-banked in this respect, with a branch for every 2,600 people, as compared with one for every 3,500 in Great Britain and one for every 4,800 in the United States. It is gratifying to see that The Canadian Bankers' Association has at last taken active steps to improve this situation—a policy which this Bank has been urging for years past. In our case, we have reported the closing during the past year of offices at five points where there appeared to be no prospect of developing a profitable business. By arrangement made with another Bank it withdrew in our favour at Grenfell, Saskatchewan.

The menace of Bank burglaries and hold-ups continues, although to a lesser extent than in 1930. The authorities have been very alert, and in many cases have been successful in apprehending the criminals, but in others they escaped with their booty. I greatly regret to say that one of our Managers, a trusted and faithful officer, Mr. Park Tucker, was shot and killed in his office at Winnipeg last May while protecting the Bank's property, and his murderers are still at large. There appears to be room for some device for instantaneous communication between Bank offices and the police, but nothing practical has yet been offered.

Exceptional conditions during 1931 were met with exceptional care and attention by our officers and staff, to whom I wish to express our great appreciation.

Chairman—Before I move the adoption of the Report, a few remarks, supplementing what the President has so well said, if not strictly necessary, may still be in order.

The year 1931 was very strenuous for the Directors and Officers of the Banks and everybody else in finance and business in this country, but I do not know that we can consider this entirely a grievance; a corrective for the excesses of 1929 was urgently necessary and, indeed, long overdue. The world was going too fast, people were living beyond their means, in the homes, in our Governments, and everywhere else where money was spent, but they have now been taught a lesson that I trust this generation at least will not forget. As the years go on, however, we must expect both good times and bad—they come regularly. Always during depression we are restless and discontented with the conditions that our own recklessness has created and expect to find prosperity around every corner, but when it has at last returned we seem to forget the period of hardship from which we have emerged and retain in our minds none of the lessons that it should have taught us. The situation is somewhat like that of a hospital patient, whose physical troubles have probably taken years to develop and are partly the result of his own carelessness in the first place, but who nevertheless expects the cure to be immediate. We are about in that position now, but no more than the other patient can we reasonably look for immediate cure; we must exercise patience and be thankful that in this wonderful country we have the ultimate means of cure, though the process may be not as rapid as we wish. We shall have to take our medicine, however.

Money cannot be made without work—that is fundamental—but some people seemed to forget it and attempted to substitute speculation for honest labour, with the inevitable result that many were caught and in some cases lost more than they had hoped to gain. The extravagance of individuals, municipalities and Governments is checked, but the debts incurred in the boom period will have to be paid and this will mean heavier taxation, of which all will have to bear a part. They will be discharged in time, however—there is no question about that.

There is no country in the world more favourably situated than Canada is to-day, for it has the right sort of people and contains every advantage for them. We have in the past perhaps been somewhat inclined to envy the great Republic to the south, but they have their problems too, and I feel very sure that we will be free from ours before they overcome theirs. We have our unemployment difficulty, as every other country has; I felt perturbed about this earlier in the Winter, and wondered how the matter could be dealt with, but it was taken well in hand in the beginning and we are coming through admirably. There is very little discontent, either in the city or the country.

The Balance Sheet that Mr. Bogert will presently discuss with you is one of which we are proud. The acid test has been applied to the banking system of this country, which has withstood it splendidly. Industry has been supplied with the credit to which it was properly entitled, and in this The Dominion Bank has done its full part. In the past our system has been criticized by some of our American friends, who used to say—mistakenly—that money is drawn away from the small places and used for the advancement of industry in the large centres. That is not the case, because local requirements are always supplied first, and it is only the surplus that is brought to Head Office and distributed to other points.

I have said perhaps more than I expected or is necessary, but in the absence of our President, whom we all greatly miss, I desire to say to the Shareholders here to-day that all is well with The Dominion Bank and that the Balance Sheet presented is a true statement in every respect of its affairs.

I now move the adoption of the Report.

ADDRESS BY MR. C. A. BOGERT,
VICE-PRESIDENT AND GENERAL MANAGER

At the last Annual Meeting of our Shareholders hope was expressed that the ensuing twelve months might see some improvement in world affairs and in the general business of this country. Unfortunately, as the President has already pointed out, there has been no improvement and to Canadian financial institutions 1931 was an unusually difficult year in which to successfully carry on their business. In view of this, your Directors and Officials submit the Statement of this Bank with satisfaction.

Quiet business caused a lesser demand for money, at lower rates, and it was not easy to keep our funds continuously, remuneratively and safely employed. This is evidenced by a natural though comparatively moderate decrease in earnings of \$87,460, from \$1,409,747 to \$1,322,287.

The Secretary of the meeting has read to you, in detail, the disposition of the profits, after which an amount of \$465,209 was carried forward in Profit and Loss Account, as compared with \$444,219 brought forward at the beginning of the year.

Notes of the Bank in Circulation were \$6,262,303 as compared with \$6,577,213 the previous year—a small but natural change owing to reduced business activity.

Deposits not bearing interest show little change—\$20,173,278 compared with \$20,793,982 at the end of 1930. Deposits bearing interest were \$85,275,816, a decrease of \$1,362,608. The Bank's deposits were very satisfactorily maintained throughout the major portion of the year—in fact at the end of October the total was \$2,557,586 greater than on the same date in 1930, but during the closing weeks of 1931 an unusual shrinkage took place owing to the very satisfactory response to the Government's appeal for funds through the National Service Loan, in which a great many of our customers participated. The last annual Statements of all Canadian Banks indicate an average decrease in total deposits of 4.30 per cent. The deposits of this Bank decreased slightly less than 2 per cent.

At the end of 1930 Advances under the Finance Act were \$2,000,000, but you will observe that on the 31st December,

1931, we had no loans under this heading—in fact, we availed ourselves very little of the Finance Act privileges during the year 1931.

Letters of Credit Outstanding were \$1,622,126, as compared with \$3,415,169 a year ago, wholly occasioned by the lessening of the import business of the Bank's customers.

The Bank's cash assets total \$21,027,676, or 18.35 per cent. of public liabilities—a strong position. The various items call for no special comment, beyond the fact that the Balances due by Banks and Banking Correspondents elsewhere than in Canada, \$2,122,778, decreased \$1,149,314. Owing to various foreign complications and the violent fluctuations in exchange rates, it was considered advisable to keep these balances at much lower figures than usual.

Immediately Available Assets, \$61,911,381, are 54.03 per cent. of public liabilities, as compared with 53.66 per cent. a year ago—an exceptionally liquid condition.

The Bank's total investments, \$26,353,675, compare with \$21,673,524 the previous year. To maintain earning power, as far as possible, it was necessary to use a considerable volume of surplus funds for the purchase of prime securities. Of our total holdings, \$23,597,191, or approximately 90 per cent., come under the headings of Dominion and Provincial Government Securities and Canadian, Municipal and British, Foreign and Colonial Public Securities. When Great Britain went off the Gold Standard on September 21st last we held no Sterling securities and, therefore, incurred no loss in values through depreciation of the pound. Our total investments in United States securities are \$318,555, an unusually small amount, and have decreased during the year by \$311,500. While it is true that all first-class securities, including Government Bonds, depreciated greatly during the past twelve months, I wish to make it clear to the Shareholders that this Bank's investments have all been entered on the Balance Sheet at market prices as they prevailed on the 31st December last, when our books were closed. The sum of \$200,000 was transferred from the year's surplus profits towards depreciation in securities, for no one can say with certainty what the trend of values will be during the present year, although it seems probable that prices for high-class Bonds will gradually improve.

Call and Short Loans in Canada are \$13,011,678, as compared with \$14,240,782 a year ago, against which standard securities are held with a sufficient marketable value to cover. Call and Short Loans Elsewhere than in Canada have decreased by \$2,334,569 for the reasons already explained regarding foreign balances.

The most important heading in Canadian Bank statements—this year particularly—is that of “Other Current Loans and Discounts in Canada.” Such loans, as you know, are made up of advances to individuals, merchants, wholesale and retail, manufacturers, dealers in the country’s products, farmers, ranchers, and, in fact, all classes of people who require banking accommodation. Many businesses in this country have not operated successfully during the past year or two; I refer to those which were unable to show a moderate margin of profit after providing for losses, depreciation and a reasonable return on invested funds. Many factors contributed to the results mentioned. Apart from a greatly decreased volume of business, and other unusual drawbacks, it is, unfortunately, the case that many persons who would have been much better employed in literally “minding their own business,” have been engaged in recent years in speculative ventures of one kind and another, quite outside their own field, with, in some instances, unfortunate results to themselves and their enterprises. The agricultural situation has been very disappointing. In Western Canada particularly, farmers in some districts have reaped little or no crop for three or four years in succession; notwithstanding this, and other discouraging circumstances, we find that our advances to wholesalers in the Prairie Provinces showed a very satisfactory liquidation in the closing weeks of the year. Our total Current Loans in Canada, \$61,248,986, are \$3,555,536 less than the previous year, which is to be expected.

Other Current Loans and Discounts Elsewhere than in Canada, \$1,643,043, compare with \$1,952,321 a year ago, and are all of a first-class character.

Bank Premises Account totals \$6,031,160, a small decrease from a year ago. Total expenditures during 1931 were unimportant and more than offset by writing down from Branch profits the usual percentage charged for depreciation.

No additional outlays of consequence are at present contemplated for the current year, in view of which, and the fact that during the previous five years approximately \$1,400,000 had been written off the Account from Profit and Loss and from individual branch profits, your Directors did not consider it necessary to make any further appropriation at this time. Under existing conditions it is, of course, very difficult to accurately estimate values of real estate or buildings in any locality, but your Directors feel that the total entered on the Statement is a conservative one.

Non-Current Loans are \$222,809 compared with \$88,828 a year ago.

Real Estate other than Bank Premises, and Mortgages on Real Estate Sold, which represent properties taken over by the Bank as security for debts, total only \$74,741, about one-twentieth of one per cent. of the Bank's total assets.

I agree with the President's comment that only a very rash man would undertake to prophesy the trend of events in 1932. Everybody recalls that commencing two years ago, and until quite recently, financial people all over the world were forecasting early improvement; unfortunately, they nearly all guessed wrong, and we now find more humility in this respect, which in itself is a good sign. You will, therefore, hear no predictions from me to-day, but these are times for plain speaking and I would like to refer to one or two facts of general interest, indeed of grave importance.

The total of all public funded debts in this country is in excess of \$6,000,000,000, owed by

Dominion Government.....	\$2,550,000,000
Canadian National Railways.....	1,133,000,000
Provincial Governments.....	1,090,000,000
Municipalities (estimated).....	1,300,000,000
	<hr/>
	\$6,073,000,000

This total compares with \$4,500,000,000 ten years ago—an increase of about \$1,500,000,000. The Dominion Government during part of the intervening period effected reductions in the net national debt of approximately 11 per cent. from its peak, but this gain was more than wiped out in the past few weeks by the National Service Loan. Do the Canadian people realize that since 1921 the borrowings of the Canadian National Railways have increased about 38 per

cent., of the Provinces over 100 per cent., and of the Municipalities 64 per cent? Do they further realize that in these ten years we have borrowed with our left hand nearly six dollars for every dollar repaid by our right?

Preliminary figures of the new census indicate a total population of approximately 10,360,000, an increase of about 18 per cent. in ten years. This is a slower rate of growth than expected and compares most unfavourably with our rapidly increasing public debts. One-fifth of them, of course, represents Canadian National Railway expenditures, which were made in anticipation of a much greater development than has yet taken place; at present this is Canada's most serious problem. Over-railroaded on borrowed money, are we not, in addition to other extravagances, in danger of becoming over-highwayed, also largely on borrowed money, and is not the competition of hard-surface roads a real threat to the rail systems, already showing steadily decreasing earnings? Apart from this, new and elaborate public buildings of every kind have been built, and other expenditures made, on a scale far in excess of our present needs, if not our wants, and certainly beyond our means. Surely some of these outlays could have been postponed until conditions were more favourable.

Communities are very like individuals, ever ready to borrow when interest rates are low and competing lenders offer money freely; due date then seems a long way off, and sufficient thought is never given to repayment, but the time has undoubtedly come to put an end to extravagance and start upon a programme of retrenchment, which I fear will be long and troublesome. In the meantime we have to provide for enormous national obligations, at home and abroad. The Dominion Government, it is true, secured \$215,000,000 through the National Service Loan, which was a splendid showing, but bear in mind that the greater portion of these funds was withdrawn from our own financial institutions, thereby largely reducing the working capital upon which Canadian business depends and which will be required when trade revives.

It is plain that all public works, except the strictest proven necessities, should stop, and it is the duty of the Canadian Banks to use every means in their power to bring this about.

They should be supported by the Investment Houses, some of which are far too prone to encourage the issue of securities for such purposes. More than 25 per cent. of our debts is payable outside of Canada, chiefly in New York, and high though our credit standing is, that market is closed to us indefinitely. We have to meet this year approximately \$300,000,000 interest and principal maturing in New York. This amount, please note, is more than the total annual war debts instalments owing by European countries to the United States, but Canada is meeting her obligations promptly in spite of the heavy discount on the Canadian dollar, due to various causes—among them:

- (1) The change from a favourable to an unfavourable balance of trade, the result of declining exports and low prices of such items as grain and newsprint;
- (2) The psychological effect of Great Britain's abandonment of the gold standard;
- (3) The shortage of available gold in Canada;
- (4) The tendency of timid foreign holders to sell their Canadian securities.

The high rate of exchange of course raises the cost to our Governments and Municipalities of remittances to meet New York maturities and will correspondingly be felt by the taxpayer. It may also affect later on the cost to the individual of indispensable imports—coal, for instance—but there are compensating good effects, provided the rate does not reach too high a level. It tends to check excessive imports and fosters the use of Canadian goods; it attracts outside capital from those with faith in Canada who foresee the ultimate return to par of our dollar; it encourages tourist traffic to this country and at the same time induces our own people to spend their money at home; it brings a larger return on exports sold in United States funds—for example, newsprint—and in competition with countries whose currency is at par, gives Canada an advantage in outside markets on our most important commodity, grain; it also largely prevents the export of our much-needed capital from Canada for investment abroad.

In the last few months the adverse trade balance has been righting itself, which is an excellent sign, and the exchange rate has already receded somewhat from its maximum.

When the Spring grain movement begins it should logically improve further, but for a long time we will require all the surplus from our foreign trade to help meet interest and redeem foreign-held securities.

It should be our policy for an indefinite period to place public loans at home, cutting our coat according to our cloth.

Wholesale prices, which have fallen so drastically in the last two years, are now below their pre-war levels, and some commodities have set new low records. The downward movement appears to be arrested at present, but it cannot be said with confidence that the bottom has been reached. The fact is clear that prices fell because too much of everything was produced. "Increased business every year," "greater production," and similar slogans, were familiar phrases in our commercial philosophy until recently, and within proper limits they are sound, but apparently the most difficult lesson for mankind to learn under our competitive system is to adjust production to needs, progress at an even pace, and restrain individual greed, which is as old as humanity. To compress too much business into any one period obviously is borrowing from the future and creating lean times, but nobody ever thinks of that when business is good, and it is too late to think of it when business is bad.

The recent International Agreement amongst copper producers is a welcome sign; common-sense, for once at least, has recognized the folly of predatory competition, and it is a pity that others do not follow their example.

The progress so far made in settling world problems seems disappointingly slow, but this applies to all great economic movements and we must exercise patience. A decline in the standard of living of the people of this Continent is predicted in some quarters, but why should that possibility disturb us? Those who recall the standards of thirty, forty or fifty years ago will agree that they were excellent, and that if life was simpler then, it was no less pleasant. In Canada the younger members of our business community are receiving their education in a hard school, but the lessons they are learning will be invaluable in dealing with the many serious problems that will arise during the next few years—I have no doubt that they will prove equal to whatever conditions the future may hold.

Finally—I am quite in accord with the views expressed by many others, that this great country will be one of the first to experience better times.

I beg to second the adoption of the Report.

The Chairman submitted the motion to the Meeting and the Report was adopted.

Mr. Arnold C. Matthews—I beg to move that Mr. A. B. Shepherd, C.A., of Peat, Marwick, Mitchell & Co., and Mr. W. D. Glendinning, C.A., of Riddell, Stead, Graham & Hutchison, be appointed Auditors, to hold office until the next Annual General Meeting, and that their remuneration be fixed at a sum not to exceed \$10,000. Also, that the thanks of the Shareholders be recorded to Mr. D. McK. McClelland, F.C.A., the retiring Auditor, for his efficient services during the past two years.

Mr. E. B. LeRoy—I second the motion. (Motion carried).

Mr. Leighton McCarthy, K.C.—Mr. Chairman, Ladies and Gentlemen: It is now about a quarter of a century since I first became a Shareholder of this sound institution and during that period of years I have never found any reason to regret that I bought the shares. It is, therefore, with much pleasure that I rise to propose a motion of thanks to the President, Vice-President and Directors for their services during the year.

You have a most representative Board—a Board which contains a leader of practically every line of business which is done in Canada—an outstanding Board I would call it, and one which not only the depositors and Shareholders of this Bank respect, but likewise everybody in the community.

You have, Mr. Chairman, presented a statement which is most satisfactory, having regard to the time in which we are living. You have shown prudence and sagacity in your management of the affairs of the Bank. The Bank has withstood the strain and test of these times of deflation and of depreciation of assets in a manner which must be most gratifying to every Shareholder of it, and I have much pleasure in moving that the thanks of this Meeting be given to the President, Vice-President and Directors for their services during the year.

Mr. G. Larratt Smith, K.C.—Mr. Chairman: I would like to support Mr. McCarthy's resolution. I think the Directors are entitled to the thanks of the Shareholders. As a matter of fact, the Directors, apart from their responsibility to the Shareholders, are also the custodians and guardians of the depositors and my interest in the Bank is larger as a depositor than as a Shareholder. I therefore have much pleasure in seconding Mr. McCarthy's resolution. (Motion carried.)

Mr. R. S. McLaughlin—Thank you very much, Ladies and Gentlemen, on behalf of the Directors of the Bank for your very complimentary and pleasant remarks. I think the Board has discharged its duties conscientiously and thoroughly—no Board on which I have the pleasure of serving is more conscientious in its efforts to pass on everything brought before it in an intelligent, careful and thorough manner.

I want to thank the mover and seconder on behalf of my fellow Directors for their very kind words and to assure them that for the coming year, should you honour us by putting us on the Board again, we shall endeavour to carry on as usual.

Mr. George B. Woods—Mr. Chairman, Ladies and Gentlemen: We have heard the very nice things said about the Board of Directors by Mr. McCarthy and Mr. Smith; their remarks are well deserved, but after all I think you will agree with me that a great deal of the success in a Bank or any other financial or commercial institution depends largely on its management, and I consider Sir, that the very satisfactory statement which you have presented to your Shareholders to-day, is strong evidence that this Bank has been well managed. I have, therefore, very much pleasure in moving that the thanks of this Meeting be given to the General Manager and other Officers of the Bank for the efficient performance of their respective duties.

Mr. R. L. Defries—I agree with everything Mr. Woods has said and I have much pleasure in seconding the resolution. (Motion carried).

Mr. C. A. Bogert—I am always glad of this yearly opportunity to express, before the Shareholders, my deep appreciation of the loyal support that I receive from my fellow officials,

and all other members of our staff, who, I can assure you, are working continuously and faithfully in the interests of the Bank and you, its owners.

Obviously the twelve months just closed have been unusually arduous, and our duties more exacting. We trust that the results obtained meet with your approval, and are particularly grateful for the resolution just passed and the kind words of Mr. Woods and Mr. Defries, the mover and seconder.

I shall ask Mr. Huffman, the Manager of our Toronto Main Office, and Mr. Manning, the Manager of our London, Ont. Branch, to join me in replying to the resolution.

Mr. Huffman—Mr. Chairman: I am very happy on behalf of the Officers and Staff of the Bank to thank you for the kind appreciation of the part they have played during the year.

Mr. Manning—Mr. Chairman, Ladies and Gentlemen: The year 1931 had its problems and difficulties the world over. We believe, however, that Canada occupies a favoured position, with much of the credit attributed to her banking system. As members of the banking fraternity at large, and of the staff of The Dominion Bank in particular, we deem it our privilege and duty to maintain, to the best of our ability, the standards which our seniors and predecessors have established.

We sincerely thank you for your expression of appreciation, and might we also add our regret at the absence of our President, who, we trust, will soon be well again.

Chairman—I do not think any Bank in this country or *any other has a more loyal, efficient or faithful body of men and women than The Dominion Bank*—that largely accounts for the satisfactory Balance Sheet presented to you at the end of each year, and I desire to say that the Board of Directors very much appreciate the staff and their loyalty to their duties.

Mr. Campbell Reaves—I beg to move that the poll be now opened for the election of fifteen Directors, and that the same be closed at two o'clock in the afternoon, or so soon before that hour as five minutes shall elapse without any vote being

polled, and that the Scrutineers, on the close of the poll, do hand to the Chairman a certificate of the result of the poll.

Mr. Charles E. Lee—The Dominion Bank has always been known as having a strong Board of Directors and at the present time that is outstandingly the case. It is a great pleasure to me to second the motion. (Motion carried.)

After the ballot was taken the Scrutineers reported the election of the following as Directors: Messrs. A. W. Austin, C. S. Blackwell, LL.D., C. A. Bogert, C. H. Carlisle, R. Y. Eaton, E. W. Hamber, J. M. Mackie, Wilmot L. Matthews, R. S. McLaughlin, W. W. Near, F. Gordon Osler, F. L. Patton, J. Allan Ross, C. O. Stillman and H. H. Williams.

The Meeting then adjourned.

At a subsequent Meeting of the Directors, Mr. Austin was elected President, Mr. Bogert, Vice-President, and Mr. Blackwell, Chairman of the Board, for the ensuing year.

The Annual Statement with copy of the Profit and Loss Account and the Minutes of the Annual Meeting are sent to the Shareholders in accordance with the provisions of Section 53 of the Bank Act.
